

Estimates Hearing – Hon Simon Watts

Topic	Key Points
Paris Agreement	<ul style="list-style-type: none"> ➤ The Government continues to meet NZ’s Paris Agreement commitments. ➤ Examples: publication of NZ’s first Biennial Transparency Report in November 2024, and the publication of NZ’s second Nationally Determined Contribution (NDC2).
NDC1	<ul style="list-style-type: none"> ➤ The Government is committed to our climate targets – including NZ’s first Nationally Determined Contribution (NDC1) and will prioritise domestic action to achieve this. ➤ This commitment has been shown by: Climate Strategy, the second emissions reduction plan (ERP2), ETS Auction Settings. ➤ The gap between projected domestic reductions and the NDC has reduced over time: 149mt in 2021 to 84mt in 2024 after the release of the ERP2.
NDC2	<ul style="list-style-type: none"> ➤ NZ has set a 2035 target that strikes a balance in a way that is ambitious and yet realistic and achievable for NZ. ➤ NDC2 Target (period 2031-2035) reduce net emissions by 51-55percent below gross 2005 levels by 2035.
ERP 2 Judicial Review Note: this title was incorrect and should read: ERP 2 and amendments to ERP 1	<ul style="list-style-type: none"> ➤ The Government is committed to net zero and meeting the emissions budgets. The Government and officials have run a careful and detailed process to prepare the second emissions reduction plan, including public consultation. The first emissions reduction plan has also been updated to reflect this Government’s approach and climate strategy. The Government takes its climate commitments seriously and the PM has also prioritised climate change within the nine government targets that have been set for the public service to achieve.
Methane – 2050 target	<ul style="list-style-type: none"> ➤ I am required to review the 2050 target in the Climate Change Response Act this year. ➤ Cabinet has yet to consider this matter, so I will confirm the target later this year.
Agricultural Emissions Pricing	<ul style="list-style-type: none"> ➤ The Government is taking a technology-based approach to reduce agricultural emissions while increasing productivity. ➤ The Government, together with industry, increased funding of AgriZero to accelerate the development and deployment of new innovative tools. ➤ The market is also driving incentives to reduce agricultural emissions– e.g. Fonterra’s announcement with Mars and Nestle. ➤ The Government is committed to keeping agriculture out of the ETS. Last year, we removed ETS obligations for agricultural emissions to reflect this commitment.
Capture, Utilisation, and Storage (CCUS)	<ul style="list-style-type: none"> ➤ The ERP2 outlines CCUS as a key tool to meeting the second and third emissions budgets. ➤ Following public consultation, the Government has made decisions on the key elements of a CCUS framework. Legislation is expected to be introduced this year. ➤ Questions have been raised in the media about the commercial viability of CCUS in the near term. Any CCUS-related risks to emissions budgets will be considered by Cabinet as part of the annual adaptive management approach, as set out in ERP2.
B25: Co-investment in new gas fields Oil and Gas repeal <i>(Content from MBIE and MFAT)</i>	<p><i>Co-investment in new gas fields:</i></p> <ul style="list-style-type: none"> ➤ Co-investment in new gas fields falls under the portfolio of the Minister of Resources. I would refer the member to that Minister for an answer to this question. ➤ <i>Re NZ trade laws/agreements (e.g. with the UK or EU):</i> The Government takes its international legal obligations seriously and is confident we continue to meet our various obligations. <p><u>If there is a supplementary or a question around sharing MFAT advice:</u></p> <ul style="list-style-type: none"> ➤ The Government does not intend to share legal advice provided under legal professional privilege.

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> ➤ This is a sensitive matter and the Government received a range of advice, including legal advice, which it has taken into account in the decision to enter into the co-investment in new gas fields policy. <p><i>How will reversing the ban on offshore explore exploration impact New Zealand’s ability to reach its climate change targets?</i></p> <ul style="list-style-type: none"> ➤ New Zealand is dedicated to a clean energy transition and meeting our emissions targets. This Government has committed to deliver Net Zero by 2050, including by doubling New Zealand’s renewable electricity and removing consenting barriers. ➤ Natural gas is critical to New Zealand’s energy security and is needed as a transition fuel until viable and cost-effective alternatives are in place. As we head towards Net Zero 2050 and seek to double renewable energy generation, without gas we would need to either rely on more coal, which approximately results in twice the amount of CO2 emissions than natural gas, or face energy insecurity and higher prices.
<p>Impact of lower gas production</p>	<p><i>What are the implications for emissions reductions of news about limited gas reserves?</i></p> <ul style="list-style-type: none"> ➤ Data released by the Ministry of Business, Innovation and Employment (MBIE) shows that as of 1 January 2025 natural gas reserves have reduced 27% compared to last year. ➤ Previous forecasts had annual gas production falling below 100 petajoules (PJ) by 2029, but due to revised production forecasts we now expect to reach this level by 2026. ➤ A decline in field reserves will also reduce the emissions associated with that field. ➤ However, there are broader implications that need to be considered. For example, reduced reserves could have potential implications for Methanex’s operations. If Methanex reduced operations or closed, there would be surplus gas for other users in the short term which may change businesses’ decisions on their process heat source. ➤ Officials are in the process of updating emission projections. This is an annual process and results will be available later this year. Updated projections consider the impact of the gas reserves information and any other changes in the economy.
<p>ETS Settings NZU price, and industrial allocation</p>	<ul style="list-style-type: none"> ➤ Credible markets is one of the pillars in the Government’s Climate Strategy. ➤ ETS Settings: Public consultation is now open until 29 June 2025 on the Government’s options for this year’s NZ ETS settings (covering 2026-2030). ➤ Final decisions are to be made by Cabinet soon after. This ensures updates to the regulations can be published no later than 30 September 2025. ➤ The latest ETS auction (18 June) did not clear and had no bids, indicating that the NZU market is currently well supplied. Next auction is scheduled 10 September 2025. ➤ Industrial allocation (IA): The Government is focused on delivering its ERP2 commitment to review the Minister of Climate Change’s ability to review allocative baselines every five to ten years. Investigating changes to IA phase out rates for individual activities is not a priority at this time.
<p>Land Use Class ETS Forestry Restrictions</p>	<ul style="list-style-type: none"> ➤ The Government introduced the Climate Change Response (Emissions Trading Scheme – Forestry Conversions) Amendment Bill on the 6 June to limit whole-farm conversions to exotic forestry registering in the NZ ETS. Restrictions on exotic forestry registering in the ETS will be in place by 31 October 2025, and the first Land Use Class (LUC) 6 annual hectare limit ballot will be held in mid-2026. ➤ The Bill supports National Party manifesto commitments and forms part of ERP2. Introducing legislation on this policy is also action #24 in the Government’s Quarter 2 action plan for 2025.

