

**Dale Warburton**

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**From:** Dale Warburton <Dale.Warburton1@mfe.govt.nz>  
**Sent:** Monday, 29 April 2024 11:12 am  
**To:** James Coombes [EXTERNAL] (PARLIAMENT)  
**Cc:** Hemi Smiler; Sam Buckle; Stephen Goodman  
**Subject:** [IN-CONFIDENCE]Draft climate change response framework for Minister's meeting  
**Attachments:** New Zealand's climate change response.docx

Good morning James,

As we've be drafting the cabinet paper on the overall climate change response, we've developed the attached visual/table to help show how it is all joined up.

Hemi thought it was a good idea to share this morning to provide an opportunity to discuss at the Minister's meeting this afternoon. It's very much still a first draft for overall reflections.

You'll note there are two "visions" in there. That's to try get a sense of what kind of style the Minister prefers. 1 is a bit more high level, and 2 is a bit more detailed.

Overall we see the Cabinet paper expanding on this table and seeking Cabinet's agreement/endorsement to it to be used to guide the work programme over this parliamentary term and to underpin future decisions.

Cheers

Dale

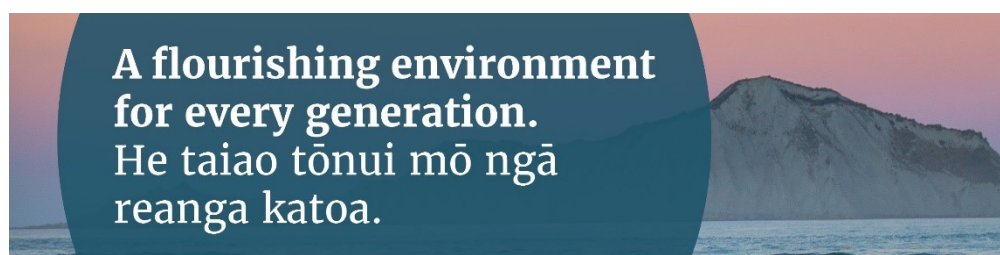
**Dale Warburton** (he/him)

Principal Advisor | Kaitātari Mātāmua

Climate Strategy | Rautaki Āhuarangi

Ministry for the Environment | Manatū Mō Te Taiao

[Dale.Warburton1@mfe.govt.nz](mailto:Dale.Warburton1@mfe.govt.nz) | [environment.govt.nz](http://environment.govt.nz)



DRAFT

## New Zealand's climate change response

### Outcomes

New Zealand reduces emissions to meet our domestic targets and budgets, and is prepared for, and adapts to, the effects of climate change

### My Vision

OPTION 1) seize the opportunities that will emerge to grow jobs and the economy, take action to reduce emissions to allow New Zealanders to continue to enjoy our way of life, and strengthen the way we prepare for climate change impacts to protect what we value and minimise the cost to our country.

Or

OPTION 2) Use the economic opportunities from responding to climate change to grow our economy and raise living standards, leveraging our natural advantages in delivering the most cost effective and efficient transition to 2050, creating the regulatory and business conditions to enable investment, innovation, and technology adoption, and reduce vulnerability and strength resilience to the impacts of climate change.

### Our Approach

- Delivering a net-based approach that enables New Zealand to follow the most efficient, flexible and cost-effective path to 2050, and leverage key competitive advantages like the availability of land for forestry and other removals.
- Restoring a market-led approach by using the New Zealand Emissions Trading Scheme as the key tool in encouraging businesses' and households' emission reductions.
- Enabling technology adoption and business led innovation to be global leaders in areas we have expertise, such as renewable energy, agriculture and agritech.
- Establishing a fair, enduring and affordable adaptation framework to strengthen how we prepare for the challenges of climate change.

### My Priority Actions This Parliamentary Term

#### Lay out the Government's least-cost domestic approach:

- Publish ERP2 that lays out the 5-year plan to boost afforestation, enable greater electrification of key sectors, and develop technological solutions to agricultural emissions.
- Manage the ETS cap to achieve emissions budgets and provide a stable, predictable incentive for emissions reductions and removals.
- Implement a fair and sustainable pricing system by 2030 that give farmers the long-term price signal they need to support investment in lowering on-farm emissions over time without sending production offshore.

#### Ensure targets are fair and achievable:

- Review methane target for consistency with no additional warming to ensure a science-led approach is taken.
- Develop and implement a plan to meet NDC1 commitment through domestic and overseas mitigation.

#### Set the framework for adapting to climate change

- Deliver a draft legislative framework that enables decision-making to reduce climate risk, provides clarity on costs, and sharing of climate risk information with businesses and property owners.
- Continue to implement the National Adaptation Plan to enable New Zealanders to prepare for and adapt to the impacts of climate change
- Delivery of high-quality climate risk information, tools and guidance to support councils, businesses and household to undertake adaptation.

### Key Relationships

- Agriculture and agritech to development of technological solutions.
- Energy sector to double renewable energy.
- Finance sector to mobilise private investment.
- Industry to encourage their decarbonisation.

**Dale Warburton**

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**From:** Dale Warburton <Dale.Warburton1@mfe.govt.nz>  
**Sent:** Monday, 29 April 2024 1:25 pm  
**To:** James Coombes [EXTERNAL] (PARLIAMENT)  
**Cc:** Hemi Smiler; Sam Buckle; Stephen Goodman  
**Subject:** [IN-CONFIDENCE]RE: Draft climate change response framework for Minister's meeting  
**Attachments:** New Zealand's climate change response.docx

Hi James,

Thanks for your initial feedback via Stephen. We won't be able to get a less text version before the Minister's meeting. But can work on that post-Minister's meeting.

Attached is a slightly revised version based on some other feedback.

Cheers  
Dale

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**From:** Dale Warburton  
**Sent:** Monday, April 29, 2024 11:12 AM  
**To:** James Coombes [EXTERNAL] (PARLIAMENT) <James.Coombes@parliament.govt.nz>  
**Cc:** Hemi Smiler <Hemi.Smiler@mfe.govt.nz>; Sam Buckle <Sam.Buckle@mfe.govt.nz>; Stephen Goodman <Stephen.Goodman@mfe.govt.nz>  
**Subject:** Draft climate change response framework for Minister's meeting

Good morning James,

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Hemi thought it was a good idea to share this morning to provide an opportunity to discuss at the Minister's meeting this afternoon. It's very much still a first draft for overall reflections.

You'll note there are two "visions" in there. That's to try get a sense of what kind of style the Minister prefers. 1 is a bit more high level, and 2 is a bit more detailed.

Overall we see the Cabinet paper expanding on this table and seeking Cabinet's agreement/endorsement to it to be used to guide the work programme over this parliamentary term and to underpin future decisions.

Cheers  
Dale

**Dale Warburton** (he/him)  
Principal Advisor | Kaitātari Mātāmua  
Climate Strategy | Rautaki Āhuarangi  
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DRAFT

## New Zealand's climate change response

### Outcomes

New Zealand reduces emissions to meet our domestic targets and budgets, and is prepared for, and adapts to, the effects of climate change

### Vision

OPTION 1) seize the opportunities that will emerge to grow jobs and the economy, take action to reduce emissions to allow New Zealanders to continue to enjoy our way of life, and strengthen the way we prepare for climate change impacts to protect what we value and minimise the cost to our country.

Or

OPTION 2) Use the economic opportunities from responding to climate change to grow our economy and raise living standards, leveraging our natural advantages in delivering the most cost effective and efficient transition to 2050, creating the regulatory and business conditions to enable investment, innovation, and technology adoption, and reduce vulnerability and strength resilience to the impacts of climate change.

### Our Approach

- Delivering a net-based approach that enables New Zealand to follow the most efficient, flexible and cost-effective path to 2050, and leverage key competitive advantages like the availability of land for forestry and other removals.
- Restoring a market-led approach by using the New Zealand Emissions Trading Scheme as the key tool in encouraging businesses' and households' emission reductions.
- Enabling technology adoption and business led innovation to be global leaders in areas we have expertise, such as renewable energy, agriculture and agritech.
- Establishing a fair, enduring and affordable adaptation framework to strengthen how we prepare for the challenges of climate change.

### Priority Actions This Parliamentary Term

#### Lay out the Government's least-cost domestic approach:

- Publish ERP2 that lays out the 5-year plan to boost afforestation, enable greater electrification of key sectors, and develop technological solutions to agricultural emissions.
- Manage the ETS to achieve emissions budgets and provide a stable, predictable incentive for emissions reductions and removals.
- Support the development of technology through research and development to provide farmers with the right tools to lower agricultural emissions.

#### Ensure targets are fair and achievable:

- Put New Zealand on a path to achieve the ninth public service targets for 2030 to reduce emissions to no more than 290 Mt during 2022-2025, and 305 Mt during 2026-2030.
- Set New Zealand's limit on emissions covering 2036-2040 to progressively step towards the 2050 targets.
- Review methane target for consistency with no additional warming to ensure a science-led approach is taken.
- Develop and implement a plan to ensure we are on track to play our part in bringing down global emissions.

#### Set the framework for adapting to climate change

- Deliver a draft legislative framework that enables decision-making to reduce climate risk, provides clarity on costs, and sharing of climate risk information with businesses and property owners.
- Continue to implement the National Adaptation Plan to enable New Zealanders to prepare for and adapt to the impacts of climate change
- Delivery of high-quality climate risk information, tools and guidance to support councils, businesses and household to undertake adaptation.

### Key Relationships

- Agriculture and agritech to development of technological solutions.
- Energy sector to double renewable energy.
- Finance sector to mobilise private investment.
- Industry to encourage their decarbonisation.

**From:** [Dale Warburton](#)  
**To:** [James Coombes \[EXTERNAL\] \(PARLIAMENT\)](#)  
**Cc:** [Sam Buckle](#); [Hemi Smiler](#); [Simon Mandal-Johnson](#); [Stephen Goodman](#); [Katherine Wilson](#); [Emma Corbett](#); [Bryan Smith](#); [Becky Prebble](#)  
**Subject:** [IN-CONFIDENCE]Draft Cab Paper - Establishing our approach to responding to climate change  
**Date:** Monday, 29 April 2024 5:22:13 pm  
**Attachments:** [Establishing our approach to responding to climate change.docx](#)

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Hi James,

Following initial feedback this afternoon, attached is a first draft of the Cabinet Paper on “Establishing our approach to responding to climate change” for comment.

Cheers  
Dale

**Dale Warburton** ([he/him](#))  
Principal Advisor | Climate Strategy

**IN CONFIDENCE**

**In Confidence**

Office of the Minister for Climate Change

Cabinet Economic Policy Committee

**Establishing our approach to responding to climate change**

**Proposal**

- 1 This paper seeks Cabinet's endorsement to an overarching climate change response to guide our work programme over this parliamentary term and underpin our future decisions.

**Relation to government priorities**

- 2 The proposed approach to respond to climate change is consistent with relevant commitments in our Coalition Agreements including: delivering Net-Zero by 2050; doubling New Zealand's renewable electricity; supporting new technology to reduce agricultural emissions; restoring confidence and certainty to the Emissions Trading Scheme; and improving consenting to support new renewable energy infrastructure.
- 3 The Prime Minister recently released nine public service targets for 2030. The long-term strategy in this paper will help achieve the ninth of these, which relates to reducing emissions to no more than 290 Mt emitted during 2022-2025 (average of 72.5Mt per year), and 305 from 2026-2030 (average of 61Mt per year).

**Executive Summary**

- 4 We are already feeling the impacts of climate change. Cyclone Gabrielle cost 11 New Zealanders their lives and the Treasury estimates the overall costs of physical damage caused by the 2023 cyclone and flooding in the North Island was \$9-\$14.5 billion.
- 5 Addressing climate change is an essential social and economic enabler for the prosperity of New Zealanders. This is an opportunity to protect the things we value most and to reduce the future cost of weather events. Reducing emissions is intrinsically linked to improving growth and productivity by: providing opportunities for world-leading innovation in agriculture; growing our renewable energy production to improve national energy security; and building confidence in our forestry sector through planting trees to remove carbon from the atmosphere.
- 6 To get our climate change response back on track, my vision is for New Zealand to:
  - 6.1 use the economic opportunities from responding to climate change to grow our economy and raise living standards

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- 6.2 leverage our natural advantages in delivering the most cost-effective and efficient transition to 2050,
  - 6.3 create the regulatory and business conditions to enable investment, innovation, and technology adoption.
  - 6.4 reduce vulnerability and strength resilience of infrastructure to the impacts of climate change.
- 7 To achieve my vision, my priorities for the Climate Change portfolio this parliamentary term are:
- 7.1 restoring confidence and certainty in emissions trading to support smart, fair and cost-effective decisions by businesses and New Zealanders
  - 7.2 building confidence in the forestry sector and supporting new technology to reduce agricultural emissions
  - 7.3 reforming the resource management system to drive investment in renewable and affordable energy to improve New Zealand's energy security and affordability
  - 7.4 establish an Adaptation Framework to enable better decision making to reduce climate risk
  - 7.5 investing in resilient infrastructure that delivers productivity benefits and strengthening the resilience, and asset management, of critical infrastructure.
- 8 There are several work programmes and actions already underway to deliver key outcomes in 2024 within my climate change portfolio. These the Emissions Trading Scheme Unit Supply and Price Control Settings and second emissions reduction plan. Cabinet also recently agreed to develop an enduring and joined-up adaptation framework for where people live and work, and associated infrastructure (CAB-24-MIN-0121 refers).
- 9 Facilitating a business-led transition will require us to provide a clear public signal so they can make decisions with confidence. In particular we should signal that the Government will:
- 9.1 Restore a market-led approach by using the New Zealand Emissions Trading Scheme to follow the most efficient, flexible and cost-effective path to 2050, and leverage key competitive advantages like the availability of land for forestry and other removals.
  - 9.2 Drive investment in renewable and affordable energy to support electrification of industry and transport
  - 9.3 Enable business led innovation to be global leaders in areas we have expertise, such as renewable energy, agriculture and agritech, to grow the economy and productivity

**IN CONFIDENCE**

- 9.4 Establish a fair, enduring and affordable adaptation framework to strengthen how we prepare for the challenges of climate change and build resilient infrastructure.
- 10 I am therefore seeking Cabinet's endorsement of this overarching climate change response for this parliamentary term for it to be communicated publicly.

**The climate change challenge we face is significant**

- 11 Climate change is one of the most pressing challenges we face. We are part of a global climate effort, and only through international effort can climate change be addressed. New Zealand has never shirked its obligations and it will play its part in ensuring international momentum continues to build.
- 12 As climate change progresses, we will increasingly see New Zealand's brand and products linked to climate performance. Tourism, primary products, investment and attracting skilled people will increasingly be dependent on climate performance.
- 13 There is already growing demand for products, technologies and investments that help solve climate change and this demand is expected to increase. Anytime there is changing demand, there are also great opportunities. New Zealand can capture those opportunities to help us grow and increase productivity.
- 14 A consistent and a credible commitment to effective action is essential to bring down emissions and adapt to the changing climate. As the relevant Minister, I am responsible for delivering on the Government's climate change priorities. However, as climate change touches many aspects of the economy and society, many key challenges, opportunities, and levers fall within other Ministers' portfolios. It is imperative we have a joined up, and coordinated, approach to deliver for New Zealanders.

**My vision for addressing climate change**

- 15 To get our climate change response back on track, my vision is for New Zealand to:
- 15.1 **use the economic opportunities** from responding to climate change to grow our economy and raise living standards
  - 15.2 **leverage our natural advantages** in delivering the most cost-effective and efficient transition to 2050
  - 15.3 **create the regulatory and business conditions** to enable investment, innovation, and technology adoption
  - 15.4 **reduce vulnerability** and strength resilience to the impacts of climate change.

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- 16 I see this vision as guiding our climate change work programme, and relevant decisions, over this parliamentary term.

**Our approach needs to facilitate collective action**

- 17 There are many ways that New Zealand can deliver on our long-term goals, and while the Government has an important role to play, it cannot do it alone. Creating a low emissions and resilient future is a significant challenge that requires collective action from households, businesses, Māori, communities, local government, and other organisations as part of our response to climate change.

- 18 Facilitating this transition will require us to provide a clear public signal as to our overall approach. The first opportunity to do so is the Government's second Emissions Reduction Plan (ERP2), which needs to be published this year, and will set out how we are going to meet domestic mitigation targets. The purpose of doing so is to:

18.1 Give confidence to, and empower, the private sector and households to make longer-term investment decisions

18.2 Build social licence for New Zealand's climate change response.

- 19 I consider our overall approach to climate change is to:

19.1 **Restore a market-led approach** by using the New Zealand Emissions Trading Scheme to follow the most efficient, flexible and cost-effective path to 2050, and leverage key competitive advantages like the availability of land for forestry and other removals.

19.2 **Drive investment in renewable and affordable energy** to support electrification of industry and transport

19.3 **Enable business led innovation** to be global leaders in areas we have expertise, such as renewable energy, agriculture and agritech, to grow the economy and productivity

19.4 **Establish a fair, enduring and affordable adaptation framework** to strengthen how we prepare for the challenges of climate change and build resilient infrastructure.

**Priority actions this Parliamentary term to deliver for New Zealanders**

- 20 My priorities for the climate change portfolio are to:

20.1 Deliver a least-cost domestic approach by:

- Publishing ERP2 that lays out the 5-year plan to boost afforestation, enable greater electrification of key sectors, and develop technological solutions to agricultural emissions.

