

# Regional Direction and Delivery Committee

**Agenda item circulated under separate cover for the:**

**Regional Direction and Delivery Committee meeting to be held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on:**

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**Tuesday, 25 June 2019 commencing at 9.30 am**

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Fiona McTavish  
Chief Executive  
19 June 2019





# Regional Direction and Delivery Committee

## Terms of Reference

The Regional Direction and Delivery Committee has a core function of policy formulation and implementation and monitoring of Regional Council strategy and policy.

### Delegated Function

To set the strategic direction for the Region by formulating policy that clearly identifies Council's role and direction on issues. This will be achieved through the development and approval of Council strategy and policy.

To set the operational direction for approved Regional Council policy and strategy and monitor how it is implemented. This will be achieved through the development of specific operational decisions which translate policy and strategy into action.

### Membership

Chairman and all councillors.

### Quorum

In accordance with Council standing order 10.2, the quorum at a meeting of the committee is not fewer than seven members of the committee.

### Term of the Committee

For the period of the 2016-2019 Triennium unless discharged earlier by the Regional Council.

### Meeting frequency

Six-weekly.

### Specific Responsibilities and Delegated Authority

The Regional Direction and Delivery Committee is delegated the power of authority to:

- Approve and review statutory and non-statutory policy, plans and strategies for:
  - the management of resources in the region;
  - identifying and promoting community aspirations;
  - defining and delivering on Council's roles;
- Approve and review operational policy and plans;
- Develop and review bylaws;
- Receive reporting on consenting, compliance and enforcement;
- Receive reporting from state of the environment monitoring;

- Receive any annual reporting of organisational programmes;
- Enter into contracts on matters within its Terms of Reference to a maximum value of \$700,000 (excluding GST) for any one contract, subject to and within the allocation of funds set aside for that purpose in the Long Term Plan or Annual Plan or as otherwise specifically approved by Council;
- Approve submissions on matters relating to the Regional Direction and Delivery Committee's areas of responsibility that are not delegated to staff;
- Establish subcommittees and hearing committees and delegate to them any authorities that have been delegated by Council to the Regional Direction and Delivery Committee, including those under section 34 of the Resource Management Act 1991, and to appoint members (not limited to members of the Regional Direction and Delivery Committee);
- Delegate to hearings commissioners under section 34A of the Resource Management Act 1991 to exercise the powers, functions duties in relation to any authorities that have been delegated by Council to the Regional Direction and Delivery Committee;
- Establish working groups to provide advice to the Regional Direction and Delivery Committee on its areas of responsibility.

Note:

- The Regional Direction and Delivery Committee reports directly to the Regional Council.
- The Regional Direction and Delivery Committee is not delegated the power of authority to:
  - Approve the Regional Policy Statement and bylaws;
  - Review and adopt the Long Term Plan and Annual Plan;
  - Develop and review funding, financial, audit and risk policy and frameworks;
  - Approve Council submissions on Maori related matters except where submissions may have a wide impact on Council's activities;
  - Develop, approve or review non statutory policy for the Rotorua Te Arawa Lakes.

## Public Forum

1. A period of up to 15 minutes may be set aside near the beginning of the meeting to enable members of the public to make statements about any matter on the agenda of that meeting which is open to the public, but excluding any matter on which comment could prejudice any specified statutory process the council is required to follow.
2. The time allowed for each speaker will normally be up to 5 minutes but will be up to the discretion of the chair. A maximum of 3 public participants will be allowed per meeting.
3. No statements by public participants to the Council shall be allowed unless a written, electronic or oral application has been received by the Chief Executive (Governance Team) by 12.00 noon of the working day prior to the meeting and the Chair's approval has subsequently been obtained. The application shall include the following:
  - name of participant;
  - organisation represented (if any);
  - meeting at which they wish to participate; and matter on the agenda to be addressed.
4. Members of the meeting may put questions to any public participants, relevant to the matter being raised through the chair. Any questions must be asked and answered within the time period given to a public participant. The chair shall determine the number of questions.



## **Agenda Item circulated under separate cover**

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### **Report**

**Agenda Item 10.4 of main agenda:**

**Options for making a declaration on climate change and the potential establishment of a climate change fund**

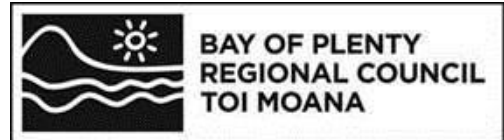
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# Reports





**Report To:** Regional Direction and Delivery Committee

**Meeting Date:** 25 June 2019

**Report From:** Stephen Lamb, Environmental Strategy Manager

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## **Options for making a declaration on climate change and the potential establishment of a climate change fund**

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### **Executive Summary**

This report outlines the options for Council to make a declaration around climate change, noting the possible advantages and disadvantages, and recommends a simple statement around declaring a climate emergency would be appropriate, should the Committee choose to provide a recommendation to Council to make declaration.