Estimates Hearing – Hon Simon Watts

Afforestation on Crown Land (AoCL)	<ul style="list-style-type: none"> ➤ The Government has proposed partnering with the private sector to plant trees on Crown-owned land (excluding national parks) that is of low conservation value and low farming value. ➤ A request for information (RFI) process ran from 18 December 2024 to 28 February 2025 to gauge market interest. The Government received 85 responses. ➤ Following from the RFI, agencies are developing advice on the design and settings for Afforestation on Crown Land (AOCL). ^{9(2)(f)} (iv)
Climate Change Response Act Efficiencies	<ul style="list-style-type: none"> ➤ The purpose of the efficiency improvements is to ensure the Climate Change Response Act delivers value in terms of outcomes, at a cost that is proportionate to those outcomes. The overall purpose and the framework of the Act are not part of this review. ➤ ^{9(2)(f)(iv)}
New Zealand Green Investment Finance	<ul style="list-style-type: none"> ➤ As of April 2025, Shareholding Ministers directed New Zealand Green Investment Finance (NZGIF) to stop new investments, to wind down its existing portfolio in a structured and responsible manner, and to develop a plan for Ministers outlining how changes at the company will be implemented. The transition will be carried out in a structured and responsible manner, ensuring that all stakeholders are kept informed.
National Adaptation Framework	<ul style="list-style-type: none"> ➤ The Government is working quickly to put in place the first building blocks for a national adaptation framework. ➤ The national adaptation framework aims to establish an enduring long-term approach to adaptation in New Zealand. It will help communities and businesses to understand the risks they face, and what investment to reduce that risk will happen in their area. ➤ The Ministry for the Environment has an independent reference group to support development of policy advice for the adaptation framework. Its work finished at the end of May 2025, and its report will be publicly released shortly.
Māori Climate Action	<ul style="list-style-type: none"> ➤ A joint work programme between the Crown and the National Iwi Chairs Forum (NICF) is taking action to mitigate climate vulnerabilities after completing more than 1,000 marae risk assessments. ➤ Stage 1 is to identify, scope, and procure community-led climate resilience pilot projects. Stage 2 will be the implementation of set criteria and a funding allocation model to support Māori climate action. ➤ Following Budget 2025 decisions, next year’s Māori Climate Platform funding reduces from \$10 million to \$5 million. Accordingly, there will be approximately \$9.9M available for FY 2025/26.
Climate Finance <i>(Content from MFAT)</i>	<ul style="list-style-type: none"> ➤ Climate Finance and the International Development Cooperation (IDC) fall under the portfolio of the Minister of Foreign Affairs. I would refer the member to the MFA. IF REQUIRED: ➤ Budget 2025 represents an increase of \$100 million per annum to the International Development Cooperation Programme’s baseline funding. ➤ The Pacific remains the highest priority for the IDC programme, with more than 60% allocated to the region. New Zealand remains committed to building Pacific resilience.
Removals Framework	<ul style="list-style-type: none"> ➤ Coalition agreements committed to progressing work to recognise non-forest carbon removals (on-farm sequestration, wetlands etc.). Further advice on the final design of the framework is expected to go to Cabinet ^{9(2)(f)(iv)}
Carbon Neutral Government Programme	<ul style="list-style-type: none"> ➤ I am considering the alignment of the Carbon Neutral Government Programme (CNGP) with the Government’s Climate Strategy. I am receiving advice from the Ministry for the Environment on that point. No decisions have been made about the future of the CNGP. Any significant changes to the CNGP would go through Cabinet.

Estimates Hearing – Hon Simon Watts

Voluntary Carbon Market and Biodiversity Credits	➤ The Government is considering opportunities to grow liquidity investment in the voluntary carbon and nature markets, in line with international best practices to ensure the integrity and robustness of credits.
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Topic	Talking points
Paris Agreement, including NDC1/NDC2	<p>Paris Agreement:</p> <ul style="list-style-type: none"> - Reducing the impacts of climate change on New Zealand and New Zealanders requires reducing global emissions. The Paris Agreement is the best and only way of harnessing global action and cooperation to mitigate the worst impacts of climate change. - New Zealand’s membership of the Paris Agreement also supports the sustainability credentials that underpin New Zealand’s export offerings from tourism, to sustainable food production, to green consumer products. <p>NDC1:</p> <p>The Government is committed to our climate targets, including NDC1.</p> <p>During this term, the Government has delivered action consistent with this commitment, specifically:</p> <ul style="list-style-type: none"> • Delivering the Government Climate Strategy. • Delivering reduced NZU units to the ETS Auction – through the 2024 ETS Auction Settings. • Delivering the second Emissions Reduction Plan (ERP2). • In partnership with industry, the Government increased funding to AgriZero and the NZ Agricultural Greenhouse Gas Research Centre to accelerate the development of tools to reduce agricultural emissions. • Introducing Government Target 9 quarterly reporting to ensure we meet emissions budgets 1 and 2, and to ensure NZ is on track for Net Zero 2050. <p>Consistent with the Government’s market-led approach – NZ businesses are undertaking material levels of decarbonisation.</p> <p>For example:</p> <ul style="list-style-type: none"> • Genesis commitment to materially reduce, and potentially eliminate, coal-fired power at Huntly (by targeting a supply of 300,000 tonnes per annum of torrefied biomass by 2027/28). • Beginning from 1 June 2025, Fonterra, through its supply agreements with Mars and Nestle, has announced new financial incentives for farmers to reduce emissions.