**IN CONFIDENCE**

- Managing the ETS to achieve emissions budgets and provide a stable, predictable incentive for emissions reductions and removals.
- Supporting the development of technology through research and development to provide farmers with the right tools to lower agricultural emissions.

## 20.2 Ensure targets are fair and achievable by:

- Putting New Zealand on a path to achieve the ninth public service targets for 2030 to reduce emissions to no more than 290 Mt during 2022-2025, and 305 Mt during 2026-2030.
- Setting New Zealand's limit on emissions covering 2036-2040 to progressively step towards the 2050 targets.
- Reviewing methane target for consistency with no additional warming to ensure a science-led approach is taken.
- Developing and implement a plan to ensure we are on track to play our part in bringing down global emissions.

## 20.3 Set the framework for adapting to climate change by:

- Delivering a draft legislative framework that enables decision-making to reduce climate risk, provides clarity on costs, and sharing of climate risk information with businesses and property owners.
- Continuing to implement the National Adaptation Plan to enable New Zealanders to prepare for and adapt to the impacts of climate change
- Delivering of high-quality climate risk information, tools and guidance to support councils, businesses and household to undertake adaptation.

**Outcomes framework for our climate change response**

- 21 To ensure we deliver tangible outcomes for New Zealanders, Appendix 1 summarises the key actions we need to take this parliamentary term to deliver on the vision.
- 22 While the Government has an important role, delivery will also depend on building relationships with key stakeholders. For example, with the agriculture and agritech sector to develop technological solutions, the energy sector to double renewable energy, the finance sector to mobilise private investment, and with industry to encourage their decarbonization.

**Cost-of-living Implications**

- 23 There are no immediate cost of living implications from this paper.

**IN C O N F I D E N C E**

**Financial Implications**

24 There are no immediate financial implications of this paper.

**Legislative Implications**

25 No new legislation is proposed and no changes to existing legislation.

**Impact Analysis**

**Regulatory Impact Statement**

26 A regulatory impact statement is not required for this paper.

**Climate Implications of Policy Assessment**

27 There are no immediate policy proposals that warrant a Climate Implications of Policy Assessment (CIPA).

**Population Implications**

28 A mitigation strategy that pursues a most cost effective and efficient transition will result in New Zealand's net emissions being reduced primarily through removals of carbon from the atmosphere, with less decarbonisation of key sectors such as energy and transport. This is because removals from exotic forestry are currently one of the cheapest abatement options available.

29 This will likely lead to conversion of beef/sheep farms into exotic pine plantation. Modelling indicates that rural communities impacted most with regions with largest economic impacts tend to have heavy reliance on dairy and sheep/beef sectors such as Manawatū, West Coast and Southland.

**Human Rights**

30 There are no immediate human rights implications of this paper.

**Use of external Resources**

31 No external resources have been engaged in core policy development processes for this work programme.

**Consultation**

32 The following agencies were consulted in the development of this Cabinet paper:

33 The Department of the Prime Minister and Cabinet has been informed.

**IN CONFIDENCE****Communications**

- 34 I plan to include elements of this vision and mitigation strategy in upcoming consultation material for the second Emissions Reduction Plan (ERP2) which is expected to be released publicly in June.

**Proactive Release**

- 35 I propose to proactively release this paper once consultation on ERP2 has begun.

**Recommendations**

The Minister for Climate Change recommends that the Committee:

- 1 **note** that we need a joined up, and coordinated, approach to deliver climate change outcomes for New Zealanders
- 2 **endorse** my vision for our climate response which is to:
  - 2.1 use the economic opportunities from responding to climate change to grow our economy and raise living standards
  - 2.2 leverage our natural advantages in delivering the most cost-effective and efficient transition to 2050,
  - 2.3 create the regulatory and business conditions to enable investment, innovation, and technology adoption.
  - 2.4 reduce vulnerability and strength resilience of infrastructure to the impacts of climate change.
- 3 **endorse** an overall approach to climate change is to:
  - 35.1 Restore a market-led approach by using the New Zealand Emissions Trading Scheme to follow the most efficient, flexible and cost-effective path to 2050, and leverage key competitive advantages like the availability of land for forestry and other removals.
  - 35.2 Drive investment in renewable and affordable energy to support electrification of industry and transport
  - 35.3 Enable business led innovation to be global leaders in areas we have expertise, such as renewable energy, agriculture and agritech, to grow the economy and productivity
  - 35.4 Establish a fair, enduring and affordable adaptation framework to strengthen how we prepare for the challenges of climate change and build resilient infrastructure.
- 4 **note** I have a work programme planned to deliver on this vision

**IN CONFIDENCE**

- 5 **agree** that an overarching climate change response will form the basis of the climate work programme for this parliamentary term
- 6 **note** I plan to seek Cabinet's agreement in June to begin consultation on the second Emissions Reduction Plan which will include elements of this climate change response

Hon Simon Watts

Minister for Climate Change

DRAFT

## Appendix 1: New Zealand’s climate change response

### Outcomes

New Zealand reduces emissions to meet our domestic targets and budgets, and is prepared for, and adapts to, the effects of climate change

### Vision

OPTION 1) seize the opportunities that will emerge to grow jobs and the economy, take action to reduce emissions to allow New Zealanders to continue to enjoy our way of life, and strengthen the way we prepare for climate change impacts to protect what we value and minimise the cost to our country.

Or

OPTION 2) Use the economic opportunities from responding to climate change to grow our economy and raise living standards, leveraging our natural advantages in delivering the most cost effective and efficient transition to 2050, creating the regulatory and business conditions to enable investment, innovation, and technology adoption, and reduce vulnerability and strengthen resilience of our infrastructure to the impacts of climate change.

### Our Approach

Drive investment in renewable and affordable energy to support electrification

Restoring a market-led mitigation approach

Enable business led innovation to support productivity and economic growth

Establishing a fair adaptation framework to build resilient infrastructure

### Priority Actions This Parliamentary Term

Publish ERP2

Put New Zealand on a path to 2030 targets

Deliver a draft legislative framework for adaptation

Restore confidence in the ETS

Set New Zealand’s limit on emissions covering 2036-40

Implement the National Adaptation Plan

Support the development of agricultural technology

Review methane target for consistency

Delivery of high-quality climate risk information, tools and guidance

### Key Relationships

Agriculture and agritech to development of technological solutions.

Finance sector to mobilise private investment.

Energy sector to double renewable energy.

Industry to encourage their decarbonisation.

**From:** [Katherine Wilson](#)  
**To:** [Dale Warburton](#); [Maiki Andersen](#); [Courtney Clyne](#); [Beth Le Roux](#)  
**Subject:** [IN-CONFIDENCE]FW: Climate vision: actions requested  
**Date:** Wednesday, 1 May 2024 11:23:45 am  
**Attachments:** [Climate vision \(draft\) - 01052024 0930am .pptx](#)  
[Cabinet Paper T2024-606 Infrastructure Priorities Clean Version\(4936381.4\).docx](#) **Refused under section 18(d)**  
**Importance:** High

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Hi Dale,

I discussed this with JC this morning and have suggested that we bring in some of the infrastructure portfolio actions into the adaptation pillar to provide some more tangibles. This will obviously need to be confirmed with Minister Bishop, along with some of the other areas e.g renewable energy.

Maiki/Courtney please can you have a look through the Infrastructure Cabinet and identify some that might fit with the type of document this is

Beth – can you please review for wording on the adaptation framework?  
Suggest you join the 12.30 meeting with James C.

Thanks  
Katherine

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Out of scope

[Redacted]

[Redacted]

[Redacted]

[Redacted]


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[Redacted]

## Our climate vision


*Doing New Zealand's part to reduce its climate emissions, and prepare for a world reshaped by the impacts of climate change*

<b>Our priorities</b>
<b>Our actions</b>
<b>Our measures</b>
<b>Our enablers</b>



**Green energy**  
... abundant, affordable and accessible

- Electrify NZ
- Fast Track Consenting
- National Direction for Renewable Electricity Generation and Transmission.
- Deliver more EV chargers




**Credible markets**  
... to support the climate transition

- Limits on land conversions for forestry
- Remove agriculture ETS backstop
- Introduce agriculture emissions pricing by 2030



**World-leading innovation**  
... to support prosperity and opportunity

- Technology driven approach to reducing agricultural emissions



**Resilient and efficient**  
... communities and infrastructure

- Climate Adaptation Framework
- Implement the National Adaptation Plan (NAP)
- North Island Cyclone recovery work

Government Target 9: Reduced net greenhouse gas emissions

Emission Reduction Plan 2: delivered by end 2024

Introduce Climate Adaptation Framework by Q1 2024

Unlock private investment and partnership

Access to best available data and evidence

Strengthen international climate change engagement and cooperation

## Dale Warburton

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**From:** Dale Warburton <Dale.Warburton1@mfe.govt.nz>  
**Sent:** Wednesday, 1 May 2024 3:29 pm  
**To:** James Coombes [EXTERNAL] (PARLIAMENT)  
**Cc:** Sam Buckle; Hemi Smiler; Simon Mandal-Johnson; Stephen Goodman  
**Subject:** [IN-CONFIDENCE]Draft cabinet paper on CC Vision  
**Attachments:** Establishing our approach to responding to climate change - Revised Version.docx

Hi James,

As discussed, here is the latest version of the cabinet paper for your discussion with the Minister.

Let me know if you need anything else.

Cheers  
Dale

**Dale Warburton** (he/him)  
Principal Advisor | Climate Strategy

**IN CONFIDENCE**

**In Confidence**

Office of the Minister of Climate Change

Cabinet Economic Policy Committee

**Establishing our approach to responding to climate change**

**Proposal**

- 1 This paper seeks Cabinet's endorsement of an overarching framework to help guide our climate change work programme, and relevant decisions, over this parliamentary term.

**Relation to government priorities**

- 2 The proposed framework for climate change response is consistent with relevant commitments in our Coalition Agreements including: delivering Net-Zero by 2050; doubling New Zealand's renewable electricity; supporting new technology to reduce agricultural emissions; restoring confidence and certainty to the Emissions Trading Scheme; and improving consenting to support new renewable energy infrastructure.
- 3 The Prime Minister recently released nine public service targets for 2030. The long-term strategy outlined in this paper will help achieve the ninth target, which relates to reducing emissions to no more than 290 Mt during 2022-2025 and 305 Mt during 2026-2030.

**The climate change challenge we face is significant but also provides economic opportunities**

- 4 Climate change is one of the most pressing challenges we face. We are already feeling the impacts of climate change. Cyclone Gabrielle cost 11 New Zealanders their lives and the Treasury estimates the overall costs of physical damage caused by the 2023 cyclone and flooding in the North Island was \$9.0-\$14.5 billion.
- 5 Addressing climate change is also an essential social and economic enabler for the prosperity of New Zealanders. We need to protect the things we value most, reduce the future cost of weather events, and take advantage of the opportunities that are arising from the globe's response to climate change.
- 6 There is already growing demand for products, technologies and investments that help solve climate change and this demand is expected to increase. New Zealand can capture those opportunities to boost economic growth and increase productivity, particularly in areas we have expertise, such as renewable energy, agriculture and agritech.

**IN CONFIDENCE****Vision and priority actions this Parliamentary term to deliver for New Zealanders**

- 7 We have a work programme to get our climate change response back on track and deliver tangible outcomes for New Zealanders. I have developed an overarching framework to help guide this work programme, and relevant decisions, over this parliamentary term. The framework reflects the relevant commitments in our Coalition Agreements and from our legislative requirements.
- 8 The full framework can be found attached as appendix 1. This framework summarises my vision for the climate change response, the priority focus areas, and the key actions we need to take this parliamentary term.
- 9 My vision is for New Zealand to play its part to keep emissions in check, and strengthening how we prepare for the impacts of climate change.
- 10 I intend to prioritise the highest impact actions to support my climate vision. My priorities for the climate change portfolio this parliamentary term is for:
- 10.1 green energy to be abundant, affordable, and accessible
  - 10.2 credible market to support emissions reductions and the economy
  - 10.3 world-leading innovation to support jobs and unlock opportunity
  - 10.4 strong and well-prepared communities and infrastructure.
- 11 I also consider that our vision for climate change also needs to be communicated publicly to domestic and international audiences to:
- 11.1 give confidence to, and empower, the private sector and households to make lower emission investment decisions
  - 11.2 build social licence for New Zealand's climate change response.
- 12 The first opportunity to do so is in the Government's second Emissions Reduction Plan (ERP2), which needs to be published this year. I plan to include elements of this vision in upcoming consultation material for ERP2.

**Cost-of-living Implications**

- 13 There are no immediate cost of living implications from this paper.

**Financial Implications**

- 14 There are no immediate financial implications of this paper.

**Legislative Implications**

- 15 No new legislation is proposed and no changes to existing legislation.

**IN C O N F I D E N C E**

**Impact Analysis**

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**Population Implications**

18 There are no immediate population implications of this paper.

**Human Rights**

19 There are no immediate human rights implications of this paper.

**Use of External Resources**

20 No external resources have been engaged in core policy development processes for this work programme.

**Consultation**

21 The following agencies were consulted in the development of this Cabinet paper:

22 The Department of the Prime Minister and Cabinet has been informed.

**Communications**

23 I plan to use this document to inform my public communications in the Climate portfolio.

24 I plan to include elements of this vision in upcoming consultation material for ERP2, which is expected to be released publicly in June. I plan to separately seek Cabinet's agreement to begin consultation on ERP2.

**Proactive Release**

25 I propose to proactively release this paper once consultation on ERP2 has begun.

**Recommendations**

The Minister for Climate Change recommends that the Committee:

1 **note** climate change is one of the most pressing challenges we face but also provides economic and productivity opportunities

**IN CONFIDENCE**

- 2 **note** my vision for New Zealand is to play its part to keep emissions in check, and strengthening how we prepare for the impacts of climate change
- 3 **note** my priorities for the climate change portfolio this parliamentary term is for:
- 3.1 green energy to be abundant, affordable, and accessible
  - 3.2 credible markets to support emissions reductions and the economy
  - 3.3 world-leading innovation to support jobs and unlock opportunity
  - 3.4 strong and well-prepared communities and infrastructure.
- 4 **endorse** my framework for our climate change response which summarises my vision for the climate change response, the priority focus areas, and the key actions we need to take this parliamentary term
- 5 **note** the need to publicly outline our climate change response to build social licence and give confidence to the private sector and households to make investment decisions
- 6 **note** I plan to seek Cabinet's agreement in June to begin consultation on the second Emissions Reduction Plan, which will include elements of this climate change response

Authorised for lodgement

Hon Simon Watts

Minister of Climate Change

## Appendix 1: New Zealand's climate change response

DRAFT

**From:** [Hemi Smiler](#)  
**To:** [Glenn Wigley](#); [Charlotte Denny \[EXTERNAL\] \(MPI\)](#); [Alastair Cameron \[EXTERNAL\] \(MPI\)](#); [Kay Harrison \[EXTERNAL\] \(MFAT\)](#); [Kirsty Flannagan \[EXTERNAL\] \(MBIE\)](#); [Jamie Kerr \[EXTERNAL\] \(MBIE\)](#); [Nicky Lynch \[EXTERNAL\] \(Treasury\)](#); [Sian Roguski \[EXTERNAL\] \(DOC\)](#); [Alice Revell \[EXTERNAL\] \(MFAT\)](#); [Sharon Corbett \[External\] \(MBIE\)](#); [Laura Miller \[EXTERNAL\] \(HUD\)](#); [David Mead](#); [Jane White](#); [Justine Cannon \[External\] \(MBIE\)](#); [John Scott \[EXTERNAL\] \(DPMC\)](#); [Tim Denne](#); [Sophia Murphy \[EXTERNAL\] \(MPI\)](#); [Erin Wynne \[EXTERNAL\] \(TRANSPORT\)](#); [Emma Corbett](#); [Mark Vink](#); [pgalvin@doc.govt.nz](#); [Amberley Gibson](#); [nora.burghart@mbie.govt.nz](#); [Melanie Craxton \[EXTERNAL\] \(Treasury\)](#); [MEET\\_WLG8WS\\_2.03 Kumutoto \(18\)](#); [sam.phillips@mpi.govt.nz](#)  
**Cc:** [ERP2Development](#); [Climate Change Systems \[EXTERNAL\] \(MPI\)](#); [Climate Engagement](#); [Charlotte Harris-Miller](#); [Simon Mandal-Johnson](#); [Stephen Goodman](#); [Emily Richardson](#); [Amy Tisdall](#); [Katherine Durman](#); [Patricia Parre](#); [Jacqui Ruesga](#); [Lisa Daniell](#)  
**Subject:** ONLINE: Climate Strategy Directors  
**Date:** Thursday, 2 May 2024 12:54:48 pm  
**Attachments:** [IA Climate Strategy Directors Meeting Pack\\_03.05.24.pdf](#)  
[Out of scope](#)

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Kia ora,

Attached to this email is the pack for tomorrow's meeting of Climate Strategy Directors. **Please note - this will be a shortened meeting, hosted online only. An update to the calendar invite will follow.**

Revised key decisions and actions are included in the pack for ratification at the start of the meeting – and reflected in the table sent yesterday (see below).