The report also outlines considerations around the establishment of a specific climate change fund and recommends this is further explored and developed through the Long Term Plan 2021-2031 process.

### **Recommendations**

**That the Regional Direction and Delivery Committee:**

- 1 Receives the report, *Options for making a declaration on climate change and the potential establishment of a climate change fund*;**
- 2 Notes that Council has identified climate change as a key strategic issue and is already taking action on climate change in terms of both mitigation and adaptation, including through the draft Climate Change Action Plan;**
- 3 Considers the declaration of a climate emergency for recommendation to Council;**
- 4 Requests that work is initiated on the establishment of a Climate Change Fund.**

### **1 Purpose of Report**

As directed by Council at the 13 June Council meeting, this report outlines the options for Council to make a declaration around climate change, including the possible advantages and disadvantages, and to consider the establishment of a specific climate change fund.

## **2 Climate Change Declaration**

### **2.1 Background**

Climate change is a key strategic issue for Council and is recognised as a significant and urgent international, national and local challenge. The Council has committed to taking action as a signatory (through the Chair) to the Local Government Leaders Climate Change Declaration. As highlighted in previous reports to Council, we already undertake a significant amount of work in relation to climate change across Council, which is captured in our 'climate change stocktake'. We are also progressing our Climate Change Action Plan<sup>1</sup> which proposes an organisational mitigation target to be carbon neutral by 2050. This action plan represents a first step in outlining deliberate climate change actions that we will take and pathways for further exploration to identify future actions.

The scientific consensus on human-caused climate change is widely agreed. Evidence is widespread and we are already seeing effects of climate change within our region, including sea level rise and flooding impacts. There is general agreement that these impacts are expected to get more serious over time, with international research and reports shifting primarily towards better understanding the pace and patterns of change and impacts. IPCC is the global authority on climate change and produces a wide range of regular reports. In their recent Special Report on Global Warming (2018), IPCC highlighted the need for urgent action within the next 12 years to limit global temperature rise within 1.5 degrees above pre-industrial levels. It is the sense of this urgency that underlies the term 'climate emergency'.

Climate change impacts will also interact with, and potentially exacerbate, the effects of other changes such as population growth, land use change, changes to food and energy security, and rising inequality. This increases the complexity of the challenge. We must do more to mitigate and prepare for significant environmental change and start transitioning to a low carbon society that is well adapted to living in a changing climate.

### **2.2 Climate Emergency Declarations**

The movement to declare a climate emergency<sup>2</sup> has been gaining momentum since it was launched in Australia in May 2016, with 611 jurisdictions across 13 countries having declared a climate emergency to date. This includes the UK, Irish and Welsh parliaments alongside councils from around the world, including those of Australia, Canada, France, Germany, Italy, Spain, the UK and the USA. In New Zealand, the councils of Auckland, Canterbury, Christchurch, Kāpiti Coast and Nelson have declared a climate emergency.

These declarations do not carry any statutory or legal weight: as noted by Auckland Council and Environment Canterbury, climate change does not satisfy the definition of an "emergency" under the Civil Defence and Emergency Management Act 2002. The framework and supporting actions underlying the declarations vary across jurisdiction. However, a common main intent is to signal to the community that local and national governments recognise the importance and urgency of addressing climate change.

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<sup>1</sup> Provided as a separate agenda item for this meeting. There is also an associated agenda item on the Climate Change Response (Zero Carbon) Amendment Bill Submission

<sup>2</sup> <https://climateemergencydeclaration.org/>

Other common themes across the declarations identified by Christchurch City Council include:

- i. A commitment to be carbon neutral as quickly as possible
- ii. Dedication to democracy and the need for a just and equitable transition
- iii. A willingness to share solutions and to join global movements that encourage climate action

Climate declarations have not yet been made by other local authorities within the Bay of Plenty, but it is an issue under discussion. Staff will provide a verbal update to the meeting on any developments in the other councils.

