

1. THE CLIMATE CHANGE RESPONSE BILL

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The purpose of this report is to advise the Council of the proposed Climate Change Response Bill and to determine whether the Council supports the preparation of a Council submission on the Bill.

CLIMATE CHANGE RESPONSE BILL

The Bill provides the necessary framework for setting up systems and processes to keep track of New Zealand greenhouse gas (GHG) emissions, should the Kyoto Protocol come into force. This primarily involves establishing:

1. A national inventory of GHG emissions and removals (by carbon sinks), and
2. A national registry to manage New Zealand's "units" as required under the Kyoto Protocol (one "unit" is equivalent to one tonne of carbon dioxide equivalent GHG)

The three key measures in the Bill include:

1. Powers for the Minister of Finance to manage New Zealand's units and to trade units on the international market;
2. Accurate, transparent and efficient exchange of information among the New Zealand Registry (to be maintained by the Ministry of Economic Development) and other registries (i.e. those of other countries which have ratified the Protocol), and the independent transaction log (a system that keeps track of all international transactions under the Protocol); and
3. Establishment of a national inventory agency to record New Zealand's emissions (this function to be carried out by the Ministry for the Environment), with powers to collect information for this purpose (including entry onto properties and, if accompanied by police with a warrant, into dwellings).

The Bill **does not** set out how New Zealand's GHG targets will be reached, it only provides the means for establishing accounting and management systems. Responsibility for managing units and meeting the requirements of the Protocol will rest solely with the Crown. As it is uncertain when and if the Protocol will come into force the Bill allows for different provisions to come into force at different times.

DISCUSSION

The Bill appears to adequately provide for the setting up of an inventory system and a national Registry. It appears that the main impact on the Council will be the potential for it to be required to collect and supply detailed information on Council activities which generate or sequester greenhouse gases. This might include information on energy emissions (fossil fuels), forestry and major plantings, and on waste emissions e.g. from landfill operations. If the Council fails to provide information, inspectors will be enabled to enter Council land or premises for the purposes of collecting information, and may use any assistance or force that is reasonably necessary. Fines may also be imposed. Such powers are not unusual in legislation of this type.

It could be argued that, regardless of the Protocol, it would be a responsible approach for New Zealand to establish a good inventory system for GHG emissions and carbon sinks. This would enable us to have an accurate idea of which emissions need to be addressed and of progress being made in reductions. This is important if New Zealand is to play its part in reducing the rate of human-induced climate change which will inevitably impact on this city. A Council submission could be made in support of this aspect of the Bill.

The current Government has made an in principle decision to ratify the Kyoto Protocol¹. The proposed schedule was to ratify in August. Despite a possible change in timing, due to elections, it is likely that ratification will go ahead within the next few months. Given that the Bill really only provides the framework for operating under the Protocol, it could be argued that the Council does not need to be involved in preparing submissions on this legislation and that resources are better spent on the Preferred Policy Package on Climate Change, as this more directly affects Council operations and responsibilities.

¹ Department of the Prime Minister and Cabinet/ New Zealand Climate Change Project (2002). "Climate Change – The Government's Preferred Policy Package, April 2002". Page 1.

MATTERS WHICH COULD BE RAISED IN A COUNCIL SUBMISSION

1. In their 2001 assessment of climate change research, the Intergovernmental Panel on Climate Change (IPCC) found that *“There is new and stronger evidence that most of the (global) warming observed over the last 50 years is attributable to human activity.”*² Irrespective of whether the Kyoto Protocol becomes operative, it would be responsible for New Zealand to have a well-organised accounting system for GHG emissions and carbon sinks, as provided for by this Bill. It is only by being aware of, and monitoring, our activities that we can contribute to a reduction in greenhouse gas concentrations. The aspects of the Bill which allow for the setting up of a national inventory of GHG emissions and carbon sinks could be supported in a Council submission.
2. It is important that reporting requirements are reasonable and do not place undue financial, or time, restraints on local authorities. A Council submission could request that LGNZ be fully consulted as to the required reporting requirements of local authorities with regards to providing information on GHG emissions and carbon sinks.

Recommendation:

1. That the information be received.
2. That the Council support the preparation of a submission on the Climate Change Response Bill, which could include the points outlined above and the cost of compliance.
3. That copies of the staff report be forwarded to the Canterbury Employers’ Chamber of Commerce, the Canterbury Manufacturers’ Association and any other interested organisations.

² International Panel on Climate Change (2001). *“Summary for Policymakers – A Report of Working Group I of the Intergovernmental Panel on Climate Change”*. Page 10.