Estimates Hearing – Hon Simon Watts

	<p>Overtime, the gap between our projected domestic emissions and the NDC1 has reduced.</p> <ul style="list-style-type: none"> • In 2021, when the NDC1 commitment was increased, the gap between our domestic emissions and the NDC1 was 149 Mt CO2e. • December 2024 projections in New Zealand’s first Biennial Transparency Report shows that the gap is now 89.2 Mt CO2e. • If you include the impact of ERP2 policies and updated data, the projected gap reduces further to 84.0 Mt CO2e. <p>NDC2:</p> <ul style="list-style-type: none"> • In January 2025, New Zealand submitted its second NDC (NDC2) for the period 2031-2035 to reduce net emissions by 51-55 percent below gross 2005 levels by 2035. • Our 2035 target strikes a balance in a way that is ambitious and yet realistic and achievable for New Zealand. Reducing emissions by 51 percent is in alignment with what is required under the third emissions budget (EB3), and the reductions above that indicate the potential for further emissions reductions over time.
<p>Removals Framework</p>	<p>The Coalition agreements committed to progressing work to recognise non-forest carbon removals. These are activities outside of forest land that remove and store carbon dioxide from the atmosphere, such as small areas (less than one hectare) of on-farm vegetation, and rewetting drained organic soils. A draft framework was published in the non-forest removals chapter of ERP2.</p> <ul style="list-style-type: none"> • Officials have continued to develop the framework as a tool to support optionality for Ministers and project developers when considering the inclusion of new removal activities towards our climate targets and how they might be incentivised. • Officials have also been conducting targeted engagement with key stakeholders and partners to better understand their needs and improve and finalise the draft framework. • Further advice on the final design of the framework is expected to go to Cabinet later this year.
<p>Voluntary Carbon Market/Biodiversity Credit Market</p>	<ul style="list-style-type: none"> • The Government is considering opportunities to grow liquidity investment in the voluntary carbon and nature markets, in line with international best practices to ensure the integrity and robustness of credits. • Voluntary carbon and nature markets present an opportunity to help mobilise finance towards projects that have climate and environmental benefits, while helping businesses and entities to make voluntary claims or to meet voluntary commitments. • The voluntary markets in New Zealand are currently small, fragmented, and unregulated, although since 2022 we have had interim guidance in place. • New Zealand entities frequently buy voluntary credits, but these are mostly sourced from overseas. I have directed officials to consider what barriers are preventing growth of a domestic supply of credits, not just for domestic purchasers but also for international buyers, so that we can help increase the flow of private finance towards achieving our climate and environmental goals, as well as to realise social and economic benefits from these investments.

Estimates Hearing – Hon Simon Watts

<p>Limits on whole-farm conversions in the ETS</p>	<ul style="list-style-type: none"> • The Government introduced the Climate Change Response (Emissions Trading Scheme Forestry Conversions) Amendment Bill to limit whole-farm conversions to exotic forestry registering in the New Zealand Emissions Trading Scheme (ETS) on 6 June 2025. The Bill supports National Party manifesto commitments and forms part of ERP2. Introducing legislation on this policy is also action 24 in the Government’s Quarter 2 action plan for 2025. • The Bill seeks to restrict the registration of exotic ETS forestry on Land Use Capability (LUC) class 1-5 farmland, and limits registration on LUC class 6 to an annual limit of 15,000 hectares. • There will be some exemptions from the land use restrictions. Registration on LUC classes 7 and 8 land will be unrestricted. Native afforestation is also not subject to these new restrictions and limits. • Landowners will be able to register exotic forestry on up to 25 percent of LUC class 1-6 land on an individual farm. Furthermore, people who show evidence of a forestry investment made prior to the LUC restrictions being announced will be exempt. Certain types of Māori land will also be exempt. • Land use restrictions will be in place by 31 October 2025, with the first LUC class 6 hectare limit ballot held in mid-2026. • An initial assessment of the policy’s impact suggested it could limit rates of exotic afforestation to 28,000 hectares per year (15,000 hectares on LUC class 6 and 10,000 hectares on LUC class 7 and 8 land). This compares to the average annual rate of exotic afforestation modelled for ERP2 of about 32,000 hectares (which includes the impact of new ERP2 forestry actions, such as afforestation on Crown-owned land).
<p>Mature native forests may be absorbing more carbon dioxide than previously thought</p>	<ul style="list-style-type: none"> • A NIWA-led study has found New Zealand’s native forests may be absorbing more carbon dioxide (CO₂) from the atmosphere than previously thought. • Results were compared against New Zealand’s Greenhouse Gas (GHG) Inventory. • The study found that the largest differences were detected in the South Island, an area that is especially dominated by mature native forests. • It’s encouraging news but more work needs to be done before any changes can be reflected in New Zealand’s formal emissions reporting. Emissions reporting requires adherence to guidelines developed by the Intergovernmental Panel on Climate Change (IPCC) when calculating GHG Inventory estimates. Current methods used to track forest carbon find these forests overall are in steady state. • What the findings from this study indicate though is that there may be additional carbon uptake somewhere in the system that is not being tracked. This missing sink still needs to be verified, including where the carbon is being stored, so that Inventory methods can be refined to capture it.
<p>Afforestation on Crown-owned land</p>	<ul style="list-style-type: none"> • The Government has proposed partnering with the private sector to plant trees on Crown-owned land (excluding national parks) that is of low conservation value and low farming value. Afforestation on Crown-owned land (AOCL) is a key action in ERP2 and is projected to deliver significant abatement towards Net Zero emissions in 2050.

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> • Modelling done for ERP2 found that AOCL would increase emissions in EB2 by 0.4 Mt (as a result of land clearance and soil disturbance from afforestation) and reduce emissions in EB3 and EB4 by 1.85 Mt and 10.5 Mt respectively. However, as this policy is still being developed, the actual planting that occurs and the resulting net emissions reductions are uncertain. • A Request for Information (RFI) process ran from 18 December 2024 to 28 February 2025 to gauge market interest in the policy. The Government received 85 responses, with a majority (70) expressing interest in planting on Crown land. The responses included a range of proposals for exotic and indigenous planting on Crown land, both inside and outside the ETS. • Following from the RFI, agencies are developing advice on the design and settings for AOCL. The Ministers of Climate Change, Forestry, Conservation, and Land Information will report back to Cabinet this year on the policy settings and conditions under which land would be made available to partners, the process by which land will be offered, the appropriate delivery model, and any legislative changes required to fully realise these opportunities. ^{9(2)(f)(iv)}
<p>Agricultural emissions pricing</p>	<ul style="list-style-type: none"> • The Government is committed to keeping agriculture out of the ETS. Last year, we amended the Climate Change Response Act 2002 to remove ETS obligations for agricultural emissions. • In ERP2, the Government committed to implementing a fair and sustainable pricing system for on-farm emissions by 2030. No detailed policy decisions have been taken on this system. This is in line with the Government’s objective to work with the sector to reduce emissions without sending jobs and production offshore. The Government has an ambitious goal to double the value of New Zealand’s exports by 2034, and the primary sector will be an important part of this. This is also why the Government is taking a technology-led approach to managing agricultural emissions. For agriculture, core to the approach is supporting the development and commercialisation of mitigation tools and technologies, so that we can get tools into the hands of farmers faster. Farmers need options that work within their farm systems and do not undermine profitability. • We have hit milestones in our work on on-farm emissions measurement. In December 2024, the Government released the standardised methodology for calculating on-farm emissions, supporting understanding of actions on-farm and confidence in any associated reporting. ^{9(2)(g)(i)}
<p>Carbon Neutral Government Programme (CNGP)</p>	<p><u>Status of the programme</u></p> <ul style="list-style-type: none"> • I am considering the alignment of the Carbon Neutral Government Programme (CNGP) with the Government’s Climate Strategy, and I am receiving advice from the Ministry for the Environment on that point. No decisions have been made about the future of the CNGP. Any significant changes to the CNGP would go through Cabinet. <p><u>Recent results – [the results below are not yet public but are not sensitive so there is no problem with noting them to the Committee if relevant]</u></p> <ul style="list-style-type: none"> • Agencies in the CNGP emitted 1.38 MtCO₂-e in 2024. Without accounting for air travel, this equates to around 1.75percent of New Zealand’s total industry and household emissions.