Ngā mihi nui,

Emily on behalf of ERP2 Development

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## Microsoft Teams meeting

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# ERP2 Interagency Climate Directors

Weekly Friday Meeting Pack

# Agenda, 03/05

	Time	Item	Lead	Supporting Documents/Notes
out of scope				
2	09.35 - 09.45	Climate Vision Update	Hemi Smiler	Verbal update
out of scope				

**From:** ERP2Development  
**To:** ERP2Development; Katherine Durman; Alice Revel [EXTERNAL] (MFAT); Charlotte Denny [EXTERNAL] (MPI); Climate Change Unit [EXTERNAL] (MBIE); Erin Wynne [EXTERNAL] (TRANSPORT); Glenn Wigley; Hemi Smiler; Jamie Kerr [EXTERNAL] (MBIE); Jillian Dempster [EXTERNAL] (MFAT); John Scott [EXTERNAL] (DPMC); Justine Cannon [External] (MBIE); Katherine Wilson; Kay Harrison [EXTERNAL] (MFAT); Kirsty Flanagan [EXTERNAL] (MBIE); Laura Miller [EXTERNAL] (HUD); Lisa Daniel; Liz Moncreiff; Melody Guy; Melanie Craxton [EXTERNAL] (Treasury); Meredith Davis; Nicky Lynch [EXTERNAL] (Treasury); Phillip Howling [EXTERNAL] (MPI); Sarah Stevenson; Sharon Corbett [External] (MBIE); Sian Roguski [EXTERNAL] (DOC); Simon Mandal-Johnson; Stephen Goodmay; Vicki Pater [EXTERNAL] (Treasury)  
**Cc:** Amy Tisdall; Becky Prebble; Jane White; Charlotte Harris-Miller; Matthew Everett; Tim Denne; Margaret Lawry; Hannah Overton-Holmes [EXTERNAL] (MBIE); Katherine Durman; Monique Esplin; Daniel Rimmer; Simon Mandal-Johnson; Meredith Davis; Sophia Murphy [EXTERNAL] (MPI); Samuel Phillips [EXTERNAL] (MPI); Scott Russell [EXTERNAL] (MBIE); Terry Genet [EXTERNAL] (MBIE); Mel Rae; Stephen Goodman; Miranda Cross; Jen Jamieson [EXTERNAL] (MPI); Amberley Gibson; Dale Warburton  
**Subject:** Key Decisions and Actions: Climate Strategy Directors Meeting (03/05) [IN-CONFIDENCE]  
**Date:** Friday, 3 May 2024 3:58:13 pm  
**Attachments:** image002.png  
image003.png  
image004.png  
image005.png  
image006.png

Kia ora,  
Further to email earlier today, please find key decisions and actions from this morning's Climate Strategy Directors meeting captured in the table below.

Item	Decisions	Actions	Responsible	
2	Climate Vision Update	Shared Climate Vision A3 for group awareness. Noted this alongside a concise cabinet paper that captures Minister thinking. Yet to determine timeframe for lodgement (considering both before and after CPMG meeting)	MfE to share Climate Vision and associated Cabinet Paper for joint Ministerial and agency consultation once greenlight received by MCC greenlights.	
3	CPMG Update	CPMG meeting date confirmed as May 20 <sup>th</sup> IEB CE Board meeting to be held May 10 <sup>th</sup> in advance of CPMG. CPMG agenda to be mitigation focused: <ul style="list-style-type: none"><li>Climate Vision</li><li>Out of scope</li></ul>	Out of scope	

out of scope

Ngā mihi nui,  
Emily on behalf of ERP2 Development

Out of scope

**From:** [Sophia Murphy \[EXTERNAL\] \(MPI\)](#)  
**To:** [Stephen Goodman](#); [Simon Mandal-Johnson](#)  
**Subject:** Re: [IN-CONFIDENCE]Re: climate vision paper?  
**Date:** Tuesday, 7 May 2024 9:17:50 am

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Thank you!

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**From:** Stephen Goodman <Stephen.Goodman@mfe.govt.nz>  
**Sent:** Monday, May 6, 2024 7:33:44 PM  
**To:** Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>; Sophia Murphy [EXTERNAL] (MPI) <Sophia.Murphy@mpi.govt.nz>  
**Subject:** [IN-CONFIDENCE]Re: climate vision paper?

Not out of the Minister's office. He wants to work on language. Haven't missed anything!

Steve  
9(2)(a)

---

**From:** Sophia Murphy <Sophia.Murphy@mpi.govt.nz>  
**Sent:** Monday, May 6, 2024 3:09:21 PM  
**To:** Stephen Goodman <Stephen.Goodman@mfe.govt.nz>  
**Subject:** climate vision paper?

Hey Stephen

Just wondering if you have a timeline (ish) yet for when agencies should expect to see the climate vision paper?

Hope all is well!  
Sophia



## Climate Priorities Ministerial Group Meeting

<b>Date</b>	Monday 20 May 2024	<b>Time</b>	7:30pm to 8:15pm
<b>Venue</b>	Ministerial Meeting Room, Level 2, Executive Wing, Parliament Buildings		
<b>Attendees</b>	<p><u>Core members</u></p> <p>Hon Simon Watts – Minister of Climate Change  Hon Nicola Willis – Minister of Finance; Associate Minister of Climate Change  Hon Chris Bishop – Minister of Infrastructure, Minister Responsible for RMA Reform, Minister of Housing  Hon Simeon Brown – Minister for Energy, Minister of Transport, Minister of Local Government  Hon Todd McClay – Minister of Agriculture, Minister of Forestry, Minister for Trade  Rt Hon Winston Peters – Minister of Foreign Affairs</p> <p><u>High-interest members</u> [attendance TBD]</p> <p>Hon Mark Mitchell, Minister for Emergency Management and Recovery  Hon Tama Potaka, Minister of Conservation, and Māori Crown Relations: Te Arawhiti  Hon Penny Simmonds, Minister for the Environment  Hon Shane Jones, Minister for Regional Development and Resources  Hon Mark Patterson, Minister for Rural Communities  Simon Court MP, Parliamentary Under-Secretary to Minister for Infrastructure, Minister Responsible for RMA Reform.</p>		
<b>Apologies</b>			

### Meeting open – Welcome

#	Time	Agenda Item
1	20 mins	<b>Agree Climate Approach/Vision</b> Lead speaker: Hon Simon Watts
	7:30-7:50pm	<p>The draft climate vision is out for ministerial consultation. It sets out at a high level an overarching framework to guide delivery of the Government's climate work programme. The second emissions reduction plan (ERP2) will then build upon the pillars of the vision. This item is an opportunity for Ministers to further discuss the vision ahead of ECO Committee consideration.</p> <p><i>Recommendations:</i></p> <p><b>1.1 Note</b> the attached Cabinet paper, <i>Establishing our approach to responding to climate change</i>, which lays out an overarching framework to help guide the Government's climate change work programme and relevant decisions over this parliamentary term.</p> <p><b>1.2 Note</b> the Cabinet paper is scheduled to be considered by Cabinet later in May.</p> <p><b>1.3 Discuss</b> material and agree priorities in the vision ahead of ECO Committee consideration.</p> <p><i>Supporting documents:</i></p> <ul style="list-style-type: none"> <li><i>Paper 1.1 Cabinet paper - Establishing our approach to responding to climate change (includes one-page vision)</i></li> </ul>

## In Confidence

Office of the Minister of Climate Change

Cabinet Economic Policy Committee

## Establishing our approach to responding to climate change

### Proposal

- 1 This paper seeks Cabinet's endorsement of an overarching framework to help guide our climate change work programme, and relevant decisions, over this parliamentary term.

### Relation to government priorities

- 2 The proposed framework for climate change response is consistent with relevant commitments in our Coalition Agreements, and the Prime Minister's ninth public service targets for 2030, which relates to reducing emissions to no more than 290 Mt during 2022-2025 and 305 Mt during 2026-2030.

### The climate change challenge we face is significant but also provides economic opportunities

- 3 Climate change is a significant challenge for New Zealand, and we are already feeling the impacts of climate change. Cyclone Gabrielle cost 11 New Zealanders their lives and the Treasury estimates the overall costs of physical damage caused by the 2023 cyclone and flooding in the North Island was \$9.0-\$14.5 billion.
- 4 There is already growing demand for products, technologies and investments that help solve climate change and this demand is expected to increase. New Zealand can capture those opportunities to boost economic growth and increase productivity, particularly in areas we have expertise, such as renewable energy, agriculture and agritech.

### Vision and priority actions this Parliamentary term to deliver for New Zealanders

- 5 We have a work programme to get our climate change response back on track and deliver tangible outcomes for New Zealanders. I have developed an overarching framework to help guide this work programme, and relevant decisions, over this parliamentary term. The framework reflects the relevant commitments in our Coalition Agreements and from our legislative requirements.
- 6 The full framework can be found attached as appendix 1. This framework summarises my vision for the climate change response, the priority focus areas, and the key actions we need to take this parliamentary term.

- 7 My vision is for New Zealand is to play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change.
- 8 I intend to prioritise the highest impact actions to support my climate vision.
- 9 I also consider that our vision for climate change also needs to be communicated publicly to domestic and international audiences to:
- 9.1 give confidence to, and empower, the private sector and households to make lower emission investment decisions
- 9.2 build social licence for New Zealand's climate change response.
- 10 The first opportunity to do so is in the Government's second Emissions Reduction Plan (ERP2), which needs to be published this year. I plan to include elements of this vision in upcoming consultation material for ERP2.

### **Cost-of-living Implications**

- 11 There are no immediate cost of living implications from this paper.

### **Financial Implications**

- 12 There are no immediate financial implications of this paper.

### **Legislative Implications**

- 13 No new legislation is proposed and no changes to existing legislation.

### **Impact Analysis**

#### **Regulatory Impact Statement**

- 14 A regulatory impact statement is not required for this paper.

#### **Climate Implications of Policy Assessment**

- 15 There are no immediate policy proposals that warrant a Climate Implications of Policy Assessment (CIPA).

### **Population Implications**

- 16 There are no immediate population implications of this paper.

### **Human Rights**

- 17 There are no immediate human rights implications of this paper.

### **Use of External Resources**

- 18 No external resources have been engaged in core policy development processes for this work programme.

## Consultation

19 The following agencies were consulted in the development of this Cabinet paper:

20 The Department of the Prime Minister and Cabinet has been informed.

## Communications

21 I plan to use this document to inform my public communications in the Climate portfolio.

22 I plan to include elements of this vision in upcoming consultation material for ERP2, which is expected to be released publicly in June. I plan to separately seek Cabinet's agreement to begin consultation on ERP2.

## Proactive Release

23 I propose to proactively release this paper once consultation on ERP2 has begun.

## Recommendations

The Minister for Climate Change recommends that the Committee:






- 1 **note** climate change is a critical challenge we face but can also provide economic and productivity opportunities
- 2 **note** my vision for New Zealand is to play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change.
- 3 **endorse** my framework for our climate change response which summarises my vision for the climate change response, the priority focus areas, and the key actions we need to take this parliamentary term
- 4 **note** the need to publicly outline our climate change response to build social licence and give confidence to the private sector and households to make investment decisions
- 5 **note** I plan to seek Cabinet's agreement in June to begin consultation on the second Emissions Reduction Plan, which will include elements of this climate change response

Authorised for lodgement

Hon Simon Watts

Minister of Climate Change

# Appendix 1: New Zealand's climate change response

<p><b>Vision</b></p>	<p><i>Doing New Zealand's part to reduce the drivers of climate change and preparing for a world experiencing the impacts of climate change.</i></p>				
<p><b>Priorities</b></p>	 <p><b>Green energy:</b> abundant, affordable and accessible</p>	 <p><b>Credible markets</b> to support emissions reductions and the economy</p>	 <p><b>World-leading innovation</b> to support jobs and unlock opportunity</p>	 <p><b>Nature positive solutions</b> to protect our climate and environment</p>	 <p><b>Resilient, well-prepared</b> communities and infrastructure</p>
<p><b>Policies</b></p>	<ul style="list-style-type: none"> <li>• Double renewable energy by 2050</li> <li>• Publish National Policy Statement for Renewable Electricity Generation</li> <li>• Deliver 10,000 public EV chargers</li> <li>• Enable cheaper, faster large-scale renewable energy projects through fast-track consenting</li> <li>• Reform the RMA to incentivise investment in renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>• Limit conversions of highly-productive farmland to forestry</li> <li>• Introduce fair and sustainable agriculture emissions pricing by 2030</li> <li>• Remove agriculture backstop from the NZ Emissions Trading Scheme</li> <li>• Set NZ ETS settings annually</li> </ul>	<ul style="list-style-type: none"> <li>• Harness biotech to combat climate change and lift agricultural productivity</li> <li>• End the effective ban on genetic engineering and modification technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Investigate other forms of carbon sequestration, including wetlands and blue carbon</li> <li>• Full recognition of on-farm carbon sequestration</li> <li>• Predator Free 2050</li> <li>• New afforestation on Crown land</li> </ul>	<ul style="list-style-type: none"> <li>• Improve climate information, tools and guidance</li> <li>• Implement the first National Adaptation Plan to build resilience</li> <li>• Deliver a fair and enduring adaptation framework that provides clarity on costs.</li> </ul>
<p><b>Government Target</b></p>	<p>Government Target 9: Reduced net greenhouse gas emissions</p>				

**From:** Heather Peacocke <[Heather.Peacocke@mfe.govt.nz](mailto:Heather.Peacocke@mfe.govt.nz)>  
**Sent:** Thursday, May 9, 2024 4:33 PM  
**To:** James Coombes <[James.Coombes@parliament.govt.nz](mailto:James.Coombes@parliament.govt.nz)>  
**Cc:** Megan Hurnard <[Megan.Hurnard@mfe.govt.nz](mailto:Megan.Hurnard@mfe.govt.nz)>; Katherine Wilson <[Katherine.Wilson@mfe.govt.nz](mailto:Katherine.Wilson@mfe.govt.nz)>; Hemi Smiler <[Hemi.Smiler@mfe.govt.nz](mailto:Hemi.Smiler@mfe.govt.nz)>; Becky Prebble <[Becky.Prebble@mfe.govt.nz](mailto:Becky.Prebble@mfe.govt.nz)>; Natasha Lewis <[Natasha.Lewis@mfe.govt.nz](mailto:Natasha.Lewis@mfe.govt.nz)>; Sam Buckle <[Sam.Buckle@mfe.govt.nz](mailto:Sam.Buckle@mfe.govt.nz)>; Nadeine Dommissie <[Nadeine.Dommissie@mfe.govt.nz](mailto:Nadeine.Dommissie@mfe.govt.nz)>; Simon Mandal-Johnson <[Simon.Mandal-Johnson@mfe.govt.nz](mailto:Simon.Mandal-Johnson@mfe.govt.nz)>; Chloe Groser <[Chloe.Groser@mfe.govt.nz](mailto:Chloe.Groser@mfe.govt.nz)>; Joanne Butcher <[Joanne.Butcher@mfe.govt.nz](mailto:Joanne.Butcher@mfe.govt.nz)>; Paloma Hartevelt <[Paloma.Hartevelt@mfe.govt.nz](mailto:Paloma.Hartevelt@mfe.govt.nz)>; Connor Fraher <[Connor.Fraher@mfe.govt.nz](mailto:Connor.Fraher@mfe.govt.nz)>; Jennifer Hutcheon <[Jennifer.Hutcheon@mfe.govt.nz](mailto:Jennifer.Hutcheon@mfe.govt.nz)>  
**Subject:** [IN-CONFIDENCE]Draft Climate Vision A3's for MCC Office

Kia ora James,

Please find the following documents attached:

1. Draft A3s outlining the Government's vision for New Zealand's third pillar (environment / climate)
  - Version 1 is public facing, a simplified view of the Government's approach, presented in a way which resonates with New Zealanders
  - Version 2 is for CPMG and coalition partners, and includes more detailed policy information.
2. Supporting notes to outline the rationale for the A3s including research and insights used to inform the public-facing version

### Out of scope

- [Redacted]
- [Redacted]
- [Redacted]

Thanks,  
Heather

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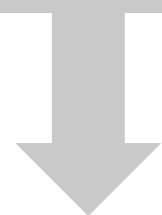
## VISION

New Zealand realising its **economic, social** and **environmental** potential requires a proactive response to a changing climate. Government, business, communities and Māori all need to take efficient and impactful steps towards a sustainable future. Government levers will equip the rest of New Zealand to take action, making every effort count and protecting our Kiwi way of life.

## PUBLIC



## WE ARE FOCUSING ON FIVE PRIORITY AREAS:



Clean energy is accessible



Cost of emissions is helping climate-friendly goods and services be more affordable



Our world-leading climate innovation is boosting the economy



Nature is preserved and used sustainably



Households, communities and business are well-prepared and resilient

## HOW WE PLAN TO ACHIEVE THESE:

We will continue to play our part to reduce emissions and prepare for the uncertainty ahead

By doubling renewable energy by 2050 and installing 10,000 public recharging stations for electric vehicles

By pricing emissions fairly and effectively to incentivise emission reductions

By providing tools and removing barriers for businesses to innovate and prepare for the future

By restoring biodiversity, while investigating new ways of harnessing nature to remove emissions from the atmosphere

By delivering a fair and enduring system that helps New Zealand be ready for climate change and provides clarity on costs.



