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CHANGE
COMMISSION**

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Environment Select Committee
Parliament Buildings, Wellington

19 June 2020

To the Environment Select Committee,

Thank you for the opportunity to comment on the Covid-19 Recovery (Fast-Track Consenting) Bill (the Fast-Track Bill). We are concerned at the timeframe given for submissions on this significant Bill for New Zealand. Given the time pressures the Committee is under, we have kept our response and recommendations concise. We would like to appear before the Committee, should that be possible.

In April this year, the Climate Change Commission (the Commission) developed six principles for a resilient economic recovery (Attachment 1). We noted that our collective actions now can either speed up or stall our progress on climate change —reducing our greenhouse gas emissions and adapting to the effects of climate change.

The Commission wrote to Minister Parker on 19 May in relation to the Fast-Track Bill. We expressed our concerns that the Bill does not go far enough in ensuring that projects consented under the Bill do not jeopardise our ability to respond to climate change (Attachment 2). As you review this Bill, we ask that you consider whether the investments the Bill enables will prepare New Zealand to be a thriving, low emissions and resilient economy. Or, will they lock New Zealand into a high-emissions development pathway or one that increases exposure to the impacts of climate change?

In that light, we have made four key points.

1. The Minister for the Environment should be required to consider the effect of the project on climate change, and the impact of climate change on the project.

Under Section 19 (D) of the Fast-Track Bill, the Minister for the Environment may, but is under no obligation to, consider whether a referred project delivers a public benefit from reducing net GHG emissions (s19 (D) (vii)) or helping to adapt to climate change (s19 (D) (ix)). There is also no requirement for the Minister to consider if there is likely to be a potential increase in net GHG emissions or reduction in the ability to adapt to climate change from the referred project.

To provide an even basis for assessment, we consider that the Minister should be obliged to consider both the potential climate adverse impacts of a project, as well as the benefits to current and future generations.

Therefore, we recommend that section 19 (D) be rewritten to require the Minister to consider both the *change in net GHG emissions and the change in the risk of impacts from climate change* in terms of New Zealand's ability to meet our emission reduction and adaptation goals.

We note that there is a requirement to provide information in the application about whether the project would be affected by the impacts of climate change and natural hazards.

We recommend that information considered by the Minister should also include the impact of the project on efforts to mitigate climate change and adapt to the effects of climate change. The Minister should be required to consider this information. The National Climate Change Risk Assessment would be useful in this regard.

There are a range of options for what this could look like. For example, the Act could require applicants to undertake a:

- a. Quantitative assessment: provide activity evidence and GHG emissions data, to a degree commensurate with the expected net GHG emissions outcome over the lifetime of the project;
- b. Quantitative assessment: provide evidence of the impact of climate change over the lifetime of the project and its contribution to adaptation to the effects of climate change;
- c. Qualitative assessment: provide evidence on how the project gives effect to the Climate Change Response Act (CCRA);
- d. Qualitative assessment: provide evidence on how the project is consistent with the CCRA.

This information could help assess the collective net GHG emissions of projects and their impacts on the Government's adaptation goals, approved under the fast-track consenting process. This could provide useful information and lessons for infrastructure planning and for future recovery processes.

2. *Panels should be required to consider the effect of the project on climate change and the impact of climate change on all projects (listed and referred), using the same criteria as Ministers.*

Decisions made by the panels have potential to significantly enhance or detract from New Zealand's ability to reduce net GHG emissions and adapt to climate change. Many projects that the panels are likely to consider may be long-lived, and as such, could potentially lock-in pathways for net emissions over generations, or could limit current and future generations' choices for adapting to climate change. This could make it more difficult for New Zealand to achieve our net GHG emission reduction target for 2050 and beyond, and our National Adaptation Plans.

Building on our advice above, **we recommend that the requirements on the panels to consider climate change should mirror those placed on the Minister. This requirement to consider climate change should apply to all decisions made by the panels, both those referred by the Minister, and those listed in Schedule 2.**

We note that requiring Ministers and panels to consider the net GHG emission implications of decisions under the Fast-Track Bill would create an asymmetry with the current RMA where projects are not required to consider GHG emission implications. Projects being considered through the Fast-Track consenting process would have a climate change lens applied, while projects consented under the RMA would not (until 31 December 2021). However, the RMA Amendment Bill, currently before the House, should address this asymmetry and provide consistency between the RMA and the Fast-Track Bill.

3. Information on net emissions and climate change impacts should be appropriate for the project.

There will be a range of projects being presented to the Government for consideration as referred projects. We propose that all applications should consider the net GHG emissions implications and the ability to adapt to climate change – both in terms of locking in net emissions increases and risks, but also in terms of the benefits they present. The type and detail of information on net GHG emissions and climate change impacts required to support an application should be appropriate to the project.

We recommend the Government produces guidance to support the assessment of applications under the Fast-Track Bill based on the Commission’s six principles (Attachment 1). This could support judgments made about the nature of information to be provided by project applicants. For example, considering:

- a. What is possible for the project – are there well-established methods and data for estimating net GHG emissions and climate change impacts for projects of its type?
- b. The location of the project being consented and its flexibility to changing climate risk over its lifetime.
- c. What level of information is proportionate to the project – considering the size, scope and budget of the project.
- d. The lifetime of the net GHG emissions outcome – is it a one-off net GHG emissions activity during the build, or will net GHG emissions be sustained through the lifetime of the asset?
- e. The permanence of the emissions footprint – is the decision likely to lock in net GHG emissions or could anticipated changes in technologies or practice be used to reduce the net GHG emissions at a future date?
- f. The permanence of physical structures and how they limit adaptation options and pathways.

4. Reconsider the requirement for panels to consult the Commission on consent applications.

We note that Section 17 (6) (I) of Schedule 6 of the Fast Track Bill requires the panel to invite comments from the Commission on a consent application before it makes its decision. The Commission has two purposes; a) to provide expert advice to the Government on mitigating climate change (including through reducing emissions of greenhouse gases) and adapting to the effects of climate change, and b) to monitor and review the Government’s progress towards its emissions reduction and adaptation goals.

We believe it would be more appropriate that the Commission’s six principles (suitably elaborated) be embedded in the Schedule to the Bill as part of the initial decision to be made by the Minister as to whether a project gets onto the fast-track and for the panels to follow (see Point 2 above). The Commission is not a “vetting” agency for projects, nor is it resourced to do so. Rather it sees the Bill as the place for clear principles to be embedded for the Minister and the panels to consider as part of the decision-making process based on our advice from time to time.

In addition, we believe that if the Commission provided comments on specific projects with climate implications, this could undermine the Commission’s credibility in performing its independent monitoring and review function.

We recommend Schedule 6 Section 17 (6) (I) is deleted.

Thank you again for the opportunity to comment on this important legislation. We wish you all the best with your deliberations.

Yours sincerely,

A handwritten signature in cursive script that reads "Rod Carr".

Rod Carr

Chair, Climate Change Commission
On behalf of the Climate Change Commission

CC: Hon Grant Robertson, Hon Phil Twyford, Hon Megan Woods, Hon David Parker, Hon Nanaia Mahuta, Hon Damien O'Connor, Hon Shane Jones, Hon James Shaw, Hon Eugenie Sage

Attachments (PDF):

1. 7 April 2020 Letter to Minister James Shaw – from Dr Rod Carr – Climate-Commission advice regarding Covid-19 stimulus
2. 19 May 2020 Letter to Minister David Parker – from Dr Rod Carr – Climate Change Commission – Covid-19 Recovery Bill