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> • The public sector’s emissions have been on a downward trajectory since the CNGP was established in 2020. On average, total emissions have reduced by 20percent (0.34 MtCO2-e) since the start of the CNGP. • The reductions achieved through the CNGP have often resulted in cost savings as a co-benefit. <ul style="list-style-type: none"> ○ Kāinga Ora’s travel optimisation project produced cost savings of \$1.8m in FY24, with additional OPEX savings anticipated in FY25 (\$2.3m) and FY26 (\$6.3m), plus an estimated CAPEX reduction of \$23m. ○ The Ministry of Social Development reported estimated savings of \$2.3 million per annum by reducing travel. ○ The Ministry of Foreign Affairs and Trade used emissions data to support investment in the installation of a solar photo voltaic array at the New Zealand High Commission in the Solomon Islands, which cost \$250,000 and delivers around \$70,000 in annual electricity cost savings. ○ Health New Zealand’s coal boiler replacement programme is projected to save approximately \$0.45m and up to 8,000t CO2-e per year, and its Energy Transition Programme is projected to save \$3.5m and 23,000t CO2-e annually. ○ The Ministry of Justice has received advice that estimates that on average, every \$1 spent on short-term building energy management opportunities could result in over \$6 in savings over the first two years. ○ The Ministry of Education reported estimated costs savings of \$2 million over five years through ongoing electrification of its vehicle fleet.
Environmental Reporting - Climate	<ul style="list-style-type: none"> • As the Government’s lead advisor on the environment and climate, the Ministry for the Environment delivers a range of statutory reports on our natural and built environment. These reports rely on data sourced from multiple providers, which undergoes rigorous assurance processes to ensure it is fit for purpose and is trusted. This foundation of high-quality evidence supports informed action on environmental challenges and opportunities, flowing into policy and operational making that supports initiatives that promote economic growth and infrastructure development, deliver effective resource management outcomes, and help us manage risks including how we adapt to climate change. • While environmental reporting may sound like reports solely about the environment, it is just as much about how people shape the environment and how those changes, in turn, affect our economy, homes, livelihoods, health and quality of life. • This past year, the Ministry for the Environment released four reports which illustrate why the environment matters to people, and to provide critical insights that empower communities, businesses and policymakers to drive meaningful change. These reports have been viewed and downloaded thousands of times, while news stories about ‘Our Environment 2025’ are estimated to have reached more than one million people according to the Ministry’s media monitor, Isentia. • Those reports are: <ul style="list-style-type: none"> ○ ‘Our Air 2024’ (a health check on air quality and its impact on daily life) <ul style="list-style-type: none"> ▪ Released 9 October 2024. ▪ Has received 2,081 page views, and 602 downloads on the Ministry for the Environment’s website.

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> ○ <u>‘Our Environment 2025’</u> and its companion document <i>Our Environment, Our Lives: The stories behind the numbers</i> (an overview of environmental assets and liabilities) <ul style="list-style-type: none"> ▪ Released 8 April 2025. ▪ Main Report: 2,953 page views, and 1,303 downloads on the Ministry for the Environment’s website. ▪ Companion Report: 610 page views, and 335 downloads on the Ministry for the Environment’s website. ○ <u>‘New Zealand’s first Biennial Transparency Report’</u> (a report on New Zealand’s: progress towards our Paris Agreement commitments; policies and measures; current and projected emissions; adaptation actions; and support provided to developing countries over 2021-22) <ul style="list-style-type: none"> ▪ Released 18 December 2024. ▪ 1,116 page views, and 527 downloads on the Ministry for the Environment’s website. ○ <u>‘New Zealand’s Greenhouse Gas Inventory’</u> (annual report of all human-induced emissions and removals of greenhouse gases in New Zealand) <ul style="list-style-type: none"> ▪ Released 15 April 2025. ▪ Main Report: 555 page views, and 419 downloads on the Ministry for the Environment’s website. ▪ Snapshot Report: 570 page views, and 171 downloads on the Ministry for the Environment’s website. ● Recognising the power of data and evidence in shaping decisions, the Ministry for the Environment has prioritised efforts to ensure the right information is available to those making the most critical choices, whether in resource management, infrastructure planning, climate adaptation, or hazard mitigation. With Ministerial agreement, this work has identified key data and system improvements necessary to drive change. Strengthening data accessibility and standardisation, alongside amendments to the Environmental Reporting Act 2015, will ensure that decision-makers can access timely, assured and relevant environmental evidence, supporting smarter investment and policy design for long-term resilience.
<p>NZU Prices & Annual ETS Settings</p>	<p><u>NZU prices and auctions</u></p> <ul style="list-style-type: none"> ● Following a period of sustained price stability during 2024, recent NZU prices declined from around \$65 in January 2025, to a low of \$48 in late May, before recovering to around \$57 on 16 June. Market commentators attribute lower prices to foresters selling units at a time when emitters do not need to buy, and some impact from global political uncertainty. However, this trend may also indicate an excess supply of units in the market and that fundamental repricing is occurring based on this supply. ^{9(2)(f)(iv) and 9(2)(g)(i)} <p>_____</p> <ul style="list-style-type: none"> ● The 18 June 2025 auction did not clear because there were no bids at or above the \$68 auction floor price. ● Market dynamics will continue to be monitored and considered as part of the NZ ETS settings process this year. <p><u>ETS annual settings</u></p>