## WHAT THIS MEAN FOR NEW ZEALANDERS



Households heat their homes more affordably, with energy coming from the sun, wind, water and geothermal

People charge their electric vehicles easily across the country

Businesses have confidence in our energy security to grow their operations



People choose low-emission products

Businesses switch to clean energy to reduce the cost of emissions on production

New Zealand's competitive edge and international reputation is strengthened because of our low-emissions economy



People enjoy a better standard of living, with more productive jobs and economic growth

Businesses develop low-emissions goods to access key markets

Agriculture industry uses technology to lower emissions while lifting productivity



Homes and communities are better protected against climate change through restored habitats and ecosystems

Businesses have more options available to reduce the impact of their emissions

More native forests can be found in our environment



Properties and infrastructure are better protected from severe weather events and the cost of repair is minimised

People have easy access to information and guidance on potential future risks to property and community

Interruption to business operations are minimised during and after severe weather events

## In 2024

Develop an Adaptation Framework to make sure our communities are prepared for future damaging natural weather events

## By 2050

New Zealand will reach net zero for long lived gases

## TO BE POPULATED

## By 2030

New Zealand will meet Target 9 of the new Government's KPIs by reducing greenhouse gas emissions



## VISION

New Zealand realising its **economic, social** and **environmental** potential requires a proactive response to a changing climate. Government, business, communities and Māori all need to take efficient and impactful steps towards a sustainable future. Government levers will equip the rest of New Zealand to take action, making every effort count and protecting our Kiwi way of life.

## MINISTERS



## WE ARE FOCUSING ON FIVE PRIORITY AREAS:



Clean energy is accessible



Cost of emissions is helping climate-friendly goods and services be more affordable



Our world-leading climate innovation is boosting the economy



Nature is preserved and used sustainably



Households, communities and business are well-prepared and resilient

We will continue to play our part to reduce emissions and prepare for the uncertainty ahead

## POLICIES WHICH HELP US TO MEET THESE PRIORITIES:

Double renewable energy – solar, wind, hydro and geothermal -- by 2050

Deliver 10,000 public electric vehicle chargers across New Zealand

Enable cheaper, faster large-scale renewable energy projects through fast-track consenting and Resource Management reforms

Maintain energy security so businesses can confidently grow their operation

Price carbon effectively, with the Emission Trading Scheme settings reviewed every year.

Agriculture industry pays a fair and sustainable emissions price by 2030

Limits are placed on the amount of productive farms being turned into forests

Harness technology to reduce agriculture emissions and lift productivity

Provide tools and remove barriers for businesses to innovate and prepare for the future

Mobilise investment through partnerships both domestically and internationally

End the effective ban on genetic engineering and modification technologies

Investigate other ways to remove emissions from the atmosphere, including wetlands and blue carbon

Recognise other ways of removing emissions from the farm, beyond forestry

Native forests are replanted on Crown land

Deliver a fair and enduring adaptation framework that provides clarity on costs.

Improve quality and access to climate information, tools and guidance on future risks



### ENABLER 1

Unlocking private investment and partnerships in our climate response



### ENABLER 2

Access to the best available data and evidence



### ENABLER 3

Strengthening our international climate change engagement and cooperation

### Government Obligations:

Reduce net greenhouse gas emissions by 2030 (Target 9)

Meet New Zealand's Nationally Determined Contribution under the Paris Agreement by 2030

Reach net zero for long-lived gases by 2050

## In 2024

Develop an Adaptation Framework to make sure our communities are prepared for future damaging natural weather events

## By 2050

New Zealand will be Net Zero as we transition away from fossil fuels, invest in affordable renewables, and make changes to the way we live

TO BE POPULATED

## By 2030

New Zealand will meet Target 9 of the new Government's KPIs by reducing green house gas emissions

## Supporting notes:

### The Government's environment/climate 'vision' on a page

#### Purpose

1. To share work-in-progress on two A3s outlining the Government's vision for New Zealand's third pillar (environment/climate):
  - a. Version 1 is public facing, a simplified view of the Government's approach, presented in a way which resonates with New Zealanders
  - b. Version 2 is for CPMG and coalition partners, and includes more detailed policy information.
2. To outline the rationale for the A3s including research and insights used to inform the public-facing vision.

#### Background

3. You are seeking a climate vision for New Zealand, which outlines clearly and simply the Government's plan for tackling the issue.
4. The vision also needs to incorporate elements of the environment portfolio, and be tested with other ministers.
5. While progress has been made on the vision, including five priority pillars, you sought input from the Ministry for the Environment's strategic communications team to make it more accessible.
6. Following discussions with you, we all established the vision needed to include the 'why' to better resonate with people.

#### The public-facing version

7. The strategic communications team drew upon insights from recent research to inform how to communicate climate change to the public effectively.
8. MfE recommends this is tested with the public before it is released publicly.
9. We wanted the public-facing document to tell a cohesive story that clearly outlines the Government's plan for tackling climate change, which can be used and repurposed in future communications. The overall vision has the following structure:
  - a. Vision statement
  - b. What Government wants to achieve
  - c. How Government plans to achieve it
  - d. What it means for New Zealanders
10. Research shows the complexity of climate change inhibits public participation. There is a desire to make a change towards a better climate future, but there is confusion

on many things including **what we are building and working towards.**

11. Before we can communicate the Government's plan to tackle climate change, we need to connect with New Zealanders with simple, positive framing.
12. The vision, or the 'why,' is not to 'reduce the impact' of climate change or 'reduce our emissions,' but how we create a positive, inspiring future that people can work towards – a future in which people's lives will be better because of the actions we take now.
13. The vision also touches on the purpose of the Government's overall plan. Climate change is a disruptive, uncertain storm in New Zealand's journey. We have a plan to "protect a Kiwi way of life."
14. Once we have the vision, we looked at 'how' the Government plans to achieve its goals, with high-level policy examples to support:
  - a. ***We will continue to play our part to reduce emissions and prepare for the uncertainty ahead***
    - i. *By doubling renewable energy by 2050 and installing 10,000 public recharging stations for electric vehicles*
    - ii. *By pricing emissions fairly and effectively to incentivise emission reductions*
    - iii. *By providing tools and removing barriers for businesses to innovate and prepare for the future*
    - iv. *By restoring biodiversity, while investigating new ways of harnessing nature to remove emissions from the atmosphere*
    - v. *By delivering a fair and enduring system that helps New Zealand be ready for climate change and provides clarity on costs.*
15. The vision ends with practical examples New Zealanders and business can expect to see as a result of the Government's plan.

## Other considerations

16. Ongoing research tracks how concerned New Zealanders are about climate change, what response they expect, how government is meeting their expectations, and what people need to make informed choices about what to do.
17. The following provides a high-level summary:
  - a. Four in five New Zealanders are concerned about the impacts of climate change
  - b. Seven to 10 property owners are seeing impacts of climate change already
  - c. New Zealanders want action across all parts of society: Government, business and individuals
  - d. Businesses connect climate action with increased costs
  - e. Only 1 in 3 New Zealanders believe government has a clear plan to tackle climate change.
  - f. Property owners are deferring responsibility to government to cover the costs of climate change on property. They lack knowledge of what to do to protect

their property and are not taking adaptive action themselves

18. Last month, the Ministry also commissioned The Research Agency (TRA) to build understanding of what language is resonating with New Zealanders in relation to climate change.
19. The key findings were:
  - a. Knowledge of the terms we are talking about is shallow
  - b. Technical terms come across as jargon or buzzwords. This is not only confusing but can lead to negativity.
  - c. Simple language and plain English works better – even if it means using more words.

## Next steps

20. Your feedback and reflections on the work done
21. Testing language with target audiences and refinement (next week with TRA):
  - a. We plan to test words including: emission pricing, clean energy vs green or renewable energy, climate innovation, and low-emissions economy.
22. Development of an A3 climate narrative framework to support the vision (late May/June)
  - a. Following on from draft vision, developing framing for key priority areas in the Government's plan
23. Further discussions on how we can potentially help mobilise New Zealanders to take action
24. Language recommendations
  - a. What works and what doesn't with target audience

**From:** [Simon Mandal-Johnson](#)  
**To:** [Carly Soo \[EXTERNAL\] \(Treasury\)](#); [Stephen Goodman](#); [Daniel Rimmer](#)  
**Cc:** [Nicky Lynch \[EXTERNAL\] \(Treasury\)](#); [Melanie Craxton \[EXTERNAL\] \(Treasury\)](#); [Alex Hamilton](#); [Tom Wilson \[TSY\]](#); [Dale Warburton](#); [Heather Peacocke](#)  
**Subject:** RE: Request for correction in Climate vision cab paper/ERP2 discussion doc  
**Date:** Monday, 13 May 2024 10:44:29 am  
**Attachments:** [image001.png](#)

Thanks Carly – noted. The draft cab paper is currently with Matt Burgess who is editing and improving it – once I get it back, will make sure this change is included in the next version which should come around for agency consultation.

[@Daniel Rimmer](#) – FYA see **blue** highlight

### Simon Mandal-Johnson (he/him)

*Manager Climate Strategy | Kaiwhakahaere Rautaki Āhuarangi*

Ministry for the Environment | Manatū Mō Te Taiao

**9(2)(a)** | [simon.mandal-johnson@mfe.govt.nz](mailto:simon.mandal-johnson@mfe.govt.nz) | [environment.govt.nz](http://environment.govt.nz)

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---

**From:** Carly Soo [TSY] <Carly.Soo@treasury.govt.nz>  
**Sent:** Monday, May 13, 2024 9:56 AM  
**To:** Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>; Stephen Goodman <Stephen.Goodman@mfe.govt.nz>  
**Cc:** Nicky Lynch [EXTERNAL] (Treasury) <Nicky.Lynch@treasury.govt.nz>; Melanie Craxton [EXTERNAL] (Treasury) <Melanie.Craxton@treasury.govt.nz>; Alex Hamilton <alex.hamilton@treasury.govt.nz>; Tom Wilson [TSY] <Tom.Wilson@treasury.govt.nz>  
**Subject:** Request for correction in Climate vision cab paper/ERP2 discussion doc

[IN-CONFIDENCE]

Kia ora rā kōrua

Hope you are both well. We have a request to update a sentence in the Climate Vision Cabinet paper - “*Establishing our approach to responding to climate change*”. Can we please make a technical correction to paragraph 3:

“Climate change is a significant challenge for New Zealand, and we are already feeling the impacts of climate change. Cyclone Gabrielle cost 11 New Zealanders their lives and the Treasury estimates the overall costs of physical damage caused by the 2023 cyclone and flooding in the North Island was \$9.0-\$14.5 billion.”

Can we please change this to “The Treasury estimates that capital loss from the North Island Weather events was \$9-14.5 billion”. Then add a footnote on what capital loss is: “Capital loss refers to the cost of repairing or replacing damaged physical assets, which can be economic (private asset damage) or fiscal (public asset damage). Capital costs are typically moderated by insurance. Capital loss from the 2023 North Island Weather Events is estimated at \$9 – 14.5b across both public and private spheres.”

Can we also please copy this change over to the ERP2 discussion document? I think it's somewhere in the executive summary.

Thank you !

Ngā mihi,  
Carly



**Carly Soo** ([she/her](#)) | Senior Analyst – Climate Change | Te Tai Ōhanga – The Treasury

Email/IM: [carly.soo@treasury.govt.nz](mailto:carly.soo@treasury.govt.nz) Phone: 9(2)(a)

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**From:** [Erin Bourke](#) on behalf of [Chloe Groser](#)  
**To:** [Joanne Butcher](#); [Paloma Hartvelt](#); [Heather Peacocke](#); [Anna.hughes@dpmc.govt.nz](#); [Daniel.Glover@mfat.govt.nz](#); [Bryan McDaniel \[TSY\]](#); [Brad Markham {EXTERNAL} \(MPI\)](#); [Katie Horrex](#); [connie.rose@nzta.govt.nz](#); [Bronwyn Saunders \[EXTERNAL\] \(DOC\)](#); [bbercic@doc.govt.nz](#)  
**Subject:** 10.01 Seeking feedback on proposed All-of-Government climate 'vision'  
**Date:** Monday, 13 May 2024 2:33:41 pm  
**Attachments:** [image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)

---

Kia ora koutou,

We'd like to invite you to a session later this week to seek your feedback on a proposed AoG climate 'vision'.

This has been commissioned from MfE by the Minister of Climate Change as a high-level, visual communications tool to convey the Government's environment/climate pillar (with a focus on climate). It includes the high-level priorities, a simple overview of the supporting work/policies and what this means for people.

We will share for discussion two **draft one-page (A3) products**

- Version 1 is public facing, a simplified view of the Government's approach, presented in a way which should resonate with New Zealanders/general public
- Version 2 is for CPMG and coalition partners, and includes more detailed policy information.

A supporting cabinet paper is also being drafted by MfE.

We will use this session to walk you through our working draft and test the language and content, particularly:

- language choices – how does the wording land, and is it clear?
- how the vision could work for your comms/audiences
  
- feedback on anything which is missing or additions which could be considered

Aroha mai for the short notice invitation, but it's moving quickly and we'd value your input. If you'd like to review this, but can't join at this time, please send a delegate, or be in touch and I can share it with you separately.

Ngā mihi  
Chloe

**Chloe Groser** (*she/her*)

*Pou Whakahaere | General Manager  
Te Whakawhiti Kōrero me te Tūhono | Communications and Engagement*

For meeting requests, please contact [Erin.Bourke@mfe.govt.nz](mailto:Erin.Bourke@mfe.govt.nz)  
Manatū mō te Taiao | Ministry for the Environment  
9(2)(a) | [chloe.groser@mfe.govt.nz](mailto:chloe.groser@mfe.govt.nz) | [environment.govt.nz](http://environment.govt.nz)



Ministry for the  
**Environment**  
Manatū Mō Te Taiao



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Ministry for the Environment

---

**Dale Warburton**

---

**From:** Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>  
**Sent:** Monday, 13 May 2024 5:04 pm  
**To:** James Coombes [EXTERNAL] (PARLIAMENT); Heather Peacocke; Hemi Smiler; Joanne Butcher; Paloma Hartevelt; Connor Fraher; Chloe Groser; Emma Corbett; David Mead  
**Cc:** Jamie Molea [EXTERNAL] (Parliament)  
**Subject:** [IN-CONFIDENCE]RE: Climate vision - revised version  
**Attachments:** Climate Vision - 3RD Draft for review 13052024.pptx

Kia ora James

Thanks for the opportunity to do a brief fact check on this.

Only two fact-checking thoughts:

1. s 9(2)(g)(i) [REDACTED]
2. We would encourage a rewording to the title of priority 5 (@Emma Corbett) – as currently drafted, it risks an excessive focus on the construction of physical infrastructure. See our alternative text suggestions in the margin.

We've also noted a typo on the ETS line and fixed via comments. (Thanks @David Mead)

General thought – would love to have a similar opportunity with the Cabinet paper when ready tomorrow – happy to turn it around speedily.

Ngā mihi nui - S

### **Simon Mandal-Johnson (he/him)**

*Manager Climate Strategy | Kaiwhakahaere Rautaki Āhuarangi*

Ministry for the Environment | Manatū Mō Te Taiao

9(2)(a) [REDACTED] | [simon.mandal-johnson@mfe.govt.nz](mailto:simon.mandal-johnson@mfe.govt.nz) | [environment.govt.nz](http://environment.govt.nz)

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---

**From:** James Coombes <James.Coombes@parliament.govt.nz>  
**Sent:** Monday, May 13, 2024 3:18 PM  
**To:** Heather Peacocke <Heather.Peacocke@mfe.govt.nz>; Hemi Smiler <Hemi.Smiler@mfe.govt.nz>; Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>; Joanne Butcher <Joanne.Butcher@mfe.govt.nz>; Paloma Hartevelt <Paloma.Hartevelt@mfe.govt.nz>; Connor Fraher <Connor.Fraher@mfe.govt.nz>; Chloe Groser <Chloe.Groser@mfe.govt.nz>  
**Cc:** Jamie Molea [EXTERNAL] (Parliament) <Jamie.Molea@parliament.govt.nz>  
**Subject:** FW: Climate vision - revised version  
**Importance:** High

Kia ora,

Over the weekend the MCC requested changes to the vision which are reflected in the **attached**.

No further work is required from MFE at this point other than a fact check (which would be on the policy team).

**Next steps:**

- I am currently waiting on the MCC to approved the revised version;
- [@Simon Mandal-Johnson](#) – please provide a fact check by COB today.
- In the meantime, Jack and PMO are drafting the short Cabinet paper to accompany it.
- The aim is then send both documents out for ministerial/agency consultation Wednesday morning.

Ngā mihi,

**James Coombes (he/him) | Private Secretary – Climate Change | Office of Hon Simon Watts MP**

Minister of Climate Change

Waea Pūkoro : 9(2)(a)

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# MINISTER FACING



## VISION

We will play our part to reduce the impact of climate change and prepare for its future effects



## WE ARE FOCUSING ON FIVE PRIORITY AREAS:



**Clean energy is abundant and affordable**



**Credible markets to support the climate transition**



**World-leading climate innovation is boosting the economy**



**Nature-based solutions address climate change**



**Resilient infrastructure to protect our communities**

## POLICIES WHICH HELP US MEET THESE PRIORITIES:

Electrify NZ: Double renewable energy – solar, wind, hydro and geothermal -- by 2050

Deliver 10,000 public electric vehicle chargers across New Zealand by 2030

RMA Reform: Enable cheaper, faster large-scale renewable energy projects through fast-track consenting and Resource Management reforms

Maintain energy security so businesses can confidently grow their operation

Price carbon effectively, with the Emission Trading Scheme regulatory settings reviewed every year.

