



# Cover Briefing: Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Bill

Date submitted: 9 May 2024

Tracking number: BRF-4613

Joint agencies: Ministry for Primary Industries: B24-0312

Security level: CLASSIFICATION

MfE priority: Urgent

Actions sought from Ministers		
Name and position	Action sought	Response by
Hon Todd MCCLAY <b>Minister of Agriculture</b> To Hon Simon WATTS <b>Minister of Climate Change</b>	<b>Agree</b> to provide feedback on the attached draft Cabinet paper and draft Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Bill: Approval for Introduction.	13 May
	<b>Agree</b> to circulate the draft Cabinet paper and draft Climate change Response (Emissions Trading Scheme Agricultural Obligations) Amendment bill to your Ministerial colleagues for consultation for the period from 15 to 21 May.	
	<b>Note</b> that to meet a lodgement date of 23 May which will be required for an announcement at Fieldays we have allowed five days for ministerial consultation from 15 May to 21 May.	
	<b>Note</b> the Bill will be lodged on 23 May and be considered by the LEG committee on 30 May, followed by Cabinet on 4 June.	21 May

**Actions for Minister's office staff**

**Forward** this briefing to:

[Add extra lines or delete as necessary.]

**Return** the signed briefing to the Ministry for the Environment and the Ministry for Primary Industries ([ministerials@mfe.govt.nz](mailto:ministerials@mfe.govt.nz), [ministerials@mpi.govt.nz](mailto:ministerials@mpi.govt.nz)).

**Appendices and attachments**

1. Cabinet Paper: Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment bill: For Approval. Final Cabinet paper provided separately as Document 10
2. Draft Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment bill. Appendix 2 refused under 18(d)
3. Disclosure statement for Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment bill. Appendix 3 refused under 18(d)

**Key contacts at Ministry for the Environment**

<i>Position</i>	<i>Name</i>	<i>Cell phone</i>	<i>First contact</i>
Principal Author	Arthur Ung	9(2)(a)	
Responsible Manager	Cheryl Moir	9(2)(a)	✓
General Manager	Mark Vink	9(2)(a)	

**Key contacts at Ministry for Primary Industries**

<i>Position</i>	<i>Name</i>	<i>Cell phone</i>	<i>First contact</i>
Principal Author	Albert Walker	9(2)(a)	
Responsible Manager	Beth Hampton	9(2)(a)	✓
Director (Acting)	Sophia Murphy	9(2)(a)	

**Minister's comments**

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# Cover Briefing: Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Bill

## Purpose

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1. This briefing seeks your approval to consult with your Ministerial colleagues on the following material to support amending the Climate Change Response Act 2002 (CCRA) to keep agriculture out of the New Zealand Emissions Trading Scheme (NZ ETS):
  - i a draft Cabinet Legislation Committee (LEG) Paper on the proposed Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Bill for Ministerial consultation: Approval for Introduction (see **Appendix 1**).
  - ii a draft of the proposed Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Bill (see **Appendix 2**)

## Background

2. On 2 April 2024, Cabinet agreed to amend the Climate Change Response Act 2002 to repeal all NZ ETS obligations for agricultural activities [CAB-24-MIN-0109.02 refers].
3. The draft Cabinet Legislation Committee (LEG) cabinet paper (**Appendix 1**) and the draft Bill (**Appendix 2**) attached to this briefing proceeds with the steps necessary to give effect to these Cabinet decisions. The associated disclosure statement (**Appendix 3**) is also attached for your information.

## Risks and mitigations

4. Legislation needs to be passed by 31 December to stop NZ ETS surrender obligations commencing for agriculture activities on 1 January 2025. To support meeting this deadline, LEG decisions need to be made in May to enable first reading in June followed by a four-month select committee process. If LEG decisions are not made in May, then the Government may need to consider truncating this process. This could include considering the Bill under urgency or shortening the Select Committee to less than four months which would require a time-unlimited debateable motion.

## Legal issues

5. The draft Bill provided in Appendix 2 is subject to the Parliamentary Counsel Office's quality assurance checks, which are to be undertaken concurrently with circulation of the draft alongside agency and Ministerial consultation.

## Next steps

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6. The following actions and timeframes enable obtaining Cabinet approval to support an announcement at Fieldays and progressing the bill to Parliament to meet the December 2024 deadline:

Action	Date
Ministerial Consultation	15 to 21 May
Lodgement date for LEG committee	23 May
LEG Committee	30 May
Cabinet Approval	4 June
Announcement at Fieldays	12 June
Introduction of the Bill	17 June

## Recommendations

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We recommend that you:

- a. **Agree** to provide feedback on the draft cabinet paper to officials by 13 May 2024.

Yes | No

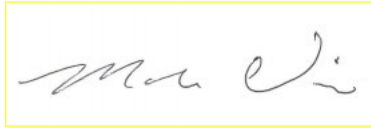
- b. **Agree** to circulate the attached Cabinet paper - Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Bill: Approval For Introduction (see **Appendix 1**) and Climate Change Response (Emissions Trading Scheme Agricultural Obligations) Amendment Bill (see **Appendix 2**) to your Ministerial colleagues for consultation for the period from 15 to 21 May.

Yes | No

- c. **Note** that to meet a lodgement date of 23 May, which will be required for an announcement at Fieldays, we have allowed five days for ministerial consultation from 15 May to 21 May.

- d. **Note** the Bill will be lodged on 23 May and be considered by the LEG committee on 30 May, followed by Cabinet on 4 June.

Mark Vink  
General Manager  
**Markets Directorate**  
**16 May 2024**



Hon Simon WATTS  
**Minister of Climate Change**

**Date**

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Sophia Murphy  
Director (Acting)  
**Natural Resources Policy**  
**16 May 2024**



Hon Todd MCCLAY  
**Minister of Agriculture**

**Date**

**Appendix 1: Cabinet Paper: Climate Change Response (Emissions Trading Scheme  
Agricultural Obligations) Amendment bill: Approval for Introduction**

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Final Cabinet paper provided separately as Document 10

## **Appendix 2: Draft Climate change Response (Emissions Trading Scheme Agricultural Obligations) Amendment bill**

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Appendix 2 refused under section 18(d) of the Act as it is already publicly available

**Appendix 3: Disclosure statement for Climate change Response Act (Agricultural Obligations) Amendment bill**

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Appendix 3 refused under section 18(d) as it is already publicly available