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**REPORT 4**  
*(1215/52/IM)*

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## **CLIMATE CHANGE ACTION PLAN - NEXT STEPS**

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### **1. Purpose of Report**

This report outlines and seeks the Committee's agreement to a set of principles to guide the future programme of climate change work for both the organisation and the city. The report outlines the process for initiatives to be considered as part of the 2012-2022 Long Term Plan (LTP).

### **2. Executive Summary**

The Council is increasingly recognised for its climate change response, including recently winning a national environmental award. But, there are opportunities to increase the scale of this work and Wellington communities are in support of further appropriate steps (based on residents' satisfaction surveys and other research). The Wellington 2040 vision for developing a "smart green" city aligns with a strong response to climate change. This Council has an opportunity to lead by example (showing that there is both investment and environmental benefits) and to facilitate a city-wide climate change response. For some activities it will be short-term changes that reduce costs and emissions. Other initiatives will require a longer-term commitment to change the way the Council and the City operate, to not only reduce emissions but to adapt and prepare for change.

The conventional key focus areas for climate response remain as **adaptation** to climate impacts and **mitigation** of greenhouse gas emissions. The Council is about to enter the long-term planning process. To assist Council to prioritise the future programme of work for climate change, officers seek agreement to several key principles to guide the direction of the programme and the types of initiatives that will be developed. These principles are consistent with Council's current climate change plan:

- **business improvement** measures in Council operations (e.g. energy/ fuel savings)
- **building city resilience** to climate impacts
- **leadership in the community** through projects targeted at households and businesses (e.g. promoting green enterprises and innovation)
- **measuring success** to ensure that the value and benefits of projects are clear.

Climate change initiatives progressed as part of the long-term plan should be considered against other Council priorities to compete fairly for funding and resources. Initiatives can involve a range of approaches, such as direct action, contributing expertise, partnerships, or leading community engagement. Council's programme of work will continue to encompass Adaptation, Buildings and Energy, Land Transport, Waste, Council Operations (energy efficiency and Emissions Trading Scheme (ETS)), Forestry, carbon credits and Aviation and Shipping– as well as ongoing work within current projects contained in the *2010 Climate Change Action Plan*.

### **3. Recommendations**

Officers recommend that the Strategy and Policy Committee:

1. *Receive the information.*
2. *Note that progress on climate change includes the delivery of a range of initiatives as part of the 2010 Climate Change Action Plan, as well as progress on related work (e.g., bus network improvements).*
3. *Note that the next steps highlight the importance of the Council leading by example in the way it carries out its business.*
4. *Note that there is economic value in Wellington being identified as a city proactively addressing climate change and providing city resilience.*
5. *Agree to the following principles for climate change to guide the development of initiatives for the Long Tem Plan 2012-22:*
  - *business improvement measures in Council operations (e.g. energy/ fuel savings)*
  - *building city resilience to climate impacts*
  - *leadership in the community through projects targeted at households and businesses (e.g. promoting green enterprises and innovation)*
  - *measuring success to ensure that the value and benefits of projects are clear.*
6. *Note that officers will develop a range of initiatives and programmes guided by climate change principles, with project costs and resource implications as part of the Long Term Plan 2012-22.*
7. *Note that in the 2012-22 Long Term Plan officers will evaluate and prioritise climate change initiatives for business processes that yield value for money returns, against other competing council priorities.*

## 4. Background

### **The big picture**

Climate change will be one of the defining issues of this century, and a key driver of economies globally. No city can credibly claim environmental credentials without a leading and genuine climate change response aimed at increasing resilience – both physically and economically – in the short, medium or long term. Furthermore, responses can provide opportunities to reduce costs as well as emissions.

At times responding to climate change can seem overwhelming. Certainly considering the greenhouse gas emissions of other countries makes the contribution of Wellington city seem insignificant by comparison. However, it is important to recognise that New Zealand and Wellington are identified as ‘clean green’ places to live and visit. There is a considerable international value attached to this for Wellington, and it has a considerable effect on the city’s reputation and consequential economic benefits.

*If we don't understand the importance of the environment, social justice, liveable communities and good transport... education...health system..., we don't get it...fundamentally, creative, intelligent people have a choice of where they live...[our] mission statement needs to be: a country where talent wants to live. ”*

*Sir Paul Callaghan, 2011 New Zealander of the Year (March 2011)*

### **Managing risks from climate impacts**

Developing the future directions for Wellington City should not take place without consideration of the likely impacts of climate change, especially sea level rise. The world’s high emissions pathway will result in significant changes within the next 50-100 years. Temperatures will rise, weather will become less predictable and more extreme, sea level will continue to rise, biodiversity loss will increase – and such affects will lead to impacts on Council infrastructure and the future development of the city. Fundamentally this is a risk management issue, requiring an assessment of the likelihood and consequence of these affects, and targeting responses where the best outcomes are achieved.