Agriculture industry pays a fair and sustainable emissions price by 2030

Limits are placed on the amount of productive farms being turned into forests

Harness technology to reduce agriculture emissions and lift productivity

Provide tools and remove barriers for businesses to innovate and prepare for the future

Mobilise investment through partnerships both domestically and internationally

End the effective ban on genetic engineering and modification technologies

Investigate other ways to remove emissions from the atmosphere, including wetlands and blue carbon

Recognise other ways of removing emissions from the farm, beyond forestry

Native forests are replanted on Crown land

Predator Free 2050

Protect the Hauraki Gulf and Kermadecs

Deliver a fair and enduring Climate Adaptation Framework that provides clarity on costs.

Improve quality and access to climate information, tools and guidance on future risks

RMA Reform: Enable resilient infrastructure projects through fast-track consenting and Resource Management reforms



### ENABLER 1

Private investment and partnerships



### ENABLER 2

Access to the best available data and evidence



### ENABLER 3

International engagement and knowledge sharing

### Government Measures:

Reduce net greenhouse gas emissions by 2030 (Target 9)

New Zealand's Nationally Determined Contribution under the Paris Agreement by 2030

Net zero for long-lived gases by 2050

**PUBLIC FACING**



**VISION**

We will play our part to reduce the impact of climate change and prepare for its future effects



**WE ARE FOCUSING ON FIVE PRIORITY AREAS:**

 <p><b>Clean energy is abundant and affordable</b></p>	 <p><b>Credible Markets to support the climate transition</b></p>	 <p><b>World-leading climate innovation is boosting the economy</b></p>	 <p><b>Nature-based solutions address climate change</b></p>	 <p><b>Resilient infrastructure to protect our communities</b></p>
<p><b>HOW WE PLAN TO ACHIEVE THESE:</b></p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="42 908 429 1274"> <p>Doubling renewable energy by 2050 and installing 10,000 public recharging stations for electric vehicles</p> </div> <div data-bbox="429 908 820 1274"> <p>Pricing emissions to incentivise emission reductions</p> </div> <div data-bbox="820 908 1211 1274"> <p>Providing tools and removing barriers for businesses to innovate and prepare for the future</p> </div> <div data-bbox="1211 908 1602 1274"> <p>Restoring biodiversity, while investigating new ways of harnessing nature to remove emissions</p> </div> <div data-bbox="1602 908 1991 1274"> <p>Delivering a fair and enduring system that helps New Zealand be ready for climate change and provides clarity on costs.</p> </div> </div>				
<p><b>WHAT THIS MEAN FOR NEW ZEALANDERS</b></p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="42 1274 429 1795"> <p>Households heat their homes more affordably, with energy coming from the sun, wind, water and geothermal</p> <p>People charge their electric vehicles easily across the country</p> <p>Businesses have confidence in our energy security to grow their operations</p> </div> <div data-bbox="429 1274 820 1795">  <p><b>Credible Emissions Trading Scheme</b></p> <p>Businesses switch to clean energy to reduce the cost of emissions on production</p> <p>New Zealand's competitive edge and international reputation is strengthened because of our low-emissions economy</p> </div> <div data-bbox="820 1274 1211 1795"> <p>People enjoy a better standard of living, with more productive jobs and economic growth</p> <p>Businesses develop low-emissions goods to access key markets</p> <p>Agriculture industry uses technology to lower emissions while lifting productivity</p> </div> <div data-bbox="1211 1274 1602 1795"> <p>Homes and communities are better protected against climate change through restored habitats and ecosystems</p> <p>Businesses have more options available to reduce the impact of their emissions</p> <p>More native forests can be found in our environment</p> </div> <div data-bbox="1602 1274 1991 1795"> <p>Properties and infrastructure are better protected from severe weather events and the cost of repair is minimised</p> <p>People have easy access to information and guidance on potential future risks to property and community</p> <p>Interruption to business operations are minimised during and after severe weather events</p> </div> </div>				



**ENABLER 1**

Private investment and partnerships



**ENABLER 2**

Access to the best available data and evidence



**ENABLER 3**

International engagement and knowledge sharing

**Government Measures:**

Reduce net greenhouse gas emissions by 2030 (Target 9)  
 New Zealand's Nationally Determined Contribution under the Paris Agreement by 2030  
 Net zero for long-lived gases by 2050

**From:** [Simon Mandal-Johnson](#)  
**To:** [James Coombes \[EXTERNAL\] \(PARLIAMENT\)](#); [Heather Peacocke](#); [Paloma Hartevelt](#)  
**Cc:** [Megan Hurnard](#); [Katherine Wilson](#); [Hemi Smiler](#); [Becky Prebble](#); [Natasha Lewis](#); [Sam Buckle](#); [Nadeine Dommissie](#); [Chloe Groser](#); [Joanne Butcher](#); [Connor Fraher](#); [Jennifer Hutcheon](#); [Jamie Molea \[EXTERNAL\] \(Parliament\)](#)  
**Subject:** RE: [IN-CONFIDENCE]Draft Climate Approach A3"s for MCC Office  
**Date:** Tuesday, 14 May 2024 2:27:00 pm  
**Attachments:** [OUR RESPONSE TO A CHANGING CLIMATE.pptx](#)  
[OUR RESPONSE TO A CHANGING CLIMATE - Option B.pptx](#)

---

Kia ora James

All received. Please find attached here two versions of the one pagers. Per your suggestion, the second file includes our potential additional 3<sup>rd</sup> page.

Will come back to you by 3.15 with our comments and thoughts on the cab paper.

**Simon Mandal-Johnson (he/him)**


*Manager Climate Strategy | Kaiwhakahaere Rautaki Āhuarangi*

Ministry for the Environment | Manatū Mō Te Taiao

9(2)(a)  [simon.mandal-johnson@mfe.govt.nz](mailto:simon.mandal-johnson@mfe.govt.nz) | [environment.govt.nz](http://environment.govt.nz)

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out of scope



**From:** Heather Peacocke <[Heather.Peacocke@mfe.govt.nz](mailto:Heather.Peacocke@mfe.govt.nz)>  
**Sent:** Thursday, May 9, 2024 4:33 PM  
**To:** James Coombes <[James.Coombes@parliament.govt.nz](mailto:James.Coombes@parliament.govt.nz)>  
**Cc:** Megan Hurnard <[Megan.Hurnard@mfe.govt.nz](mailto:Megan.Hurnard@mfe.govt.nz)>; Katherine Wilson <[Katherine.Wilson@mfe.govt.nz](mailto:Katherine.Wilson@mfe.govt.nz)>; Hemi Smiler <[Hemi.Smiler@mfe.govt.nz](mailto:Hemi.Smiler@mfe.govt.nz)>; Becky Prebble <[Becky.Prebble@mfe.govt.nz](mailto:Becky.Prebble@mfe.govt.nz)>; Natasha Lewis <[Natasha.Lewis@mfe.govt.nz](mailto:Natasha.Lewis@mfe.govt.nz)>; Sam Buckle <[Sam.Buckle@mfe.govt.nz](mailto:Sam.Buckle@mfe.govt.nz)>; Nadeine Dommissie <[Nadeine.Dommissie@mfe.govt.nz](mailto:Nadeine.Dommissie@mfe.govt.nz)>; Simon Mandal-Johnson <[Simon.Mandal-Johnson@mfe.govt.nz](mailto:Simon.Mandal-Johnson@mfe.govt.nz)>; Chloe Groser <[Chloe.Groser@mfe.govt.nz](mailto:Chloe.Groser@mfe.govt.nz)>; Joanne Butcher <[Joanne.Butcher@mfe.govt.nz](mailto:Joanne.Butcher@mfe.govt.nz)>; Paloma Hartevelt <[Paloma.Hartevelt@mfe.govt.nz](mailto:Paloma.Hartevelt@mfe.govt.nz)>; Connor Fraher <[Connor.Fraher@mfe.govt.nz](mailto:Connor.Fraher@mfe.govt.nz)>; Jennifer Hutcheon <[Jennifer.Hutcheon@mfe.govt.nz](mailto:Jennifer.Hutcheon@mfe.govt.nz)>  
**Subject:** [IN-CONFIDENCE]Draft Climate Vision A3's for MCC Office

Kia ora James,

Please find the following documents attached:

1. Draft A3s outlining the Government's vision for New Zealand's third pillar (environment / climate)
  - Version 1 is public facing, a simplified view of the Government's approach, presented in a way which resonates with New Zealanders
  - Version 2 is for CPMG and coalition partners, and includes more detailed policy information.
2. Supporting notes to outline the rationale for the A3s including research and insights used to inform the public-facing version

## Out of scope

- [Redacted]
- [Redacted]
- [Redacted]

Thanks,  
Heather

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# OUR RESPONSE TO A CHANGING CLIMATE

## OUR CLIMATE HOW

We will play our part to reduce the impact of climate change and prepare for its future effects

**MINISTER FACING  
(14/5)**



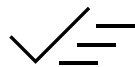
**WE ARE FOCUSING ON FIVE PRIORITY AREAS:**

<p><b>Clean energy is abundant and affordable</b></p>	<p><b>Credible markets to support the climate transition</b></p>	<p><b>World-leading climate innovation boosts the economy</b></p>	<p><b>Nature-based solutions address climate change</b></p>	<p><b>Resilient infrastructure and well-prepared communities</b></p>
<p><b>POLICIES WHICH HELP US MEET THESE PRIORITIES:</b></p>				
<p>Electrify NZ: Double renewable energy – solar, wind, hydro and geothermal -- by 2050</p> <p>Deliver 10,000 public electric vehicle chargers across New Zealand by 2030</p> <p>RMA Reform: Enable cheaper, faster large-scale renewable energy projects through fast-track consenting and Resource Management reforms</p> <p>Maintain energy security so businesses can confidently grow their operation</p>	<p>Price carbon effectively, with the Emissions Trading Scheme (ETS) regulatory settings reviewed every year.</p> <p>Agriculture industry pays a fair and sustainable emissions price by 2030</p> <p>Limits are placed on the amount of productive farms being turned into forests</p>	<p>Harness technology to reduce agriculture emissions and lift productivity</p> <p>Provide tools and remove barriers for businesses to innovate and prepare for the future</p> <p>Mobilise investment through partnerships both domestically and internationally</p> <p>End the effective ban on genetic engineering and modification technologies</p>	<p>Investigate other ways to remove emissions from the atmosphere, including wetlands and blue carbon</p> <p>Recognise other ways of removing emissions from the farm, beyond forestry</p> <p>Native forests are replanted on Crown land</p> <p>Predator Free 2050</p> <p>Protect the Hauraki Gulf</p>	<p>Deliver a fair and enduring Climate Adaptation Framework that provides clarity on costs.</p> <p>Improve quality and access to climate information, tools and guidance on future risks</p> <p>RMA Reform: Enable resilient infrastructure projects through fast-track consenting and Resource Management reforms</p>

**ENABLER 1**  
Private investment and partnerships

**ENABLER 2**  
Access to the best available data and evidence

**ENABLER 3**  
International engagement and knowledge sharing



**GOVERNMENT MEASURES:**

**By 2030**

- Reduce net greenhouse gas emissions by 2030 (Target 9)
- New Zealand’s Nationally Determined Contribution under the Paris Agreement by 2030
- 10 per cent reduction below 2017 biogenic methane emissions by 2030.

**By 2050**

- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050

# OUR RESPONSE TO A CHANGING CLIMATE



## OUR CLIMATE HOW

We will play our part to reduce the impact of climate change and prepare for its future effects

**PUBLIC FACING  
(14/5)**



## WE ARE FOCUSING ON FIVE PRIORITY AREAS:

 <p><b>Clean energy is abundant and affordable</b></p>	 <p><b>Credible markets to support the climate transition</b></p>	 <p><b>World-leading climate innovation boosts the economy</b></p>	 <p><b>Nature-based solutions address climate change</b></p>	 <p><b>Resilient infrastructure and well-prepared communities</b></p>
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## HOW WE PLAN TO ACHIEVE THESE:

Doubling renewable energy by 2050 and installing 10,000 public recharging stations for electric vehicles

Pricing emissions to incentivise emission reductions

Providing tools and removing barriers for businesses to innovate and prepare for the future

Restoring biodiversity, while investigating new ways of harnessing nature to remove emissions

Delivering a fair and enduring system that helps New Zealand be ready for climate change and provides clarity on costs.



## WHAT THIS MEANS FOR NEW ZEALANDERS

Households heat their homes more affordably, with energy coming from the sun, wind, water and geothermal

Credible Emissions Trading Scheme (ETS)

People enjoy a better standard of living, with more productive jobs and economic growth

Homes and communities are better protected against climate change through restored habitats and ecosystems

Properties and infrastructure are better protected from severe weather events and the cost of repair is minimised

People charge their electric vehicles easily across the country

Businesses switch to clean energy to reduce the cost of emissions on production

Businesses develop low-emissions goods to access key markets

Businesses have more options available to reduce the impact of their emissions

People have easy access to information and guidance on potential future risks to property and community

Businesses have confidence in our energy security to grow their operations

New Zealand's competitive edge and international reputation is strengthened because of our low-emissions economy

Agriculture industry uses technology to lower emissions while lifting productivity

More native forests can be found in our environment

Interruption to business operations are minimised during and after severe weather events



### ENABLER 1

Private investment and partnerships



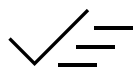
### ENABLER 2

Access to the best available data and evidence



### ENABLER 3

International engagement and knowledge sharing



## GOVERNMENT MEASURES:

**By 2030**

- Reduce net greenhouse gas emissions by 2030 (Target 9)
- New Zealand's Nationally Determined Contribution under the Paris Agreement by 2030
- 10 per cent reduction below 2017 biogenic methane emissions by 2030.

**By 2050**

- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050

MINISTERS FACING  
(14/5) V2  
WORK IN PROGRESS



OUR CLIMATE HOW

We will play our part to reduce the impact of climate change and prepare for its future effects



WE ARE FOCUSING ON FIVE PRIORITY AREAS:

<p><b>Clean energy is abundant and affordable</b></p>	<p><b>Credible markets to support the climate transition</b></p>	<p><b>World-leading climate innovation boosts the economy</b></p>	<p><b>Nature-based solutions address climate change</b></p>	<p><b>Resilient infrastructure and well-prepared communities</b></p>
<p><b>HOW WE PLAN TO ACHIEVE THESE:</b></p>				
<p>By doubling renewable energy by 2050 and installing 10,000 public recharging stations for electric vehicles</p> <p>Households heat their homes more affordably, with energy coming from the sun, wind, water and geothermal</p> <p>People charge their electric vehicles easily across the country</p> <p>Businesses have confidence in our energy security to grow their operations</p>	<p>By pricing emissions fairly and effectively to incentivise emission reductions</p> <p>People choose low-emission products</p> <p>Businesses switch to clean energy to reduce the cost of emissions on production</p> <p>New Zealand's competitive edge and international reputation is strengthened because of our low-emissions economy</p>	<p>By providing tools and removing barriers for businesses to innovate and prepare for the future</p> <p>People enjoy a better standard of living, with more productive jobs and economic growth</p> <p>Businesses develop low-emissions goods to access key markets</p> <p>Agriculture industry uses technology to lower emissions while lifting productivity</p>	<p>By restoring biodiversity, while investigating new ways of harnessing nature to remove emissions from the atmosphere</p> <p>Homes and communities are better protected against climate change through restored habitats and ecosystems</p> <p>Businesses have more options available to reduce the impact of their emissions</p> <p>More native forests can be found in our environment</p>	<p>By delivering a fair and enduring system that helps New Zealand be ready for climate change and provides clarity on costs.</p> <p>Properties and infrastructure are better protected from severe weather events and the cost of repair is minimised</p> <p>People have easy access to information and guidance on potential future risks to property and community</p> <p>Interruption to business operations are minimised during and after severe weather events</p>
<p><b>WHAT THIS MEANS FOR NEW ZEALANDERS</b></p>				

- Cutting red tape**
- Alter planning laws to promote infrastructure investment and get more houses built
  - Reduce farming regulation and improve Farm Environment Plans so they are more cost effective and pragmatic for farmers
  - Build flexibility into fresh water management to better reflect the interests of all water users

- Fostering innovation to move us forward**
- Continue to control the spread of wilding pines
  - Support development of hydrogen technology
  - Support new technology to reduce agricultural emissions, including genetic engineering law reform

**Meeting our long-term targets & measures**

<p><b>By 2030</b></p> <ul style="list-style-type: none"> <li>Reduce net greenhouse gas emissions by 2030 (<b>Target 9</b>)</li> <li>New Zealand's Nationally Determined Contribution under the <b>Paris Agreement</b> by 2030</li> <li>10 per cent reduction below 2017 biogenic methane emissions by 2030.</li> <li>Delivery of <b>10,000 public EV chargers</b></li> </ul>	<p><b>By 2050</b></p> <ul style="list-style-type: none"> <li><b>Net zero</b> for long-lived gases by 2050</li> <li>24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050</li> <li><b>Predator Free 2050</b></li> <li><b>Doubling supply of affordable, clean energy</b> by 2050</li> </ul>
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**THIS TERM IN GOVERNMENT**      **2030**      **2050**

<p><b>Helping New Zealand prepare for an uncertain future</b></p> <ul style="list-style-type: none"> <li>Share high-quality information so New Zealander can properly understand risk</li> <li>Develop an <b>Adaptation Framework</b></li> <li>Continue to implement the <b>National Adaptation Plan</b></li> </ul>	<p><b>Enabling and incentivising emissions reduction</b></p> <ul style="list-style-type: none"> <li>Recognise alternative sequestration methods in the ETS</li> <li>Incentivise the uptake of emissions reduction mitigation</li> <li>Take steps to <b>lower energy and transport emissions</b> to meet our emissions targets</li> </ul>	<p><b>Continuing our climate response</b></p> <ul style="list-style-type: none"> <li>Continue to set, monitor and report on our <b>emissions budgets and emission targets</b></li> <li>Continue to develop and implement <b>emissions reduction, and national adaptation plans</b> to transition New Zealand to a low emissions, climate resilient future</li> </ul>
---	--	--

**From:** [Simon Mandal-Johnson](#)  
**To:** [James Coombes \[EXTERNAL\] \(PARLIAMENT\)](#); [Heather Peacocke](#); [Paloma Hartevelt](#)  
**Cc:** [Megan Hurnard](#); [Katherine Wilson](#); [Hemi Smiler](#); [Becky Prebble](#); [Natasha Lewis](#); [Sam Buckle](#); [Nadeine Dommissie](#); [Chloe Groser](#); [Joanne Butcher](#); [Connor Fraher](#); [Jennifer Hutcheon](#); [Jamie Molea \[EXTERNAL\] \(Parliament\)](#)  
**Subject:** RE: [IN-CONFIDENCE]Draft Climate Approach A3's for MCC Office  
**Date:** Tuesday, 14 May 2024 4:57:00 pm  
**Attachments:** [20240514 V4 Establishing our approach to responding to climate change.docx](#)

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Kia ora James –

As just discussed, understand that the Minister is comfortable with proceeding with this draft of the paper. With that in mind, please use the version attached here which contain a set of additional recs, designed to secure formal agreement to this approach and carry it into next steps.

