

Submission to the
New Zealand Productivity Commission
Local Government Funding and Financing
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This submission addresses a major anomaly in relation to climate change.

Major recommendation:

There needs to be a much more detailed analysis of the cost to local government for the actions addressing the mitigation of climate change.

Introduction.

The anomaly is clear. Many aspects of the responsibilities and costs of climate change adaptation are distributed throughout the report, with a major section (8) dedicated to it with funding recommendations. Mitigation receives only one three paragraph sub-subsection (part of 4.7, p85) with no funding recommendation, with the exception of forestry, which could be considered a mitigation activity.

Explanation

While this anomaly is not explained, it might arise from the fact that the need for adaption is very evident locally, and that response must accommodate local conditions. Whether it arises from sea level rise and storms threatening coastal housing or extreme floods washing away towns. The need for mitigation, it might be argued, is not so immediately evident locally, and arises from national commitments to international agreements. Therefore the mitigation responsibility lays directly on the central government.

I submit, however, that this interpretation of the motivation to mitigate is very narrow and inadequately describes the local government imperative. This imperative arises more generally from a moral imperative which is widely distributed throughout the country. It is more than central government that feels the responsibility to contribute to the protection of the environment for the benefit of our descendants. This is demonstrated by the fact that already 14 local councils have made a [climate emergency declaration](#), a measure which is principally focused on mitigation, before central government has taken that step. These councils have acted in this way in part because of pressure from their local communities.

The section from p 85 reads as follows

Climate mitigation

New Zealand has committed to transition to a low-emissions economy. The government is currently in the process of enshrining in law an emissions reduction target through the Climate Change Response (Zero Carbon) Amendment Bill. Once passed, the legislation will set a target of reducing carbon dioxide and nitrous oxide emissions to net zero by 2050. It will also set a target for reducing gross emissions of biological methane (from livestock agriculture) to within the range of between 24% and 47% below 2017 levels by 2050.

This represents a significant increase in ambition from previous emissions reduction targets. Transitioning to a low-emissions economy will require significant action across all sectors of the

economy and has significant implications for local authorities. Reducing emissions in the transport sector, for example, will likely require significant investments from regional councils in public transport infrastructure, and investments from many territorial authorities to encourage “mode-shifting” away from cars and to cycling and walking.

Reducing New Zealand’s emissions may also result in major pressure for some communities that are currently reliant on fossil-fuel intensive or extractive industries; for example, communities in Taranaki with large oil-and-gas-processing industries. Councils will also incur some direct costs associated with mitigation, including Emissions Trading Scheme (ETS) costs associated with operating landfills, as well as other costs passed through the ETS. Ruapehu District Council noted in their submission that its ETS costs have quadrupled in the last four years (sub. 85, p. 5); this trend is likely to increase significantly as the carbon price rises

This section just starts to consider the issues that local government needs to address in order to assist their populations to appreciate and to act effectively on reducing their emissions, whether they are urban or rurally based. Certainly, the legislative measures in process through the Zero Carbon Bill provides a significant frame in which to work, but it only deals with a fraction of the factors required to enable people to undertake the transition to the new low emission society and continue productive and satisfying lives.

Conclusion:

The Productivity Commission must therefore study in much greater depth the activities of local government in mitigation initiatives, and assess what additional funding is required to enable them to effectively address the substantial societal, infrastructure and economic changes required to address the mitigation challenges.

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