

Submission of the Wellington Regional Council
on
Climate Change: Domestic Policy Options Statement

1. Introduction

Thank you for the opportunity to comment on the document, “Climate change: Domestic Policy Options Statement”. The Wellington Regional Council has always welcomed the opportunity to provide meaningful comments on the issues of climate change, but have been frustrated by the apparent lack of progress with the development and implementation of national policy on this matter. A delay in setting policy direction has set back the process that will control the emission of greenhouse gases.

The Wellington Regional Council is encouraged by the current policy development and urges the Government to proceed with its decision making and policy implementation at the earliest convenience. It is actions and not words that will produce real results in slowing the rate of climate change.

2. Support for Option 2 “Carbon charge with pilot trading”

The Wellington Regional Council supports *Option 2* on the basis that it sends the strongest signal possible to producers of greenhouse gases.

Although *Option 2* also has the low level carbon charge suggested in *Option 3*, introducing the emissions trading programme strengthens it. In the Council’s view, *Option 2* would fulfil New Zealand’s international climate change obligations at least cost in the long term and substantially enhance New Zealand’s credibility internationally.

While there may be some initial challenges involved in implementing *Option 2* (for example, administration and allocation of “credits”), these challenges would probably be experienced regardless of the policy option selected. It is better that these challenges are faced earlier rather than later and that all polluters participate in the process.

The Wellington Regional Council finds *Options 1* and *3* undesirable. In *Option 1* there is no commitment to prepare as a country for emissions trading or emission limiting actions, while in *Option 3*, a low level carbon tax (for example on petrol) is not likely to be sufficiently high to send a strong enough signal to alter behaviour. In addition, such a policy is nothing short of a passive deterrent that will be seen by the public as just another tax. It will not achieve the wholesale reductions in emissions predicted without other measures such as emissions trading; in fact it may elicit a resentful behaviour that favours those best able to pay for the privilege of polluting

3. Roles and responsibilities must be well defined

The Council asks that the Government clearly define the roles and responsibilities of other agencies and individuals in assisting the Government to reduce greenhouse gas emissions. Well-defined roles and responsibilities will provide the certainty required by stakeholders, such as Regional Councils, to enable them to set policy direction to prepare for the first commitment period (2008-2012) in the knowledge that this policy is backed through strong leadership by Government.

4. The RMA is not an appropriate piece of legislation to address climate change at least cost

The Wellington Regional Council believes that while the RMA can be used to assist in reducing greenhouse gas emissions, it is not appropriate that it be seen as a major contributor. The RMA's principal objective is the promotion of sustainable management, and this will not always result in the least cost solution being chosen. Least cost is not currently a factor in the resource consent application process. The RMA does not consider the whole picture in terms of international agreements (for example, the mechanisms of the Kyoto agreement) and won't consider a response to these at least cost.

It is appropriate that Regional Councils control discharges to the environment in accordance with the RMA. It is not always possible to divide all discharges into greenhouse gases and other gases (for example, vehicle emissions). Control of local air quality may give additional benefits in terms of greenhouse gas emissions. Therefore, control of local air quality must be seen as a *necessary* barrier in the form of regulatory control (refer to the final paragraph of page 77 of the document), and the Government should state this explicitly. Any regulatory control imposed to control local air quality would act as a barrier to the market's ability to respond to a central price-signalling instrument related to greenhouse gases.

Additional responsibility placed on Regional Councils to administer greenhouse gas emissions under the RMA as it currently stands is not appropriate. Further, once emissions trading becomes established, the RMA would be inappropriate to administer this.

5. Lack of co-ordination

The Wellington Regional Council acknowledges the consultation carried out by the Ministry for the Environment in seeking comment on the Domestic Policy Options Statement. However, the council is concerned about an apparent lack of co-ordination of a number of inter-related Government policy initiatives that all impact on climate change. If there has been co-ordination within Government, it is not apparent to the Council.

An example is the recent Vehicle Fleet Emission Control Strategy (VFECS). Carbon dioxide (CO₂) gas emissions from motor vehicles are not covered by this strategy, despite forming part of the same emission as gases that are covered the strategy.

Other pieces of legislation or policy that are related to climate change are the draft Road Reform Bill, Energy Efficiency Bill, and Draft Biodiversity Strategy.

Co-ordination is needed to ensure that issues are dealt with holistically, not in a compartmentalised fashion. The Wellington Regional Council asks that the Government provide an overall policy statement and make it clear how all of the pieces fit together.

6. Further consultation required

The political, social, economic and regulatory implications of the policy options are complicated and far-reaching, and will have impacts on all New Zealanders. There has been little time for consultation on the Domestic Policies Options Statement, and this has precluded the Wellington Regional Council giving this matter the degree of scrutiny it believe is warranted for such a significant policy development.

There is a need in the future to further inform and educate all sectors of New Zealand of the implications of the option chosen. This education is crucial as New Zealand moves toward the first commitment period of the Kyoto Protocol.