## **2.3 Options for a Climate Change Declaration**

### **2.3.1 Wording of a Climate Change Declaration**

The climate change declaration movement is a ‘call to declare a climate emergency’ and this is the commonly used wording that has been used by local authorities and governments around the world. There has been some criticism in the media around the use of the term ‘emergency’ and its connotations, particularly in terms of how it relates to urgent action. Reservations have also been expressed within Council around declaring an ‘emergency’ and what this really means. As noted above, the declaration would not carry any statutory or legal weight. However, given the increasing familiarity of this terminology and the need for a clear message, staff recommend that, should Council choose to make a climate change declaration, it should use wording consistent with the global movement. The key issue is to ensure that the declaration is backed up by concrete action on climate change by Council.

There is no standard text for making a climate change declaration. The New Zealand councils have taken slightly different approaches to the wording of their declarations: Nelson and Kapiti Coast Councils used a single statement “*declares a climate [or climate change] emergency*”, with Nelson Council including an additional recommendation:

*“Requests the Chief Executive to develop a programme of Council actions that will support the aforementioned declaration and that this be included in the Council Annual Plan Deliberations report”*

Auckland, Christchurch and ECAN provided more in depth declarations, for example (ECAN):

*The Council affirms the following statement:*

*“Environment Canterbury recognises the importance of and urgent need to address climate change for the benefit of current and future generations.*

- *The science is irrefutable — climate change is already impacting ecosystems and communities around the world, with increasingly frequent and severe storms, floods and droughts; melting polar ice sheets; sea level rise and coastal inundation and erosion; and impacts on biodiversity including species loss and extinction.*
- *The IPCC’s Special Report in October 2018 stated that we have twelve years to turn greenhouse gas emissions around to limit global warming to the Paris*

*Agreement target of 1.5-degrees, or face an uncertain future. This requires 'rapid and far-reaching transitions in energy, land, urban and infrastructure (including transport and buildings), and industrial systems.*

- *Everyone has a role to play in delivering the change required.*

*As such, Environment Canterbury declares a climate emergency and commits to continue to:*

- *robustly and visibly incorporate climate change considerations into Council work programmes and decisions*
- *provide strong local government leadership in the face of climate change, including working with regional partners to ensure a collaborative response*
- *advocate strongly for greater Central Government leadership and action on climate change*
- *increase the visibility of our climate change work*
- *lead by example in monitoring and reducing Council's greenhouse gas emissions."*

Given that the main purpose of the declaration is to demonstrate that Council recognises the importance and urgency of addressing climate change. Should the Committee decide to recommend that Council makes a climate change declaration, staff recommend a simple statement which contains a signal for action:

*The Bay of Plenty Regional Council declares a climate emergency and will work with the community on transitioning to a low carbon future and adapting to our changed climate.*

### **3 Analysis of Options**

Three options are presented for Council to consider for declaring a climate emergency (Table 1).

**Table 1 Options for the declaration of a climate emergency**

	<b>Option 1: Adopt a declaration of a climate emergency</b>	<b>Option 2: Defer consideration of a declaration of a climate emergency</b>	<b>Option 3: Not adopt a declaration of a climate emergency</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Raises awareness and provides a clear signal that Council recognises the importance and urgency of addressing climate change</li> <li>• Demonstrates strong leadership and provides a greater focus on climate change actions</li> <li>• A declaration would be supported by many in the community (as illustrated through Annual Plan submissions)</li> </ul>	<ul style="list-style-type: none"> <li>• Council has more time to consider its approach</li> </ul>	<ul style="list-style-type: none"> <li>• Some members of the community (e.g. those who consider that responding to climate change is not a local government responsibility) will be supportive of this option</li> </ul>
<b>Risks and Disadvantages</b>	<ul style="list-style-type: none"> <li>• A lack of clarity around what the declaration means in practice</li> <li>• May be perceived as a token response: a declaration needs to be supported by concrete action and there will be greater scrutiny of Council's work in this area</li> <li>• A declaration may not be supported by all members of the community</li> </ul>	<ul style="list-style-type: none"> <li>• Does not respond to the desire for urgent action expressed through Annual Plan submissions and by other parts of the community</li> </ul>	<ul style="list-style-type: none"> <li>• May result in a reputational risk and criticism from the community by not acknowledging the urgency of acting on climate change</li> <li>• Lack of alignment with some other local governments in NZ and globally</li> </ul>

If Council decides to proceed with option one and make a climate change declaration, an appropriate communications strategy will be important. This should highlight the range of expertise and work already underway within Council on climate change, as well emphasising the new and deliberate actions that we are now focusing on, in support of the declaration.