Hope this is helpful – looking forward to seeing the next version from your side when it's ready.

S

### **Simon Mandal-Johnson (he/him)**

*Manager Climate Strategy | Kaiwhakahaere Rautaki Āhuarangi*

Ministry for the Environment | Manatū Mō Te Taiao

9(2)(a) | [simon.mandal-johnson@mfe.govt.nz](mailto:simon.mandal-johnson@mfe.govt.nz) | [environment.govt.nz](http://environment.govt.nz)

*Ministry staff work flexibly by default. For me, this means that I do not normally work on Wednesdays and work outside standard hours on other days.*

---

**From:** James Coombes <James.Coombes@parliament.govt.nz>  
**Sent:** Tuesday, May 14, 2024 4:35 PM  
**To:** Simon Mandal-Johnson <Simon.Mandal-Johnson@mfe.govt.nz>; Heather Peacocke <Heather.Peacocke@mfe.govt.nz>; Paloma Hartevelt <Paloma.Hartevelt@mfe.govt.nz>  
**Cc:** Megan Hurnard <Megan.Hurnard@mfe.govt.nz>; Katherine Wilson <Katherine.Wilson@mfe.govt.nz>; Hemi Smiler <Hemi.Smiler@mfe.govt.nz>; Becky Prebble <Becky.Prebble@mfe.govt.nz>; Natasha Lewis <Natasha.Lewis@mfe.govt.nz>; Sam Buckle <Sam.Buckle@mfe.govt.nz>; Nadeine Dommissie <Nadeine.Dommissie@mfe.govt.nz>; Chloe Groser <Chloe.Groser@mfe.govt.nz>; Joanne Butcher <Joanne.Butcher@mfe.govt.nz>; Connor Fraher <Connor.Fraher@mfe.govt.nz>; Jennifer Hutcheon <Jennifer.Hutcheon@mfe.govt.nz>; Jamie Molea [EXTERNAL] (Parliament) <Jamie.Molea@parliament.govt.nz>  
**Subject:** RE: [IN-CONFIDENCE]Draft Climate Approach A3's for MCC Office

Kia ora Simon - The advisor is open to receiving MFE's feedback on updating the rec section to ensure the best outcome for the next steps.

If you can send me your additional recs in the next 30mins as the goal is to get the MCC to approve the paper tonight – sorry!

Ngā mihi,

**James Coombes (he/him) | Private Secretary – Climate Change | Office of Hon Simon Watts MP**

Minister of Climate Change

Waea Pūkoro : 9(2)(a)

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**From:** Simon Mandal-Johnson <[Simon.Mandal-Johnson@mfe.govt.nz](mailto:Simon.Mandal-Johnson@mfe.govt.nz)>

**Sent:** Tuesday, May 14, 2024 3:22 PM

**To:** James Coombes <[James.Coombes@parliament.govt.nz](mailto:James.Coombes@parliament.govt.nz)>; Heather Peacocke <[Heather.Peacocke@mfe.govt.nz](mailto:Heather.Peacocke@mfe.govt.nz)>; Paloma Hartevelt <[Paloma.Hartevelt@mfe.govt.nz](mailto:Paloma.Hartevelt@mfe.govt.nz)>

**Cc:** Megan Hurnard <[Megan.Hurnard@mfe.govt.nz](mailto:Megan.Hurnard@mfe.govt.nz)>; Katherine Wilson <[Katherine.Wilson@mfe.govt.nz](mailto:Katherine.Wilson@mfe.govt.nz)>; Hemi Smiler <[Hemi.Smiler@mfe.govt.nz](mailto:Hemi.Smiler@mfe.govt.nz)>; Becky Prebble <[Becky.Prebble@mfe.govt.nz](mailto:Becky.Prebble@mfe.govt.nz)>; Natasha Lewis <[Natasha.Lewis@mfe.govt.nz](mailto:Natasha.Lewis@mfe.govt.nz)>; Sam Buckle <[Sam.Buckle@mfe.govt.nz](mailto:Sam.Buckle@mfe.govt.nz)>; Nadeine Dommissse <[Nadeine.Dommissse@mfe.govt.nz](mailto:Nadeine.Dommissse@mfe.govt.nz)>; Chloe Groser <[Chloe.Groser@mfe.govt.nz](mailto:Chloe.Groser@mfe.govt.nz)>; Joanne Butcher <[Joanne.Butcher@mfe.govt.nz](mailto:Joanne.Butcher@mfe.govt.nz)>; Connor Fraher <[Connor.Fraher@mfe.govt.nz](mailto:Connor.Fraher@mfe.govt.nz)>; Jennifer Hutcheon <[Jennifer.Hutcheon@mfe.govt.nz](mailto:Jennifer.Hutcheon@mfe.govt.nz)>; Jamie Molea <[Jamie.Molea@parliament.govt.nz](mailto:Jamie.Molea@parliament.govt.nz)>

**Subject:** RE: [IN-CONFIDENCE]Draft Climate Approach A3's for MCC Office

**Importance:** High

Kia ora James –

Re Cabinet Paper:

1. This draft paper is taking a different approach to the previous version we drafted. It is closer to a 'Mitigation Strategy' cabinet paper (includes some of the material from the previous NDC Cabinet paper) with a reasonable amount of detail on ETS policy. To that extent, it has moved quite far away from the commissioning we got from the Minister last week, i.e. to prepare a vision statement designed to build public (and cross-government) understanding of the climate response.
2. s 9(2)(g)(i)  
[Redacted]
3. We would encourage the Minister to think through what his ultimate objective is here. Does he:
  - a. want to prioritize securing Cabinet agreement on some big content 'building blocks' – in which case, he should stick with this paper, but note the risks of getting it through the machine or
  - b. Want to prioritize getting a document suitable for public engagement – in which case, we'd encourage him to revert back to a version similar to our previous version.
4. If he decides to proceed with this paper:
  - a. We have made some factual and other suggestions (attached here) that we would recommend incorporating. Note 9(2)(h)  
[Redacted]

- [REDACTED] Note also this is on a best-efforts basis given the time constraint.
- b. We would encourage redrafting the recs to ensure that Cabinet more explicitly agree to the material in this section.

Perhaps you could test the Minister's preferred approach? If he does wish to stick to this draft, we can prepare a revised version tomorrow.

**Simon Mandal-Johnson (he/him)**

Manager Climate Strategy | Kaiwhakahaere Rautaki Āhuarangi

Ministry for the Environment | Manatū Mō Te Taiao

9(2)(a) | [simon.mandal-johnson@mfe.govt.nz](mailto:simon.mandal-johnson@mfe.govt.nz) | [environment.govt.nz](http://environment.govt.nz)

*Ministry staff work flexibly by default. For me, this means that I do not normally work on Wednesdays and work outside standard hours on other days.*

---

**From:** James Coombes <[James.Coombes@parliament.govt.nz](mailto:James.Coombes@parliament.govt.nz)>  
**Sent:** Tuesday, May 14, 2024 1:15 PM  
**To:** Heather Peacocke <[Heather.Peacocke@mfe.govt.nz](mailto:Heather.Peacocke@mfe.govt.nz)>; Simon Mandal-Johnson <[Simon.Mandal-Johnson@mfe.govt.nz](mailto:Simon.Mandal-Johnson@mfe.govt.nz)>; Paloma Hartevelt <[Paloma.Hartevelt@mfe.govt.nz](mailto:Paloma.Hartevelt@mfe.govt.nz)>  
**Cc:** Megan Hurnard <[Megan.Hurnard@mfe.govt.nz](mailto:Megan.Hurnard@mfe.govt.nz)>; Katherine Wilson <[Katherine.Wilson@mfe.govt.nz](mailto:Katherine.Wilson@mfe.govt.nz)>; Hemi Smiler <[Hemi.Smiler@mfe.govt.nz](mailto:Hemi.Smiler@mfe.govt.nz)>; Becky Prebble <[Becky.Prebble@mfe.govt.nz](mailto:Becky.Prebble@mfe.govt.nz)>; Natasha Lewis <[Natasha.Lewis@mfe.govt.nz](mailto:Natasha.Lewis@mfe.govt.nz)>; Sam Buckle <[Sam.Buckle@mfe.govt.nz](mailto:Sam.Buckle@mfe.govt.nz)>; Nadeine Dommissse <[Nadeine.Dommissse@mfe.govt.nz](mailto:Nadeine.Dommissse@mfe.govt.nz)>; Chloe Groser <[Chloe.Groser@mfe.govt.nz](mailto:Chloe.Groser@mfe.govt.nz)>; Joanne Butcher <[Joanne.Butcher@mfe.govt.nz](mailto:Joanne.Butcher@mfe.govt.nz)>; Connor Fraher <[Connor.Fraher@mfe.govt.nz](mailto:Connor.Fraher@mfe.govt.nz)>; Jennifer Hutcheon <[Jennifer.Hutcheon@mfe.govt.nz](mailto:Jennifer.Hutcheon@mfe.govt.nz)>; Jamie Molea [EXTERNAL] (Parliament) <[Jamie.Molea@parliament.govt.nz](mailto:Jamie.Molea@parliament.govt.nz)>  
**Subject:** RE: [IN-CONFIDENCE]Draft Climate Approach A3's for MCC Office  
**Importance:** High

Thanks Heather.

**Out of scope**

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Out of scope [redacted]

- [redacted]
- [redacted]

The cabinet paper is attached for a fact check please – can it be done in the next two hours (3:15pm)? And also add in the proposed climate insights text from Paloma too please in an appropriate place.

Ngā mihi,

**James Coombes (he/him) | Private Secretary – Climate Change | Office of Hon Simon Watts MP**

Minister of Climate Change

Waea Pūkoro : 9(2)(a) [redacted]

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**From:** Heather Peacocke <[Heather.Peacocke@mfe.govt.nz](mailto:Heather.Peacocke@mfe.govt.nz)>  
**Sent:** Thursday, May 9, 2024 4:33 PM  
**To:** James Coombes <[James.Coombes@parliament.govt.nz](mailto:James.Coombes@parliament.govt.nz)>  
**Cc:** Megan Hurnard <[Megan.Hurnard@mfe.govt.nz](mailto:Megan.Hurnard@mfe.govt.nz)>; Katherine Wilson <[Katherine.Wilson@mfe.govt.nz](mailto:Katherine.Wilson@mfe.govt.nz)>; Hemi Smiler <[Hemi.Smiler@mfe.govt.nz](mailto:Hemi.Smiler@mfe.govt.nz)>; Becky Prebble <[Becky.Prebble@mfe.govt.nz](mailto:Becky.Prebble@mfe.govt.nz)>; Natasha Lewis <[Natasha.Lewis@mfe.govt.nz](mailto:Natasha.Lewis@mfe.govt.nz)>; Sam Buckle <[Sam.Buckle@mfe.govt.nz](mailto:Sam.Buckle@mfe.govt.nz)>; Nadeine Dommissie <[Nadeine.Dommissie@mfe.govt.nz](mailto:Nadeine.Dommissie@mfe.govt.nz)>; Simon Mandal-Johnson <[Simon.Mandal-Johnson@mfe.govt.nz](mailto:Simon.Mandal-Johnson@mfe.govt.nz)>; Chloe Groser <[Chloe.Groser@mfe.govt.nz](mailto:Chloe.Groser@mfe.govt.nz)>; Joanne Butcher

<[Joanne.Butcher@mfe.govt.nz](mailto:Joanne.Butcher@mfe.govt.nz)>; Paloma Hartevelt <[Paloma.Hartevelt@mfe.govt.nz](mailto:Paloma.Hartevelt@mfe.govt.nz)>;  
Connor Fraher <[Connor.Fraher@mfe.govt.nz](mailto:Connor.Fraher@mfe.govt.nz)>; Jennifer Hutcheon  
<[Jennifer.Hutcheon@mfe.govt.nz](mailto:Jennifer.Hutcheon@mfe.govt.nz)>  
**Subject:** [IN-CONFIDENCE]Draft Climate Vision A3's for MCC Office

Kia ora James,

Please find the following documents attached:

1. Draft A3s outlining the Government's vision for New Zealand's third pillar (environment / climate)
  - Version 1 is public facing, a simplified view of the Government's approach, presented in a way which resonates with New Zealanders
  - Version 2 is for CPMG and coalition partners, and includes more detailed policy information.
2. Supporting notes to outline the rationale for the A3s including research and insights used to inform the public-facing version

## Out of scope

- [Redacted]
- [Redacted]
- [Redacted]

Thanks,  
Heather

**In Confidence**

Office of the Minister of Climate Change  
Cabinet Economic Policy Committee

**Commented [SG1]:** ADVICE: A consideration for this Cabinet paper is to bring in more sentiment that this is an approach that reflects the feedback and concerns expressed by Cabinet, and brings this together in a cohesive way for this term. Risk the collective agreement is lost at present.

**Establishing our approach to responding to climate change**

**Proposal**

1 This paper seeks Cabinet approval for the Government's climate change mitigation strategy. The strategy will form the basis for decisions this Parliamentary term including upcoming decisions on ETS settings and the Emissions Reduction Plan. An agreed strategy will help align advice from officials with the Government's approach.

**Commented [SM2]:** Would encourage a reframing: the vision document attached is broader than mitigation strategy only. It has both adaptation and nature elements.

Suggest: delete 'mitigation'

**Relation to government priorities**

2 The proposed strategy supports the Government's climate change commitments in the Coalition Agreements and the Prime Minister's ninth public service target to limit net emissions to 290 Mt for 2022-2025 and 305 Mt for 2026-2030. This paper focuses on climate change mitigation. Cabinet recently considered and approved actions on adaptation.

**Commented [DW3]:** For clarity: million tonnes (Mt)

**Commented [SM4]:** Similar comment to my comment on (1)

**New Zealand is off track for climate change targets**

3 The Government is committed to the successful delivery of our climate change targets including;

3.1 The Nationally Determined Contribution under the Paris Climate Agreement in 2030 ("the 2030 NDC")

3.2 Net Zero emissions by 2050, and

3.3 Biogenic methane targets in 2030 and 2050.

**Commented [DW5]:** Suggestion: Rephrase to align with the Act. "Net zero emissions of all greenhouse gas emissions other than biogenic methane by 2050"

4 This Government has inherited no plan to meet those targets. Despite large amounts of expenditure, the previous Government has left us with a significant gap in emissions reductions to meet.

5 At the Glasgow climate conference in 2021 the Government extended New Zealand's international commitment under the Paris Agreement despite official advice warning the extra reduction in emissions could not be achieved domestically and would have to come from offshore mitigation. In the years after Glasgow, the previous Government did not bring us any closer to delivering this extended commitment.

6 The reckless actions of the previous Government have put New Zealand's reputation at risk. Officials estimate New Zealand is between 60Mt and 97Mt

**IN C O N F I D E N C E**

off track for the 2030 NDC commitment. Despite net emissions declining since 2020, the decline is at a rate that will not deliver Net Zero emissions in 2050.

**Commented [DW6]:** Suggestion for clarity: "the decline needs to be at a greater rate to deliver the net zero target by 2050."

**Proposed strategy**

7 To address the lack of a credible and viable plan left by the previous Government, I have developed an overarching framework to organise our efforts and support the delivery of the commitments in our Coalition Agreements, domestic legislation, and international obligations. This is attached as **appendix 1**.