### **Where the City makes the most difference is with energy usage**

Energy use and emissions are directly linked, with over 90% of Wellington’s emissions from energy used in transport and buildings. Action to reduce fuel use and diversify the transport fleet will make Wellington more resilient to future rises in oil prices. There are already sound business cases to invest in energy efficiency for fleets and in the residential and business sectors. Co-benefits such as improved health outcomes from retrofitting housing stock with insulation often deliver a more significant outcome than the direct emissions reductions benefits.

## **What has been achieved to date?**

The *2010 Climate Change Action Plan* has achieved a lot, and Wellington communities are in support of further appropriate steps, based on residents' satisfaction surveys and other research. Programmes have been run to make homes warmer, dryer, healthier, and more energy efficient and demand for these programmes has been high. The electric vehicle pilot programme has successfully developed a partnership with Mitsubishi, Meridian Energy, New Zealand Post, The Wellington Company and Z-Energy.

A Council Carbon Management Policy is in place addressing considerations around carbon credits. This policy has been the basis for best practice taken up by other Councils. Council has been successful in placing more than 1200 ha of Council reserve land in the Government's Permanent Forest Sink Initiative (PFSI).

Officers have assessed the likely impacts of sea level rise on the Kilbirnie / Rongotai area, and commenced work in the CBD. Further work in the *2010 Climate Change Action Plan* is underway to investigate response options to sea level rise in the CBD and likely cost implications. The Council was nationally recognised for its climate change work in June 2011 by winning the Government's New Zealand 2011 Green Ribbon Award for "Reducing our Greenhouse Gas Emissions".

## **Emissions Trading Scheme**

The Emissions Trading Scheme (ETS) is in place and operating. The ETS has resulted in marginal cost increases in electricity, gas and fuel sectors for Council operations and the residential and commercial sector. Council will have an obligation to surrender units to the government from 1 January 2013, under the ETS for landfills. Opportunities exist to enhance collaboration with other Councils – and indeed other sectors – including the potential for consolidated purchasing and sale of credits.

## **5. Discussion**

### **Making a significant contribution to being a smart green city**

This section outlines principles to guide the development of a programme of work for climate change and also outlines the process for furthering such a work programme. Climate change cuts across all Council activities, so it will be important within the LTP process for all strategies to appropriately consider climate change opportunities and risks. To achieve the 'smart green' vision will require a step change in the Council's climate change programme. This will involve the Council becoming a leader in the way it carries out its activities and the way it supports and interacts with others.

The ability to demonstrate where value is being added will become a valuable tool in compelling businesses and households in the City to adopt climate change initiatives. Organisations with environmental business models are already leveraging off this value through reduced costs, branding or sales. For the Council it is proposed that priority is given to continued improvement of

business activities, by investing in projects to reduce energy, fuel and water usage and prioritise resource efficiency in procurement decisions.

There is also a need to partner with other groups to share costs and benefits, and to increase activity needed to make a step change. Partnering is not just about the Council providing funds. It is also about sharing expertise, streamlining and simplifying processes and brokering or facilitating outcomes.