## 4 Climate Change Fund

### 4.1 Background

The impacts of climate change are and will continue to be costly. Across New Zealand<sup>3</sup>:

- The economic impact of major floods and droughts is increasing.
- Large investments will be required to redesign, reposition, and futureproof infrastructure (e.g. transport networks, water services).
- Climate related events will impose growing financial burdens on citizens, businesses and public authorities.
- The annual cost of repairing land transport networks damaged in weather related events has more than quadrupled over the past decade.
- An estimated 44,000 NZ homes (133,000 people) are within 1.5 metres of the current average spring high tide. Buildings affected have a replacement cost of \$20bn plus.
- Sea level rise of up to three metres would affect over 280,000 people, and damage buildings with a replacement cost of \$50bn plus.
- Public infrastructure, including transport networks, energy systems and water services, will also be significantly affected (e.g. coastal roads, waste water treatment plants).
- Some communities will lack the capacity (in terms of their rating base and borrowing limits) to fund the large scale relocation of affected assets and communities.

The question of how to fund action related to climate change, both mitigation and adaptation, is being debated at a local, national and international level.

Local Government New Zealand (LGNZ) estimates that \$1 spent on risk reduction saves at least \$3 in future disaster costs by avoiding losses and disruption<sup>4</sup>; there are benefits to *pre-event risk reduction over post-disaster recovery*. NIWA are currently completing a National Risk Assessment as outlined in the Climate Change Response (Zero Carbon) Amendment Bill. This is likely to be published in July 2019 and will assist in understanding the priority of mitigation/adaptation focus areas. This work will include supplementary datasets and updated Bay of Plenty coastal inundation maps.

In the recent Budget, Central Government announced a range of initiatives related to assisting landowners to address the challenge of climate change and supporting the transition to a sustainable and low emission economy. The detail of these new initiatives is not yet available. Central Government is still to clearly articulate its role in funding expected costs of climate change adaption, such as managed retreat and major infrastructure investments, which may be beyond the ability of local government to fund in a timely manner.

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<sup>3</sup> Boston and Lawrence (2018). Funding Climate Change adaption. The case for a new policy framework.

<sup>4</sup> Deloitte Access Economics, (2013).



In relation to council owned infrastructure, a recent LGNZ report<sup>5</sup> outlines the scale of the cost of just replacing council infrastructure under various sea level rise scenarios. For example the total replacement value of all exposed infrastructure (three waters, roading, buildings/facilities, green space and landfills) at 1.5 metres of sea level rise is estimated at approximately \$8 billion. Between 1.5 and 3.0 metres, the approximate value of exposed assets almost doubles, to a total estimated value greater than \$13 billion.

There are currently few precedents for a dedicated local authority climate change fund within New Zealand:

- Hawke's Bay Regional Council (HBRC), Napier City Council (NCC) and Hastings District Council (HDC) have developed a 100 year strategy to proactively manage the current and future effects of climate change for the Clifton to Tāngōio coastline. At their meeting on 31 May 2019, the Joint Committee considered options for a 'contributory fund'<sup>6</sup>. Initially this fund is intended for funding the public good component of the physical interventions and for the protection of the territorial local authority and HBRC owned infrastructure behind the interventions. It was proposed that the fund be collected via a new rate, either across all three councils or solely from HBRC.
- Nelson City Council: Following their climate emergency declaration on 16 May, Nelson City Council also committed further funds towards climate change at their meeting in June: on top of the \$100,000 specified in the Council's Annual Plan a further \$30,000 will go towards the establishment of a climate forum and taskforce and \$124,500 towards employing a 'climate champion'. In addition to this, a further \$500,000 is being transferred from the Port Nelson special dividend to be held in reserve for future possible climate change initiatives.
- Bay of Plenty Regional Council: At the Annual Plan workshop on 22 November 2018, Council considered the options for part funding the managed retreat at Awatarariki fanhead, Matatā, as part of Proposed Plan Change 17. At that time, Council considered one-off funding from reserves or debt as being appropriate, rather than amending the third party infrastructure fund. Establishing a specific climate change fund was not considered.

Also to note that Kapiti District Council called upon Central Government to set up a national climate change adaptation fund as part of their climate change emergency declaration. The same recommendation for a nationally-coordinated approach is made by Boston & Lawrence 2018<sup>2</sup>.