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> • The NZ ETS settings are reviewed annually. This process includes setting the unit limits (the volume of NZUs to be made available by the Government for auction each year of the period), and the price controls (both an auction price floor, the minimum price at which NZUs can be sold at auction, and the cost containment reserve trigger price, the maximum price NZUs can be sold at auction). • Last year the Government reduced unit limits to achieve its commitment of eliminating the surplus stockpile of NZUs by 2030. Removing the surplus stockpile contributes to the stability of the NZ ETS and enhances the ability of achieving emissions budgets (by supporting the NZ ETS supply of units to decline over time, consistent with meeting the tightening budgets). This direction ensures NZ ETS settings support confidence that net emissions from covered sectors will align with emissions budgets, and that the NZ ETS is managed in line with its role as the main tool to reduce net emissions. • The Climate Change Commission (the Commission) has recently provided advice that the Government must consider when determining NZ ETS settings in 2025. The Commission’s advice suggests that 13.6 million more units could be auctioned over the next five-year period, whilst still achieving the removal of the surplus stockpile by 2030 (owing to a lower surplus estimate than previously anticipated). The Commission has also advised that the auction price floor and cost containment reserve should remain unchanged. It would be inappropriate to comment on the Commission’s recommendations at this time. • Public consultation on the Government’s options for this year’s NZ ETS settings, covering the period 2026-2030, is now open until 29 June 2025, with final decisions to be made by Cabinet soon after. This ensures updates to the regulations can be published no later than 30 September 2025. [<i>Consultation is now live and is running for four to five weeks from 28 May to 29 June 2025,</i> ^{9(2)(f)(iv)}]
<p>ETS Market Governance Changes</p>	<ul style="list-style-type: none"> • Cabinet recently took decisions to establish market governance provisions for the ETS secondary market (NZU market) and these decisions were announced on 27 May 2025. The decisions promote light-touch and low-cost measures that will improve the integrity and efficiency of the ETS and support the ‘credible markets’ pillar of the Government’s Climate Change Strategy. The decisions will be implemented through changes to the law, passed through the Climate Change Amendment Bill (refer below). • Key changes include light-touch requirements for enhanced NZU trade reporting, new market conduct standards that will prohibit price manipulation and misleading conduct, and the introduction of small-scale market monitoring with the Financial Markets Authority, tasked with investigating anything untoward. • In response to stakeholder feedback, the Government decided not to build its own central exchange and clearing house, nor to introduce more onerous regulation. • The Government is also looking at options for the future of the ETS Register, given that it was built some time ago in 2013.
<p>CCRA Amendment Bill & Efficiency Review</p>	<ul style="list-style-type: none"> • I intend to introduce a Climate Change Response Amendment Bill to the House. • The purpose of the Bill will be to improve the credibility and effectiveness of the NZ ETS, to make efficiency improvements to the Climate Change Response Act 2002, and to progress other amendments to the Act that are a Government priority. • The purpose of the efficiency improvements is to ensure the provisions of the Act deliver value in terms of the outcomes they seek, at a cost that is proportionate to those outcomes. The overall purpose and the framework of the Act are not part of this review.

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> • 9(2)(f)(iv) [Redacted] • 9(2)(f)(iv) [Redacted]
<p>Industrial Allocation Reforms and Alternatives</p>	<ul style="list-style-type: none"> • The industrial allocation scheme continues to be the Government’s key tool to protect firms in emissions-intensive and trade-exposed industries from closing or reducing production in New Zealand and shifting overseas because of emissions costs imposed through the NZ ETS. Eligible firms receive NZUs to help them meet some of their emissions costs. In 2023, approximately 5.7 million NZUs were allocated under the scheme, valued around \$315 million at the current NZU price of around \$55/t. • An update to allocative baselines was completed in late 2024. Allocative baselines reflect the emissions intensity of firms’ production and are used to calculate their allocations. The previous allocative baselines were significantly outdated, meaning some firms were receiving much greater allocations than justified. The update means that allocations will more accurately reflect the emissions costs firms have recently faced. Updated data shows that this decision lowers the total volume of industrial allocation by approximately 210,000 NZUs per year based on 2023 production levels remaining constant. • As part of ERP2, the Government has committed to reviewing the ability of the Minister of Climate Change to review allocative baselines every five to ten years. We have heard from some firms that this system of reviews creates a material, chilling effect for future investments and could be preventing worthwhile decarbonisation efforts from proceeding. 9(2)(f)(iv) [Redacted]. • The Government will continue to consider ways to improve the industrial allocation scheme in the longer term, including by working with industry to support the Government’s least-cost approach to emissions reductions. • In mid-2024, I decided to not ask the Climate Change Commission to review industrial allocation phase-down rates. The Government is focused on delivering its commitments in ERP2, including supporting a credible NZ ETS and broader market confidence. Changing industrial allocation phase-out rates is not a priority at this time. 9(2)(g)(i) [Redacted]
<p>NZGIF</p>	<ul style="list-style-type: none"> • On 8 April 2025, the Government announced it would be winding down New Zealand Green Investment Finance (NZGIF). This decision was taken following a review initiated in 2024, and following NZGIF’s indication of its exposure to the SolarZero liquidation.