**Commented [DW7]:** New addition. Paper doesn't link to the appendix.

8 I propose to reduce net emissions at least cost using effective and efficient policies. My proposed approach aims to lower emissions based on this five-point plan:

**Commented [SM8]:** Addition: linking to the attached framework

- 8.1 Clean energy is abundant and affordable
- 8.2 Credible markets to support the climate transition
- 8.3 World-leading climate innovation is boosting the economy
- 8.4 Nature-based solutions address climate change
- 8.5 Resilient infrastructure and well-prepared communities

**Commented [DW9]:** New addition to reflect latest wording in A3.

9 Taking a least cost net-based approach means we can deliver on our climate targets. Without efficient and effective climate policy, New Zealand cannot deliver meaningful climate action.

10 We will not accept shutting down productive sectors of the economy to deliver emissions targets.

11 I propose a technology-led approach to allow production to increase as emissions come down. By definition, a least cost approach will minimise the economic impact of climate change targets which will, in turn, protect social license for action.

12 I propose to target net emissions of greenhouse gases as required by domestic legislation and as New Zealand has agreed to in our international commitments. New Zealand has made no commitment that requires any minimum reduction in gross emissions as part of our targets based on net emissions.

13 The previous Government's focus on gross emissions increased the cost of mitigation policies for no discernible benefit to New Zealand. Targeting net emissions reduces the cost of mitigation through flexibility by allowing discovery of the least-cost combination of gross reductions and removals (i.e. carbon capture).

14 The Emissions Trading Scheme is the main tool for reducing net emissions. The ETS puts a price on carbon for most of the economy except for agriculture. A carbon price encourages investments to reduce gross

**IN C O N F I D E N C E**

**IN CONFIDENCE**

emissions and increase carbon capture and storage. Applying a single carbon price to both reductions and removals allows net emission to be lowered at least cost.

15 My goal is to restore the stability and credibility of the ETS to improve its effectiveness. The ETS experienced a significant period of volatility under the previous Government, in large part because of uncertainty about policy settings.

16 To restore confidence in the ETS, I propose to make no significant structural changes to the ETS this term and to permanently rule out differential treatment of forestry and other offsets within the ETS or to introduce any form of vintaging (setting use by dates on ETS credits). These changes were proposed by the previous Government which led to an immediate and substantial fall in the ETS price, reflecting a loss of credibility.

~~17 Complementary policies that operate outside of the ETS have an important role improving the accessibility and affordability of reductions and removals. Examples of complementary policies include investing in Research and Development and removing barriers to investment (e.g. in renewable energy). Complementary policies play their most important role in agriculture, where emissions pricing is not currently in place.~~

17 NZ ETS auction settings are our key opportunity to ensure that the scheme plays its part in achieving the second, and future, emissions budgets. I am currently consulting on NZ ETS settings, and expect to seek Cabinet agreement to policy decisions in August. These settings decisions must support achievement of the second emissions budget, and will be an essential part of our ERP2 strategy.

~~18 Complementary policies that operate outside of the ETS have an important role improving the accessibility and affordability of reductions and removals. Examples of complementary policies include investing in Research and Development and removing barriers to investment (e.g. in renewable energy). Complementary policies play their most important role in agriculture, where emissions pricing is not currently in place.~~

~~18~~

**Forestry**

19 Absent constraints, a least cost approach that uses the ETS as its main tool is likely to encourage excessive afforestation. This is because exotic trees are a relatively cost-effective way reduce net emissions. To protect agricultural production from the risk of excessive afforestation, the Minister of Forestry and I propose to introduce limits on new forests entering the ETS if they are planted on high quality farmland. Our approach will target whole-farm conversions, and preserve flexibility for farmers to integrate forestry within their farms to support farm income and generate removals. Forests already in the ETS will not be affected by this change.

**Commented [SG10]:** ADVICE: Ministers may want to keep options open on price and complementary policies in paras 16&17.

**Commented [DM11R10]:** Now 16 and 18.

**Commented [DM12]:** ADVICE: added to relate to new ETS recs.

**Commented [DM13]:** SUGGESTED ADDITION: reflects joint nature of this policy proposal.

**Commented [DM14]:** SUGGESTED ADDITION: this reflects the policy intent, and may help pre-empt any concerns re: undue interference with property rights, flexibility for landowners etc.

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**IN C O N F I D E N C E**

- 20 I also intend to reduce the reliance on trees for removals by introducing other forms of carbon capture and storage into the ETS on a robust and additional basis. I will return to Cabinet later this year on these matters.
- 21 Forestry limits illustrate a more general point that a least cost mitigation strategy can be safely pursued by introducing constraints to manage unwanted consequences of that strategy.

**Agriculture**

- 22 Agriculture will remain outside the ETS. Pricing of agricultural emissions will be introduced no later than 2030. Since agriculture is exposed to trade, pricing of agricultural emissions will be aligned with other countries to avoid leakage. New Zealand farmers are among the world's most carbon efficient, so pricing agricultural emissions at a level that sends production offshore could raise global emissions.

**Role of government**

- 23 It is the role of the elected Government to choose how to deliver climate change targets. The role of agencies including the independent Climate Change Commission is to advise the Government. The Government has no obligation to agree with all advice from officials.
- 24 I am concerned that some of the advice I have received is not aligned with the Government's priorities for least cost, effective and efficient policies, and rebuilding the credibility of the ETS.
- 25 The law requires the Minister of Climate Change to consider certain advice from officials. As Minister, I intend to fully meet this and a range of other statutory requirements. I expect advice from officials to support the Government's climate change strategy. s 9(2)(h)

**Commented [DW15]:** New addition: There are a range of other statutory requirements in addition to CCC advice consideration.

9(2)(h)

[Redacted content]

**Insights used to inform the proposed strategy**

- 26 Research shows New Zealanders have a strong desire to make changes to tackle climate change, with four in five concerned about the impacts of climate change, but there is confusion on what New Zealand is building and working towards. This is compounded by commentary on costs and sacrifices.
- 27 There is an opportunity for the Government to shift the way climate action is perceived in some cases by having a strategy that all New Zealanders can relate to, and is positive, clear and solution focused. The shift needs to move climate action from detrimental to progress and societal improvement to helping the New Zealand economy be better off and better placed in the future.
- 28 Research also shows knowledge of the terms we often use when talking about climate change is shallow, and technical terms come across as jargon

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or buzzwords. Simple language and plain English work better – even if it means using more words.

**Cost-of-living Implications**

29 There are no immediate cost of living implications from this paper.

**Financial Implications**

30 There are no immediate financial implications of this paper.

**Legislative Implications**

31 No new legislation is proposed and no changes to existing legislation.

**Impact Analysis**

**Regulatory Impact Statement**

32 A regulatory impact statement is not required for this paper.

**Climate Implications of Policy Assessment**

33 There are no immediate policy proposals that warrant a Climate Implications of Policy Assessment (CIPA).

**Population Implications**

34 There are no immediate population implications of this paper.

**Human Rights**

35 There are no immediate human rights implications of this paper.

**Use of External Resources**

36 No external resources have been engaged in core policy development processes for this work programme.

**Consultation**

37 The following agencies were consulted in the development of this Cabinet paper:

38 The Department of the Prime Minister and Cabinet has been informed.

**Communications**

39 Once Cabinet agrees on the Government's strategy, I plan to further test and refine the document to ensure the language resonates with New Zealanders.

40 I will then publicly release the strategy and in time, build supporting public engagement and communications to:

**IN C O N F I D E N C E**

40.1 give confidence to, and empower, the private sector and households to make lower emission investment decisions

40.2 build social licence for New Zealand's climate change response.

41 I will also direct officials to develop a narrative with key messages on our priorities to be used across agencies to ensure a joined-up approach.

**Commented [DW17]:** New addition to reflect Minister's interest

42 The first opportunity to do share the strategy with the public is in the Government's second Emissions Reduction Plan (ERP2), which needs to be published this year. I plan to include elements of this vision in upcoming consultation material for ERP2.

43 The government also has a variety of other statutory obligations which will allow us to demonstrate our strategy, including the yearly updates to ETS settings and auction volumes which is currently out for public consultation, in advance of Cabinet decisions in August.

**Proactive Release**

44 I propose to proactively release this paper once consultation on ERP2 has begun.

**Recommendations**

The Minister for Climate Change recommends that the Committee:

1 **note** climate change is a critical challenge we face, and that we have not inherited a plan to meet New Zealand's climate targets.

2 **note** my approach for New Zealand to play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change.

**Commented [SM18]:** Edit for grammar

3 **agree** that the government's approach to climate mitigation will operate under the principle of least cost and be net-based

**Commented [SM19]:** Shift from note to agree

4 **agree** to the Government's climate mitigation strategy as set out in this paper

**Commented [SM20]:** New addition

5 **endorse** my framework for our climate change response which summarises my vision for the climate change response, the priority focus areas, and the key actions we need to take this parliamentary term

6 **note** the Emissions Trading Scheme is the main tool for reducing net emissions.

7 **note** NZ ETS auction settings are our key opportunity to ensure that the scheme plays its part in achieving the second, and future, emissions budgets, that I am currently consulting on NZ ETS settings, and that I expect to seek Cabinet agreement to policy decisions in August.

**IN C O N F I D E N C E**

545 **note** that the Minister of Forestry and I propose to introduce limits on new forests entering the ETS if they are planted on high quality farmland, and that we will return to Cabinet later this year on these matters.

**Formatted:** CabStandard

**Commented [DM21]:** New additions as per request from SMJ.

68 **note** the need to publicly outline our climate change response to build social licence and give confidence to the private sector and households to make investment decisions

79 **note** the need to refine the language in a public-facing strategy

**Commented [DW22]:** New addition

810 **note** officials will develop a narrative with key messages on our priorities to be used across agencies to ensure a joined-up approach

**Commented [DW23]:** New addition

911 **note** that this strategy will drive the second Emissions reduction Plan, which I plan to seek Cabinet's agreement for in June to begin consultation on the second Emissions Reduction Plan,

**Commented [SM24]:** reworded

Authorised for lodgement

Hon Simon Watts

Minister of Climate Change

**DRAFT**



[IN-CONFIDENCE]  
**IN CONFIDENCE**

## **Appendix 1: New Zealand's climate change response**

**DRAFT**

**IN CONFIDENCE**  
[IN-CONFIDENCE]

[IN CONFIDENCE]

## Climate Priorities Ministerial Group Meeting

<b>Date</b>	Monday 20 May 2024	<b>Time</b>	7:30pm to 8:00pm
<b>Venue</b>	Ministerial Meeting Room, Level 2, Executive Wing, Parliament Buildings		
<b>Attendees</b>	<p>Rt Hon Christopher Luxon – Prime Minister</p> <p><u>Core members</u></p> <p>Hon Simon Watts – Minister of Climate Change</p> <p>Hon Chris Bishop* – Minister of Infrastructure, Minister Responsible for RMA Reform, Minister of Housing</p> <p>Hon Simeon Brown* – Minister for Energy, Minister of Transport, Minister of Local Government</p> <p>Hon Todd McClay* – Minister of Agriculture, Minister of Forestry, Minister for Trade</p> <p>Rt Hon Winston Peters – Minister of Foreign Affairs</p> <p><u>High-interest members</u></p> <p>Hon Mark Mitchell, Minister for Emergency Management and Recovery</p> <p>Hon Tama Potaka*, Minister of Conservation, and Māori Crown Relations: Te Arawhiti</p> <p>Hon Penny Simmonds, Minister for the Environment</p> <p>Hon Shane Jones, Minister for Regional Development and Resources</p> <p>Hon Mark Patterson, Minister for Rural Communities</p> <p>Simon Court MP, Parliamentary Under-Secretary to Minister for Infrastructure, Minister Responsible for RMA Reform.</p> <p><i>*Attendees to be confirmed or tentative</i></p>		
<b>Apologies</b>	Hon Nicola Willis – Minister of Finance; Associate Minister of Climate Change		

Meeting open – Welcome		
#	Time	Agenda Item
1	15 mins	<p><b>Agree Climate Strategy</b></p> <p>Lead speaker: Hon Simon Watts</p>
	7:30-7:45pm	<p>This item is an opportunity for Ministers to discuss the climate strategy prior to wider ministerial consultation and ECO Committee consideration. The draft climate strategy sets out the ‘why’ to guide delivery of the Government’s climate work programme. The second emissions reduction plan will then build upon the pillars of the strategy.</p> <p><i>Recommendations for this item:</i></p> <p><b>1.1 Note</b> the attached Cabinet paper, <i>Establishing our approach to responding to climate change</i>, which lays out an overarching strategy to guide the Government’s climate change work programme and relevant decisions over this parliamentary term.</p> <p><b>1.2 Note</b> the Cabinet paper is scheduled to be considered by Cabinet later in May.</p> <p><b>1.3 Discuss</b> material and agree priorities in the strategy ahead of ECO Committee consideration.</p> <p><i>Supporting document:</i></p> <ul style="list-style-type: none"> <li><i>Paper 1.1 Cabinet paper - Establishing our approach to responding to climate change (includes one-page strategy)</i></li> </ul>

[IN CONFIDENCE]

**In Confidence**

Office of the Minister of Climate Change

Cabinet Economic Policy Committee

**Establishing our approach to responding to climate change****Proposal**

- 1 This paper seeks Cabinet approval for the Government's climate change strategy. The strategy will form the basis for decisions this Parliamentary term including upcoming decisions on ETS settings and the Emissions Reduction Plan. An agreed strategy will help align advice from officials with the Government's approach.

**Relation to government priorities**

- 2 The proposed strategy supports the Government's climate change commitments in the Coalition Agreements and the Prime Minister's ninth public service target to limit net emissions to 290 Mt for 2022-2025 and 305 Mt for 2026-2030. This paper primarily focuses on climate change mitigation. Cabinet recently considered and approved actions on adaptation.

**New Zealand is not on track to meet our climate targets**

- 3 The Government is committed to the successful delivery of our climate change targets including.
  - 3.1 The Nationally Determined Contribution under the Paris Climate Agreement in 2030 ("the 2030 NDC")
  - 3.2 Net zero emissions of all greenhouse gas emissions other than biogenic methane by 2050, and
  - 3.3 Biogenic methane targets in 2030 and 2050.<sup>1</sup>
- 4 This Government has inherited no plan to meet those targets. Despite large amounts of expenditure, the previous Government has left us with a significant gap in emissions reductions to meet.
- 5 At the Glasgow climate conference in 2021 the Government extended New Zealand's international commitment under the Paris Agreement despite official advice warning the extra reduction in emissions could not be achieved domestically and would have to come from offshore mitigation. In the years

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<sup>1</sup> New Zealand has 'split gas' emission targets, which consider biogenic methane separately from all other greenhouse gases. This reflects the different impact that methane has compared with other greenhouse gases.

after Glasgow, the previous Government did not take the necessary steps to achieve this goal.

- 6 The actions of the previous Government have put New Zealand's reputation at risk. Officials estimate New Zealand is between 60Mt and 97Mt off track for the 2030 NDC commitment. Despite net emissions declining since 2020, the decline needs to be at a greater rate to deliver the net zero target by 2050.

### Proposed strategy

- 7 To address the lack of a credible and viable plan, I have developed an overarching framework to support delivery of the commitments in our Coalition Agreements, domestic legislation, and international obligations. I have attached my full strategy as **appendix 1**.

- 8 The framework outlines, New Zealand will play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change. This will be delivered in five priority areas, as outlined below.

- 8.1 Clean energy is abundant and affordable
- 8.2 Credible markets to support the climate transition
- 8.3 World-leading climate innovation is boosting the economy
- 8.4 Nature-based solutions address climate change
- 8.5 Resilient infrastructure and well-prepared communities

- 9 I propose to reduce net emissions at least cost using effective and efficient policies. Without such policies, New Zealand cannot deliver on our targets.

- 10 We will not accept shutting down productive sectors of the economy to deliver emissions targets.

- 11 I propose a technology-led approach to allow production to increase as emissions come down. By definition, a least cost approach will minimise the economic impact of climate change targets which will, in turn, protect social license for action.

- 12 I propose to target net emissions of greenhouse gases as required by domestic legislation and as New Zealand has agreed to in our international commitments. New Zealand has made no commitment that requires any minimum reduction in gross emissions as part of our targets based on net emissions.

- 13 The previous Government's focus on gross emissions increased the cost of mitigation policies for no discernible benefit to New Zealand. Targeting net emissions reduces the cost of mitigation through flexibility by allowing discovery of the least-cost combination of gross reductions and removals (i.e. carbon capture).

- 14 The Emissions Trading Scheme is the main tool for reducing net emissions. The ETS puts a price on carbon for most of the economy except for agriculture. A carbon price encourages investments to reduce gross emissions and increase carbon capture and storage. Applying a single carbon price to both reductions and removals allows net emission to be lowered at least cost.
- 15 My goal is to restore the stability and credibility of the ETS to improve its effectiveness. The ETS experienced a significant period of volatility under the previous Government, in large part because of uncertainty about policy settings.
- 16 To restore confidence in the ETS, I propose to permanently rule out differential treatment of forestry and other offsets within the ETS or to introduce any form of vintaging (setting use by dates on ETS credits). These changes were proposed by the previous Government which led to an immediate and substantial fall in the ETS price, reflecting a loss of credibility. I will propose more modest changes to streamline and improve the ETS.
- 17 Complementary policies that operate outside of the ETS have an important role in removing barriers to investment in reductions and removals. Examples of complementary policies include investing in Research and Development and removing barriers to investment (e.g. in renewable energy). Complementary policies play their most important role in agriculture, where emissions pricing is not currently in place.