### **The principles**

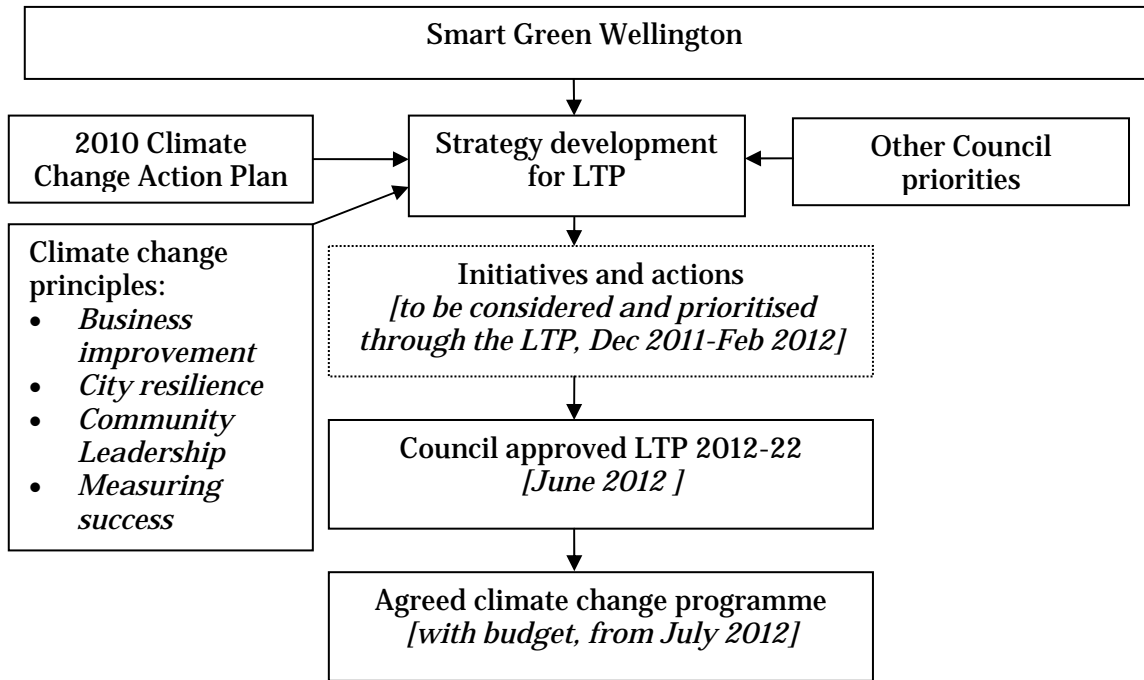
Officers are seeking direction on where climate change work should develop, and propose a set of principles to assist in this. The principles seek to clarify priority areas and how they add value to the Council and the City. Also highlighted is the importance of measuring success – not just to demonstrate value for money but to provide evidence to others that climate change initiatives and green or sustainable business practices are a viable commercial alternative. The principles are:

- **business improvement** measures in Council operations (e.g. energy/ fuel savings)
- **building city resilience** to climate impacts
- **leadership in the community** through projects targeted at households and businesses (e.g. promoting green enterprises and innovation)
- **measuring success** to ensure that the value and benefits of projects are clear.

Table 1 outlines what a programme of work aims to achieve under each principle and the expected benefits and outcomes from investment. When reading the table, note that for some initiatives it will mean working collaboratively across other projects, such as in transport, waste or buildings. With buildings, for example, it will mean working with the team identifying options to address earthquake prone buildings, the District Plan review team, and developers to encourage green developments.

### **Process**

Upon agreeing to the principles officers will develop a range of initiatives (based on these principles) for consideration as part of the LTP. It is important that officers get direction early so that initiatives that are developed for the LTP are relevant, add value and deliver on Council's expectations and priorities. It will then be up to Council to consider the priorities for climate change against other priorities as part of the process for finalising the LTP.