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> • 9(2)(f)(iv) [Redacted] • As of April 2025, NZGIF has been directed to stop making new investments, to wind down its existing portfolio in a structured and responsible manner, and to develop a plan for Ministers outlining how changes at the company will be implemented.
<p>Carbon Capture, Utilisation and Storage (CCUS)</p>	<ul style="list-style-type: none"> • Following a public consultation on a proposed regulatory regime for Carbon Capture, Utilisation and Storage (CCUS) in July and August 2024, the Government has made decisions on the key elements of a CCUS framework. The framework is designed to enable carbon capture and storage in New Zealand, with relevant legislation expected to be introduced this year. • Under the CCUS framework, businesses that capture and store CO₂ will be rewarded through the ETS, the Government's key tool to reducing net emissions. This will help reduce emissions obligations for New Zealand businesses as we progress towards a low-emissions economy. • The Government's ERP2, which was released at the end of last year, highlighted carbon capture and storage as a key tool to meeting the second and third emissions budgets. There are benefits to the Government providing regulatory certainty as soon as possible to inform investment decisions of prospective CCUS operators. <p><i>[Reactive talking points]</i></p> <ul style="list-style-type: none"> • I am aware that there has recently been media attention on Todd Energy's plans for CCUS, in particular that there remain barriers that make uptake of CCUS along previously indicated timeframes unfeasible. My officials are continuing to engage with Todd Energy and other members of the oil and gas sector on the possible future of CCUS, to ensure that the regime is fit for purpose, so that prospective operators can make informed decisions on the basis of regulatory certainty. • The ERP2 technical annex and Climate Implications of Policy Assessment included scenarios for no uptake, uptake by one operator, and uptake by two or more operators. • Analysis for the ERP2, based on the information from Todd Energy, indicated that some uptake of carbon capture and storage was likely in the next 10 years, including consideration of commercial viability. However, significant uncertainty analysis was also carried out, and officials highlighted that uncertainty existed regardless of whether the 'no uptake' or 'uptake by one operator' scenario was selected for inclusion in the ERP2. • The ERP2 outlines an annual adaptive management approach, to closely monitor progress and risk against the second emissions budget and adjust as necessary to ensure the budget is met. This process allows for course correction as circumstances change. Cabinet is likely to consider progress and risks to the budget using the adaptive management approach toward the end of this year. • <i>[Development of the relevant legislation will be informed by engagement with key stakeholders. This will help ensure that proposed measures are effective and can be implemented.]</i>
<p>2050 target including Methane Review</p>	<p>Safe harbour lines</p> <ul style="list-style-type: none"> • I am required to review the 2050 target in the Climate Change Response Act this year.

Estimates Hearing – Hon Simon Watts

- Cabinet has yet to consider this matter, so I will confirm the target later this year.

Main lines

- The Government wants to achieve our economic and climate goals, and we are on track for our climate targets. Long-lived gases are coming down and net emissions have fallen 2.1 percent since 2022. Methane has fallen by 4.1 percent since 2017.
- The Government is currently reviewing the 2050 climate change target, including the 2050 biogenic methane component of the target (24-47 percent reduction in methane from 2017 levels).
- This review is being informed by advice from the Climate Change Commission, and a report from the Ministerial Advisory Panel appointed to review the latest science on methane and advise what a target would be to ensure no additional warming from New Zealand's biogenic methane.
- The Government is taking time to carefully consider the findings of both reports before making any decisions about the target.
- We appreciate that the agriculture sector in particular wants certainty, and we have committed to confirming the 2050 target this year.
- I will be formally responding to the Climate Change Commission's report by November this year.

Methane Advisory Panel findings

- Reducing New Zealand's biogenic methane emissions by 24 percent from 2017 levels by 2050 would satisfy the goal of achieving no additional warming under all background global temperature scenarios that were modelled by the Methane Review.
- A 14-15 percent reduction in biogenic methane emissions is consistent with stabilising the warming contribution of New Zealand's biogenic methane emissions at 2017 levels under global mid-range (2.0°-2.7°C) and high global temperature increase scenarios (temperature increase well over 2.0°C, and as high as approximately 4.5°C), but not a 1.5°C global scenario.

Climate Change Commission's recommendations

- The Climate Change Commission has recommended a change to the emissions targets:
 - From the current 24 to 47 percent reduction in biogenic methane by 2050 from 2017 levels to 35 to 47 percent.
 - From Net Zero MtCO₂e by 2050 for long-lived gases to net negative 20 percent.
- The 2030 biogenic methane target of 10 percent reduction below 2017 emissions remains unchanged.
- The Commission has recommended this as in its view there have been significant changes since 2019 when the target was first set:
 - Other comparable countries have by now set targets that are more ambitious than New Zealand's.
 - Scientific evidence is showing that global action does not have us on track to limit global warming to 1.5°C.
 - The impacts of global warming are greater, in both severity and scale, than was understood by the global science community when the target was set.
 - The increased risks and impacts of climate change have implications for New Zealand's future. Delaying action transfers costs and risks to future generations.
- The Commission's view is that these changes warrant New Zealand taking more action than the current target provides for.
- We will take time to carefully consider the advice from the Climate Change Commission, alongside the Methane Advisory Panel's review, to confirm a target this year.

Estimates Hearing – Hon Simon Watts

	<p>Emissions numbers</p> <ul style="list-style-type: none"> • ERP2 projections have New Zealand on track to reduce methane emissions by 10.1 percent from 2017 levels by 2030 and 24.9 percent by 2050. • Methane from agricultural emissions was 4.1 percent lower in 2023 than in 2017, according to the recently published New Zealand Greenhouse Gases inventory (1990–2023). • Long-lived gas emissions fell 2.1 percent from 2022 to 2023. • New Zealand’s total gross emissions fell 2 percent and net emissions fell 4 percent from 2022 to 2023.
<p>Parliamentary Commissioner for the Environment’s (PCE) ‘Alt-F Reset’ forestry report</p>	<ul style="list-style-type: none"> • The Parliamentary Commissioner for the Environment’s (PCE) report, which was published on 9 April 2025, makes significant recommendations linked to work that is currently under way across government and the Government’s strategic direction for climate change, forestry, and wood processing. • The key climate-related recommendations relate to the role of forestry offsets in the ETS. The PCE recommends phasing this out and amending the permanent forestry category in the ETS. • These recommendations do not align with the Government’s direction for the ETS, and the broader objective of providing stability and confidence to the market. The Government’s approach to emissions pricing, as outlined in ERP2, is important to support ongoing investments in forestry and other low-emissions reduction activities, as well as cost-effective abatement. • In ERP2, the Government modelled the levels of exotic afforestation needed for New Zealand to meet future emissions budgets and targets. To reach Net Zero in 2050, we would need to plant about 825,000 hectares of new exotic forests between 2025 and 2050.
<p>Progress to meeting targets – Inventory, Target 9, projections, any CIPA of note in last 12 months</p>	<ul style="list-style-type: none"> • The Government is committed to meeting its climate targets and we are on track to meet our first and second emissions budgets. • The ERP2 outlines an annual adaptive management approach, to closely monitor progress and risk. This process allows for course correction as circumstances change, to ensure we remain on track to meet EB2. • The 2025 Greenhouse Gases Inventory shows that New Zealand’s gross and net emissions fell by 2 percent and 4 percent respectively between 2022 and 2023. • Emissions declined across all sectors, with the largest reduction in agriculture, driven by lower livestock numbers and reduced use of limestone fertiliser. • For EB1, 2025 data indicates that 49.6 percent of the allowable emissions for 2022–2025 have been used. As New Zealand is midway through the budget period and ERP2 projections forecast further declines, this suggests we are on track to meet EB1 and Target 9. • Updated projections from December 2024, shows New Zealand is on track to meet its 2050 Net Zero target, supported by new measures in ERP2. We are also projected to meet the EB2, with policies in place positioning well for EB3. • 2023 biogenic methane emissions were 4.1 percent below 2017 levels. Projections show New Zealand is tracking towards meeting its targets of a 10 percent reduction in biogenic methane by 2030 and a 24-47 percent reduction by 2050. • Climate Impact Policy Assessments (CIPA) have been conducted for individual ERP2 policies (e.g., Electrify NZ; carbon capture, utilisation, and storage), and their emissions impacts have been quantified where possible. According to the latest available modelling, new policies included in ERP2 are expected to deliver an additional 3.7 Mt of abatement in EB2. • Considering the impacts of key ERP2 policies, the central projection of net emissions is 303.8 Mt (under the Electrify NZ Adding Up approach) and 303.7 Mt (under the ENZ Integrated approach). Both are within the EB2 limit of 305 Mt.