There are significant technical, administrative and political challenges involved in funding climate change action. This is due to the scale of the problem, uncertainties and range of actors<sup>7</sup> involved. In general, current planning, regulatory and funding frameworks in New Zealand are not suited to the task and are ad hoc, reactive and poorly integrated. Funds and capability, particularly at a local government level, are also limited to effectively tackle the challenges<sup>2</sup>. These wider challenges should be key considerations when planning a climate change fund in the Bay of Plenty and in

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<sup>5</sup> <https://www.lgnz.co.nz/assets/Uploads/0bb3c3d32a/Planning-for-Sea-Level-Rise-v7-FINAL.pdf>

<sup>6</sup> <https://www.hbcoast.co.nz/assets/Document-Library/Agendas/31-May-2019-Clifton-to-Tangoio-Coastal-Hazards-Strategy-Joint-Committee-Agenda.pdf>

<sup>7</sup> Actors include: international community, central government, local government, infrastructure owners and operators, landowners, industry, insurance companies, etc.

supporting the transition to a low carbon society that is well adapted to living in a changing climate

#### **4.2 Proposed Process for Developing a Climate Change Fund**

There will be a range of considerations for developing a climate change fund. A number of these are listed below. Done well a fund has the potential to be influential in the Bay of Plenty responding to the climate change challenge.

Key considerations include:

1. Should the scope of the fund be adaptation, mitigation or both?
2. What should the objectives and purpose of the fund be, for example, community initiatives, removal of infrastructure, supporting managed retreat?
3. Given the “objectives and purpose”, what scale of fund would be reasonable?
4. What is the life/timeframe of the fund? When will funds be spent? Now or in the future?
5. Should the fund be proactive (anticipating and addressing) or reactive (responding to the effects of events)?
6. What should the criteria be for allocating funds? Will any interventions or parts of the region (e.g. communities that lack capacity in terms of rating base, ability to borrow) be prioritised? Key considerations include which parts of the community are likely to be most affected by climate change, minimising costs on communities and ensuring equitable outcomes, within and across generations. This would assist in identifying the scale of funding required, the appropriate funding mechanisms, e.g. through general rates, targeted rates, and/or other means, and over what timeframe.
7. Who will make allocation decisions?
8. How would it align with other policies, funding and initiatives (e.g. Central Government, other local authorities)? Inconsistencies and poor-alignment with other initiatives could result in inefficient or inequitable outcomes (e.g. placing a greater burden on some parts of society than on others).

These considerations warrant careful thought and discussion, and following some initial thinking, staff consider that the most appropriate course of action is to develop the initiative as a thorough and considered position through the Long Term Plan 2021-2031 (LTP) process. This would see LTP workshops expected to start around June 2020 however work would need to be initiated earlier than this on the building blocks for a climate change fund.

In the interim, Council has the option to ring-fence a specified amount of funds for climate change from available reserves, with the specific use of these funds remaining undetermined for the time being until such time as a fund is established.

## **5 Community Views**

### **5.1 Climate Change Declaration**

The Annual Plan consultation question on climate change provides some insight into community views on climate change and the overwhelming majority of submitters were in favour of Council taking action on climate change. We also received a notable number of submissions around climate change through the LTP 2018-2028 consultation process, where climate change was not specifically consulted on. These submissions emphasised the need for Council to take action on climate change. In addition, one of the recommendations from the students who took part in the Taiohi-Taiao Youth Jam on climate change in May 2019 was to declare a state of climate emergency. Alongside this, schools from around the region have taken part in the school strikes for climate action, calling for governments to take action on climate change.

Taking these community inputs into consideration and the increasing engagement and activity across the region in terms of climate change, staff consider that the community would be generally supportive of Council making a declaration around climate change, provided it was backed up by significant and meaningful action.

### **5.2 Climate Change Fund**

Discussions around the climate change fund are at an early stage. Once there is greater clarity around the purpose and scope of the fund, it would be appropriate to seek community views on the subject. This could be undertaken through the LTP 2021-2031 consultation process.

## **6 Implications for Māori**

Like everyone else, Māori communities will feel the impact of climate change, particularly as landowners and kaitiaki of our natural resources. Impacts of climate change may disproportionately affect Māori in poorer coastal and remote communities. Any climate change interventions (e.g. through an eventual climate change fund) will need to ensure that outcomes are equitable for Māori, as they generally are amongst the most vulnerable and disadvantaged group in our communities.

## **7 Budget Implications**

### **7.1 Current Year Budget**

Analysis around the options for a climate declaration and the potential establishment of a climate change fund is covered under existing budgets.

### **7.2 Future Budget Implications**

The future budget implications are uncertain and are dependent on future decisions around whether to establish a climate change fund and the nature, scope and scale of this fund.

## **8 Community Outcomes**

This item directly contributes to the A Healthy Environment and Safe and Resilient Communities Community Outcomes in the Council's Long Term Plan 2018-2028.

Jane Palmer  
**Senior Planner Climate Change**

**for Environmental Strategy Manager**

**19 June 2019**