<b>Climate Change Principles of the Long Term Plan</b>					
		<b>Business Improvement</b>	<b>City Resilience</b>	<b>City Leadership</b>	<b>Measuring Success</b>
<b>Work Programmes</b>		<p><b>Council operations</b></p> <ul style="list-style-type: none"> <li>Energy management</li> <li>Fleet and fuel management</li> <li>Water use</li> <li>CCO's</li> <li>Contractors and Procurement</li> <li>ETS</li> </ul> <p><b>Forestry</b></p> <ul style="list-style-type: none"> <li>Council land generates credits</li> </ul> <p><b>Waste*</b></p> <ul style="list-style-type: none"> <li>Landfill gas</li> <li>Organic waste</li> <li>Recycling</li> </ul>	<p><b>Adaptation</b></p> <ul style="list-style-type: none"> <li>Climate risk identification</li> <li>Response option assessment</li> <li>Risk reduction</li> <li>Asset management</li> </ul> <p><b>Land Transport*</b></p> <ul style="list-style-type: none"> <li>Fuel switching: electric and bio-fuels</li> </ul> <p><b>Aviation and Shipping</b></p> <ul style="list-style-type: none"> <li>Energy efficiency and reduction</li> </ul>	<p><b>Buildings and Energy*</b></p> <ul style="list-style-type: none"> <li>Residential</li> <li>Commercial</li> <li>Renewable energy</li> <li>Smart grid</li> </ul> <p><b>Land Transport*</b></p> <ul style="list-style-type: none"> <li>Public transport improvements</li> <li>Active modes and urban planning</li> </ul> <p><b>Forestry</b></p> <ul style="list-style-type: none"> <li>Encouraging forest sinks on private land</li> </ul> <p><b>Adaptation</b></p> <ul style="list-style-type: none"> <li>Community awareness and engagement on solutions</li> </ul>	<p><b>Buildings and energy*</b></p> <ul style="list-style-type: none"> <li>Number of Wellington's homes insulated</li> </ul> <p><b>Land transport*</b></p> <ul style="list-style-type: none"> <li>Number of trips made by public transport</li> <li>Number of trips made by private motor vehicle</li> </ul> <p><b>Waste*</b></p> <ul style="list-style-type: none"> <li>Amount of landfill gas captured as a result of new projects</li> </ul> <p><b>Council operations</b></p> <ul style="list-style-type: none"> <li>Financial savings from energy and fuel reduction</li> </ul>
	<b>Expected Outcomes</b>	<b>Short-term</b>	<ul style="list-style-type: none"> <li>Reduced energy costs</li> <li>Reduced fuel costs</li> <li>Reduced Council emissions</li> <li>Reduced water usage and costs</li> </ul>	<ul style="list-style-type: none"> <li>Sea level rise forecasts built into asset management</li> <li>Increased understanding of response options</li> <li>Detailed studies on Wellington's risk to climate impacts</li> </ul>	<ul style="list-style-type: none"> <li>Partnering on projects to insulate homes and improve energy efficiency</li> <li>Implementation of walking and cycling initiatives</li> </ul>
<b>Medium-term</b>		<ul style="list-style-type: none"> <li>Increased landfill gas capture</li> <li>Reduced fleet costs and fleet size</li> <li>Increased carbon forestry revenue</li> <li>Improved environmental performance of contractors or suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Public awareness of climate change risks and support for action</li> <li>Fuel switching projects for key city and regional services and large corporate fleets</li> </ul>	<ul style="list-style-type: none"> <li>Increased environmental performance of commercial buildings* (retrofit opportunities and new builds)</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrated effectiveness of Council-led projects as well as important city/regional performance indicators</li> </ul>
<b>Long-term</b>		<ul style="list-style-type: none"> <li>Reduced Council landfill liability</li> <li>Minimal environmental impact through contracts or procurement</li> </ul>	<ul style="list-style-type: none"> <li>Development of response strategies and plans, including more detailed costs and funding options</li> </ul>	<ul style="list-style-type: none"> <li>Significant mode switch to walking, cycling and public transport*</li> </ul>	

Table 1: Potential Climate Change Work Programmes and Outcomes

\* Working across Council and externally to implement initiatives

## **Consultation and Engagement**

Previous consultation carried out for the *2011 Carbon Management Policy* and the *2010 Climate Change Action Plan* has been overwhelmingly supportive of Council activity in this area. Indeed, most feedback from the public has sought an even greater level of commitment to climate change work by the Council. Several discussions have been held with the Council's Environmental Reference Group, including welcoming their input into the development of climate change activity through the Long Term Plan. Public consultation on detailed activities will be carried out through the Long Term Plan process.

## **Financial Considerations**

Development of detailed activities for the Long Term Plan will have financial implications. These will be more fully developed through the LTP planning process.

## **Climate Change Impacts and Considerations**

This report outlines Council's next work on responding to climate change and deals with the full range of applicable considerations.

## **Long-Term Council Community Plan Considerations**

This report outlines how climate change is considered and prioritised in the long term plan.

## **6. Conclusion**

Council is part-way through implementing the 2010 Climate Change Action Plan. This report proposes the principles and approach for building upon current work within the LTP in-line with the 'smart-green' city vision. It proposes that changes will be required to Council activities to realise savings and to lead by example, and highlights the importance of a solid evidence base for driving change.

**Contact Officer:** *Chris Cameron, Principal Advisor*



## Supporting Information

### **1) Strategic Fit / Strategic Outcome**

*This report supports Council's overall vision of a smart-green vision.*

### **2) LTCCP/Annual Plan reference and long term financial impact**

*The changes indicated here will have expenditure impacts to be considered in the 2012-22 Long Term Plan process.*

### **3) Treaty of Waitangi considerations**

*None identified.*

### **4) Decision-Making**

*This is not a significant decision. The report sets out a number of principles to guide climate change priorities to be considered in the 2012-22 Long Term Plan.*

### **5) Consultation**

#### **a) General Consultation**

*Prior climate change consultation responses have supported further steps being taken by the Council. External consultation on will occur through the 2012-22 Long Term Plan.*

#### **b) Consultation with Maori**

*Nil*

### **6) Legal Implications**

*No legal implications have been identified during the development of this report.*

### **7) Consistency with existing policy**

*This report is consistent with existing policy, and supports the proposed strategic direction of a smart-green Wellington.*