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> • One notable CIPA in the past 12 months is the amendment to the Crown Minerals Act 1991, which removed the ban on new petroleum exploration onshore in Taranaki. This policy is projected to increase emissions by approximately 14.2 Mt CO₂e by 2035, primarily due to prolonged gas use in the electricity, commercial and industrial sectors. This CIPA analysis was performed before ERP2 policy scenarios. • Other notable CIPAs include amending the Climate Change Response Act 2002 to repeal NZ ETS agricultural obligations, afforestation on Crown-owned land, and enabling carbon capture, utilisation, and storage (CCUS). <ul style="list-style-type: none"> ○ The proposed repeal of agricultural obligations under the NZ ETS is projected to increase emissions by 0.157 Mt CO₂e in EB1, 2 Mt CO₂e in EB2, and 5 Mt CO₂e in EB3, contributing a significant rise in emissions. ○ Afforestation on Crown-owned land is expected to eventually offset emissions, delivering 1.8 Mt CO₂e in removals during EB3, though it will initially increase emissions by 0.4 Mt CO₂e in EB2 due to land clearance. ○ Enabling CCUS is anticipated to mitigate emissions by around 1 Mt CO₂e in EB2, and 0.9 Mt CO₂e in EB3, helping offset some of the increased emissions. ○ All three policies are reflected in ERP2.
<p>Value and impact of our science investment</p>	<ul style="list-style-type: none"> • Science, Innovation and Technology (SIT) is one of the pillars of the Government’s ‘Going for Growth’ programme. SIT system reforms present a significant opportunity to improve the quality of, and access to, information, which can unlock economic growth and foster long-term economic resilience. Better data enables appropriate quantification of risk and smarter decision-making, increasing investor confidence and reducing future costs. • Improving access to science and data is a strategic lever for smarter investment, economic resilience, and climate readiness. Across the economy, people are making high-stakes decisions about where and how to invest. The Ministry for the Environment has a strong interest in SIT system reforms, particularly the form and funding models of the new Public Research Organisations (PROs). PROs will need to deliver much of the research and data that the Ministry relies on to deliver key Government initiatives to facilitate economic growth, such as resource management reform (including setting environmental limits and tracking system performance) and the National Adaptation Framework. • Environment Ministers and officials are engaged at various levels to influence the reforms. Specifically, the Ministry for the Environment is suggesting that funding be prioritised across the SIT system to ensure that PROs are set up to deliver stewardship data and science, and to make it freely available where it has high public benefit or potential to foster innovation. An example is improving access and quality of natural hazard risk and response information as part of the National Adaptation Framework. • The Ministry for the Environment invested \$14.7 million into improving environment and climate information in the year to 30 June 2024, including evidence to support its statutory reporting obligations (\$5.7m, or 39 percent of the total), environmental data systems improvements (\$4.8m, 33 percent), direct policy evidence (\$3.0m, 20 percent), and costs associated with science governance, assurance, and strategic partnerships (\$1.2m, 8 percent). Examples include the Land Use and Carbon Analysis System (LUCAS), and the Maximising Carbon in Mineral Soils research project, which are the cornerstones of New Zealand’s emissions and removals reporting towards our Net Zero objectives. • The Ministry for the Environment's science budget is a small part of New Zealand's overall environment and climate research funding. The Parliamentary Commissioner for the Environment’s most recent estimate of national environmental research expenditure (2018/19) showed that central government and regional councils spent \$427-\$516 million, while the Ministry spent only \$4.1-\$4.6 million, about 1 percent of the total. While the Ministry’s science budget for 2024/25 is \$10 million, this remains a small fraction of

Estimates Hearing – Hon Simon Watts

	<p>the overall national investment. The figure is down 32 percent from the previous year, but this is broadly in line with the Ministry’s reduced overall budget. The Ministry has introduced centralisation controls to improve efficiency and value.</p>
<p>National Adaptation Plan</p>	<ul style="list-style-type: none"> • The Climate Change Commission released its first progress report on the implementation and effectiveness of New Zealand’s first National Adaptation Plan (NAP1) in August 2024. • A key finding of the report is that NAP1 is not driving climate change adaptation at the scale and pace needed. The Commission identified high-priority areas where action is needed to set the foundations for ongoing effective climate adaptation, much of which is covered in work we are progressing at pace on a National Adaptation Framework. This includes recommendations on clarifying roles, responsibilities and processes for planning and decision-making, and providing clarity on sharing adaptation-related costs and climate-related losses. • In our response in January 2025, the Government emphasised its commitment to the adaptation process set out in our laws, confirmed the delivery of adaptation outcomes through the Climate Strategy, and updated the table of actions that we are taking to enable New Zealanders to adapt to the impacts of climate change to reflect the Government’s priorities. This includes 90 active actions (including four new and 17 adjusted), 24 complete, and 19 discontinued. • Adaptation is a process of understanding climate risks, making a plan to address the risks, implementing the plan, monitoring and evaluating the plan’s effectiveness, and adjusting as necessary. Progress is being made against NAP1, and adjustments to the plan are part of best practice adaptation. • The second National Climate Change Risk Assessment (NCCRA2) will be produced by the Climate Change Commission by August 2026. The Government must respond with a second National Adaptation Plan within two years of NCCRA2.
<p>National Adaptation Framework (NAF)</p>	<ul style="list-style-type: none"> • The Government is working as quickly as possible to put in place the first building blocks for a national adaptation framework. • Natural hazard risks exacerbated by climate change (climate risks) generate significant economic and social disruption, damage and costs, with each dollar spent on recovery diverted from growing New Zealand’s economy and prosperity. For example, the Treasury reported that the 2023 Auckland Anniversary Weekend floods and Cyclone Gabrielle caused between \$9 billion and \$14.5 billion in indirect damages, including approximately \$3.8 billion in insured losses. • Insurance is a key part of the way we currently manage climate risk. However, while insurance uptake remains high (84-95 percent), it is getting more expensive or becoming unavailable to some high-risk groups and areas, with premiums climbing 19.5 percent year on year (StatsNZ), with an overall increase of nearly 200 percent since 2015. • The national adaptation framework aims to establish an enduring long-term approach to adaptation in New Zealand, ideally with cross-party support. It will help communities and businesses know what the risks are they face from climate change, and what investment in risk reduction will happen in their area, for example whether the local council will build flood protection infrastructure, and what support will be available to help with recovery from events like slips or floods. • The Ministry for the Environment has an independent reference group to support development of policy advice for the adaptation framework. Its work finished at the end of May 2025, and its report will be publicly released. The group’s members have skills, experience and knowledge of working in sectors that are, or are likely to be, particularly affected by natural hazards and climate change. The members of the group are: <ul style="list-style-type: none"> ○ Matt Whineray (Chair), former Chief Executive Officer of Guardians of New Zealand Superannuation ○ Marama Royal, Chair of Ngāti Whātua Ōrākei Trust ○ Belinda Storey, economist and expert on pricing physical climate risk

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> ○ Malcolm Alexander, Partner at Yule Alexander Limited and former Chief Executive of Local Government New Zealand ○ Jimmy Higgins, Chief Executive Officer of Suncorp New Zealand ○ Aileen Lawrie, Chief Executive of Thames Coromandel District Council ○ Rebekah Cain, Chief Sustainability Officer at BNZ
<p>Māori Climate Platform</p>	<ul style="list-style-type: none"> ● In 2024, it was decided that the Ministry for the Environment would deliver the Māori Climate Platform instead of Oho Mauri Charitable Trust. ● The Māori Climate Platform is being delivered in two stages. The first stage has involved working with Pou Take Āhuarangi to identify, scope and procure climate resilience pilot projects. The pilot projects are intended to test funding criteria and approaches while also delivering on the ground results. The first pilot project (the Mātihetihe water reticulation upgrade) is being delivered, and further pilot projects will be initiated shortly. ● Stage 2 will be the implementation of set criteria and a funding allocation model to support Māori climate action. ● \$30.5 million was originally received for the Platform from the Climate Emergency Response Fund (CERF). This comprised \$19 million non-departmental funding to support community-led Māori climate action, and \$11.5 million of departmental funding for the Ministry and the Platform’s operations. ● \$930,000 of the non-departmental funding has been committed to date, and the Ministry anticipates the total Stage 1 costs to be approximately \$4.8 million from this allocation. The remaining non-departmental funding will go towards Stage 2 delivery. The intention is to expend all remaining funding in 2025/26. ● Following the Budget 2025 decisions, next year’s Māori Climate Platform funding has been reduced from \$10 million to \$5 million. Accordingly, there will be approximately \$9.9 million available for FY 2025/26. ● The primary risk is delays preventing the completion of Stage 2 in 2025/26. This risk is mitigated because the fund is a multiyear appropriation, so funding can be rolled over to the following year.
<p>Climate Change Commission</p>	<p>Board Appointments</p> <ul style="list-style-type: none"> ● Two new Commissioners were appointed in December 2024 (Devon McLean and Felicity Underhill) and a new Chair was appointed in February 2025 (Dame Patsy Reddy). ● The term expiry of one Commissioner is to be considered in 2025 (Deputy Chair, Lisa Tumahai). <p>Funding and financial performance</p> <ul style="list-style-type: none"> ● As a result of Budget 2024 decisions, the Commission’s baseline funding reduced by \$3 million from 2024/25 (as funding for an agricultural emissions pricing advisory function was returned to the centre), and will reduce by a further \$1.208 million per annum from 2025/26. ● The Commission has undertaken an organisational restructure to ensure its statutory work programme can be delivered efficiently and effectively in line with the baseline funding available. ● The Commission was subject to the Budget 2025 savings exercise undertaken across the Climate sector. However, I agreed that the Commission would not be subject to further savings in Budget 2025. ● In 2023/24 the Commission delivered a \$1.822 million deficit, which was favourable to the budgeted deficit of \$2.337 million. ● The Commission is forecasting delivery of a \$0.651 million surplus in 2024/25, which is favourable to the budgeted surplus of \$0.051 million.

Estimates Hearing – Hon Simon Watts

	<ul style="list-style-type: none"> • In 2025/26 the Commission is budgeting for a \$0.021 million surplus. This will be reflected in the Commission’s 2025/26 Statement of Performance Expectations, which will be finalised by 30 June 2025. <p>Risks</p> <ul style="list-style-type: none"> • The Commission advises that it will be challenging to fully absorb cost pressures (e.g., inflationary/wage pressures, requests for additional advice, further legal challenge etc) with a reduced budget. The Commission has also advised that reduced funding could impact on the quality and depth of its advice. • In July 2021 Lawyers for Climate Action New Zealand Inc (LCANZI) filed proceedings to have parts of Ināia tonu nei, the Commission’s first advice to the Government, judicially reviewed. The High Court dismissed the judicial review application in November 2022. However, in early 2023, LCANZI appealed this decision. The Court of Appeal dismissed the appeal in March 2025. However, LCANZI has sought leave to appeal this decision in the Supreme Court.
<p>Performance story</p>	<ul style="list-style-type: none"> • The Ministry published a new Strategic Intentions (SI) statement in February 2025, reflecting its updated strategic framework. • The SI firms up the Ministry’s role and purpose in the system and balances long-term outcomes requiring contributions from all system partners with the strategic priorities and impacts the Ministry is responsible for delivering on. • The Ministry’s next Annual Report (for 2024/25), due in October 2025, will reflect the changes made to the strategic framework and performance reporting against it. • The Ministry is developing fewer but more meaningful and enduring performance measures to track progress and ensure it is transparent and accountable. • Progress towards Ministerial priorities is reported via quarterly Ministerial Dashboards that provide progress updates on all Ministerial priorities, risks and strategic outcomes. • State of the Environment reporting shows New Zealanders where improvements are being made in the built and natural environments and where further work is needed.