### Forestry

- 18 Because exotic trees are a relatively cost-effective way reduce net emissions, a least cost approach that uses the ETS as its main tool is likely to encourage excessive afforestation. To protect agricultural production from the risk of excessive afforestation, the Minister of Forestry and I propose to introduce limits on new forests entering the ETS if they are planted on high quality farmland.
- 19 Our approach will target whole farm conversions and preserve flexibility for farmers to integrate forestry within their farms to support farm income and generate removals. Forests already in the ETS will not be affected by this change.
- 20 I also intend to reduce the reliance on trees for removals by introducing other forms of carbon capture and storage into the ETS on a robust and additional basis. I will return to Cabinet later this year on these matters.
- 21 Forestry limits illustrate a more general point that a least cost mitigation strategy can be safely pursued by introducing constraints to manage unwanted consequences of that strategy.

### Agriculture

- 22 Agriculture will remain outside the ETS. Pricing of agricultural emissions will be introduced no later than 2030, with farm level measurement coming into

force before that. Since agriculture is exposed to trade, pricing of agricultural emissions will be aligned with other countries to avoid leakage. New Zealand farmers are among the world's most carbon efficient, so pricing agricultural emissions at a level that sends production offshore could raise global emissions.

### **Role of government**

23 It is the role of the elected Government to choose how to deliver climate change targets. The role of agencies including the independent Climate Change Commission is to advise the Government. The Government has no obligation to agree with all advice from officials.

24 Some of the advice I have received is not aligned with the Government's priorities for least cost, effective and efficient policies, and rebuilding the credibility of the ETS.

25 The law requires the Minister of Climate Change to consider certain advice from the Climate Change Commission. As Minister, I intend to fully meet this and all statutory requirements. I also intend to stop spending on policies that are inconsistent with the government's approach. Consistency with the government's strategy will be an important consideration when I make decisions.

### **Cost-of-living Implications**

26 There are no immediate cost of living implications from this paper.

### **Financial Implications**

27 There are no immediate financial implications of this paper.

### **Legislative Implications**

28 No new legislation is proposed and no changes to existing legislation.

### **Impact Analysis**

#### **Regulatory Impact Statement**

29 A regulatory impact statement is not required for this paper.

#### **Climate Implications of Policy Assessment**

30 There are no immediate policy proposals that warrant a Climate Implications of Policy Assessment (CIPA).

### **Population Implications**

31 There are no immediate population implications of this paper.

## Human Rights

32 There are no immediate human rights implications of this paper.

## Use of External Resources

33 No external resources have been engaged in core policy development processes for this work programme.

## Consultation

34 The following agencies were consulted in the development of this Cabinet paper:

35 The Department of the Prime Minister and Cabinet has been informed.

## Communications

36 Once Cabinet agrees on the Government's strategy, I plan to further test and refine the document to ensure the language resonates with New Zealanders.

37 I will then publicly release the strategy and in time, build supporting public engagement and communications to:

37.1 give confidence to, and empower, the private sector and households to make lower emission investment decisions

37.2 build social licence for New Zealand's climate change response.

38 I will also direct officials to develop a narrative with key messages on our priorities to be used across agencies to ensure a joined-up approach.

39 The first opportunity to do share the strategy with the public is in the Government's second Emissions Reduction Plan (ERP2), which needs to be published this year. I plan to include elements of this vision in upcoming consultation material for ERP2.

40 The government also has a variety of other statutory obligations which will allow us to demonstrate our strategy, including the yearly updates to ETS settings and auction volumes which is currently out for public consultation, in advance of Cabinet decisions in August.

## Proactive Release

41 I propose to proactively release this paper once consultation on ERP2 has begun.

## Recommendations

The Minister for Climate Change recommends that the Committee:


1 **note** climate change is a critical challenge we face, and that we have not inherited a plan to meet New Zealand's climate targets.

- 2 **note** my framework is for New Zealand to play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change.
- 3 **agree** that the government's approach to climate mitigation will operate under the principle of least cost and target net emissions.
- 4 **endorse** my framework for our climate change response which summarises my vision for the climate change response, the priority focus areas, and the key actions we need to take this parliamentary term
- 5 **note** the need to publicly outline our climate change response to build social licence and give confidence to the private sector and households to make investment decisions
- 6 **note** the need to refine the language in a public-facing strategy
- 7 **note** I plan to seek Cabinet's agreement in June to begin consultation on the second Emissions Reduction Plan, which will include elements of this climate change response

Authorised for lodgement

Hon Simon Watts

Minister of Climate Change









## OUR CLIMATE STRATEGY

We will play our part to reduce the impact of climate change and prepare for its future effects

**MINISTER FACING (14/5)**




**WE ARE FOCUSING ON FIVE PRIORITY AREAS:**

 <b>Clean energy is abundant and affordable</b>	 <b>Credible markets to support the climate transition</b>	 <b>World-leading climate innovation boosts the economy</b>	 <b>Nature-based solutions address climate change</b>	 <b>Resilient infrastructure and well-prepared communities</b>
 <b>POLICIES WHICH HELP US MEET THESE PRIORITIES:</b>				
<p>Electrify NZ: Double renewable energy – solar, wind, hydro and geothermal -- by 2050</p> <p>Deliver 10,000 public electric vehicle chargers across New Zealand by 2030</p> <p>RMA Reform: Enable cheaper, faster large-scale renewable energy projects through fast-track consenting and Resource Management reforms</p> <p>Maintain energy security so businesses can confidently grow their operation</p>	<p>Price carbon effectively, with the Emissions Trading Scheme (ETS) regulatory settings reviewed every year.</p> <p>Agriculture industry pays a fair and sustainable emissions price by 2030</p> <p>Limits are placed on the amount of productive farms being turned into forests</p>	<p>Harness technology to reduce agriculture emissions and lift productivity</p> <p>Provide tools and remove barriers for businesses to innovate and prepare for the future</p> <p>Mobilise investment through partnerships both domestically and internationally</p> <p>End the effective ban on genetic engineering and modification technologies</p>	<p>Investigate other ways to remove emissions from the atmosphere, including wetlands and blue carbon</p> <p>Recognise other ways of removing emissions from the farm, beyond forestry</p> <p>Native forests are replanted on Crown land</p> <p>Predator Free 2050</p> <p>Protect the Hauraki Gulf</p>	<p>Deliver a fair and enduring Climate Adaptation Framework that provides clarity on costs.</p> <p>Improve quality and access to climate information, tools and guidance on future risks</p> <p>RMA Reform: Enable resilient infrastructure projects through fast-track consenting and Resource Management reforms</p>




### ENABLER 1

Private investment and partnerships



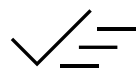
### ENABLER 2

Access to the best available data and evidence



### ENABLER 3

International engagement and knowledge sharing



**GOVERNMENT MEASURES:**

**By 2030**

- Reduce net greenhouse gas emissions by 2030 (Target 9)
- New Zealand’s Nationally Determined Contribution under the Paris Agreement by 2030
- 10 per cent reduction below 2017 biogenic methane emissions by 2030.

**By 2050**

- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050

# OUR RESPONSE TO A CHANGING CLIMATE



## OUR CLIMATE STRATEGY

We will play our part to reduce the impact of climate change and prepare for its future effects

**PUBLIC FACING  
(14/5)**



## WE ARE FOCUSING ON FIVE PRIORITY AREAS:

<p><b>Clean energy is abundant and affordable</b></p>	<p><b>Credible markets to support the climate transition</b></p>	<p><b>World-leading climate innovation boosts the economy</b></p>	<p><b>Nature-based solutions address climate change</b></p>	<p><b>Resilient infrastructure and well-prepared communities</b></p>
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## HOW WE PLAN TO ACHIEVE THESE:

<p>Doubling renewable energy by 2050 and installing 10,000 public recharging stations for electric vehicles</p>	<p>Pricing emissions to incentivise emission reductions</p>	<p>Providing tools and removing barriers for businesses to innovate and prepare for the future</p>	<p>Restoring biodiversity, while investigating new ways of harnessing nature to remove emissions</p>	<p>Delivering a fair and enduring system that helps New Zealand be ready for climate change and provides clarity on costs.</p>
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## WHAT THIS MEANS FOR NEW ZEALANDERS

<p>Households heat their homes more affordably, with energy coming from the sun, wind, water and geothermal</p> <p>People charge their electric vehicles easily across the country</p> <p>Businesses have confidence in our energy security to grow their operations</p>	<p>Credible Emissions Trading Scheme (ETS)</p> <p>Businesses switch to clean energy to reduce the cost of emissions on production</p> <p>New Zealand's competitive edge and international reputation is strengthened because of our low-emissions economy</p>	<p>People enjoy a better standard of living, with more productive jobs and economic growth</p> <p>Businesses develop low-emissions goods to access key markets</p> <p>Agriculture industry uses technology to lower emissions while lifting productivity</p>	<p>Homes and communities are better protected against climate change through restored habitats and ecosystems</p> <p>Businesses have more options available to reduce the impact of their emissions</p> <p>More native forests can be found in our environment</p>	<p>Properties and infrastructure are better protected from severe weather events and the cost of repair is minimised</p> <p>People have easy access to information and guidance on potential future risks to property and community</p> <p>Interruption to business operations are minimised during and after severe weather events</p>
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### ENABLER 1

Private investment and partnerships



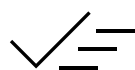
### ENABLER 2

Access to the best available data and evidence



### ENABLER 3

International engagement and knowledge sharing



## GOVERNMENT MEASURES:

**By 2030**

- Reduce net greenhouse gas emissions by 2030 (Target 9)
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- 10 per cent reduction below 2017 biogenic methane emissions by 2030.

**By 2050**

- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050

**From:** [Katherine Durman](#)  
**To:** [Dale Warburton](#)  
**Subject:** FW: [IN-CONFIDENCE]FW: REQUEST: Review of Cabinet paper - Establishing our approach to responding to climate change  
**Date:** Tuesday, 21 May 2024 12:08:25 pm  
**Attachments:** [image001.jpg](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)  
[image007.jpg](#)  
[image008.png](#)  
[MPI Comments on Cab paper - Establishing our Approach to Responding to Climate Change.docx](#)  
[MPI comments directly in the Cab Paper - Establishing our approach to responding to climate change.docx](#)  
[MPI Comments on "Visual".pptx](#)

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MPI's feedback attached

Ngā mihi,  
Kat

**Katherine Durman (she/her)**  
*Senior Project Manager | Kaiwhakahaere Kaupapa Matua  
Emissions Reduction Plan 2*

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**From:** Amita Fotedar <Amita.Fotedar@mpi.govt.nz>  
**Sent:** Tuesday, May 21, 2024 12:00 PM  
**To:** ERP2Development <ERP2Development@mfe.govt.nz>; Katherine Durman <Katherine.Durman@mfe.govt.nz>  
**Cc:** Abigail Harding <Abigail.Harding@mpi.govt.nz>; Helen Lane [EXTERNAL] (MPI) <Helen.Lane@mpi.govt.nz>; Sophia Murphy [EXTERNAL] (MPI) <Sophia.Murphy@mpi.govt.nz>; Robbie McCrea <robbie.mccrea@mpi.govt.nz>  
**Subject:** [IN-CONFIDENCE]FW: REQUEST: Review of Cabinet paper - Establishing our approach to responding to climate change

Kia ora Katherine,

Please find attached our comments on the Cabinet Paper 'Establishing our approach to responding to climate change'.

We are sending three docs/attachments:

1. MPI comments on Cab paper – more comprehensive feedback
2. MPI comments added directly to the Cab paper
3. MPI comments added directly to the 'Power point Visual'.

Please let us know if you have any questions.

Regards,

**Amita Fotedar, PhD | डॉ अमिता फोतेदार** (She/Her) | Policy Analyst | Climate Change Policy – Systems Strategy  
Natural Resources Directorate | Policy and Trade Branch

Ministry for Primary Industries - Manatū Ahu Matua | Charles Fergusson Building, 38-42 Bowen Street | PO Box 2526 | Wellington 6140 | New Zealand

Mobile: 9(2)(a) | Web: [www.mpi.govt.nz](http://www.mpi.govt.nz) | Email: [Amita.Fotedar@mpi.govt.nz](mailto:Amita.Fotedar@mpi.govt.nz)

MPI-logo-colour line



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**From:** ERP2Development <[ERP2Development@mfe.govt.nz](mailto:ERP2Development@mfe.govt.nz)>

**Sent:** Thursday, May 16, 2024 4:27 PM

**To:** ERP2Development <[ERP2Development@mfe.govt.nz](mailto:ERP2Development@mfe.govt.nz)>; Sophia Murphy <[Sophia.Murphy@mpi.govt.nz](mailto:Sophia.Murphy@mpi.govt.nz)>; Nicky Lynch [EXTERNAL] (Treasury) <[Nicky.Lynch@treasury.govt.nz](mailto:Nicky.Lynch@treasury.govt.nz)>; Erin Wynne [EXTERNAL] (TRANSPORT) <[e.wynne@transport.govt.nz](mailto:e.wynne@transport.govt.nz)>; Scott Russell [EXTERNAL] (MBIE) <[Scott.Russell2@mbie.govt.nz](mailto:Scott.Russell2@mbie.govt.nz)>; Terry Genet [EXTERNAL] (MBIE) <[terry.genet@mbie.govt.nz](mailto:terry.genet@mbie.govt.nz)>; Mel Rae <[Mel.Rae@climateieb.govt.nz](mailto:Mel.Rae@climateieb.govt.nz)>; Miranda Cross <[Miranda.Cross@mfe.govt.nz](mailto:Miranda.Cross@mfe.govt.nz)>; Jen Jamieson <[Jen.Jamieson@mpi.govt.nz](mailto:Jen.Jamieson@mpi.govt.nz)>; Abigail Harding <[Abigail.Harding@mpi.govt.nz](mailto:Abigail.Harding@mpi.govt.nz)>; Samuel Phillips (Sam) <[Samuel.Phillips@mpi.govt.nz](mailto:Samuel.Phillips@mpi.govt.nz)>; Beth Hampton <[Beth.Hampton@mpi.govt.nz](mailto:Beth.Hampton@mpi.govt.nz)>; Hannah Overton-Holmes [EXTERNAL] (MBIE) <[hannah.overton-holmes@mbie.govt.nz](mailto:hannah.overton-holmes@mbie.govt.nz)>; Monique Esplin <[Monique.Esplin@mfe.govt.nz](mailto:Monique.Esplin@mfe.govt.nz)>; Briar Wyatt <[Briar.Wyatt@mfe.govt.nz](mailto:Briar.Wyatt@mfe.govt.nz)>; Roderick Boys <[Roderick.Boys@mfe.govt.nz](mailto:Roderick.Boys@mfe.govt.nz)>; Danielle Kennedy <[Danielle.Kennedy@mfe.govt.nz](mailto:Danielle.Kennedy@mfe.govt.nz)>; Danny Eyre <[D.Eyre@transport.govt.nz](mailto:D.Eyre@transport.govt.nz)>; Tim Denne <[Tim.Denne@mfe.govt.nz](mailto:Tim.Denne@mfe.govt.nz)>

**Cc:** Simon Mandal-Johnson <[Simon.Mandal-Johnson@mfe.govt.nz](mailto:Simon.Mandal-Johnson@mfe.govt.nz)>; Meredith Davis <[Meredith.Davis@mfe.govt.nz](mailto:Meredith.Davis@mfe.govt.nz)>; Charlotte Harris-Miller <[Charlotte.Harris-Miller@mfe.govt.nz](mailto:Charlotte.Harris-Miller@mfe.govt.nz)>; Daniel Rimmer <[Daniel.Rimmer@mfe.govt.nz](mailto:Daniel.Rimmer@mfe.govt.nz)>; Stephen Goodman <[Stephen.Goodman@mfe.govt.nz](mailto:Stephen.Goodman@mfe.govt.nz)>; Katherine Durman <[Katherine.Durman@mfe.govt.nz](mailto:Katherine.Durman@mfe.govt.nz)>; Dale Warburton <[Dale.Warburton1@mfe.govt.nz](mailto:Dale.Warburton1@mfe.govt.nz)>

**Subject:** RE: [IN-CONFIDENCE]ERP2 documents for review

Kia ora koutou,

Please find attached a draft cabinet paper and visual relating to the Government's response to climate change.

The Minister's office has been heavily involved in the development of these to reflect his objectives so our authorising environment is relatively tight. Therefore we are primarily seeking comments of a factual and positioning nature. If you would like to have a formal agency comment included in the consultation section of the Cabinet paper, please provide the text for inclusions.

We are seeking your **comments by lunchtime Tuesday** as this is being lodged on Thursday 23 May. It is also out for Ministerial consultation.

If you have any queries on the content please reach out to Dale, copied.

Ngā mihi,  
Kat

**Katherine Durman (she/her)**  
Senior Project Manager | Kaiwhakahaere Kaupapa Matua

## Emissions Reduction Plan 2

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out of  
scope

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- out of scope

Ngā mihi,  
Kat


**Katherine Durman** ([she/her](#))  
*Senior Project Manager | Kaiwhakahaere Kaupapa Matua  
Emissions Reduction Plan 2  
Strategy, planning & Performance | Rautaki, Whakamahere me te  
Whakatutuki*

Ministry for the Environment | Manatū Mō Te Taiao  
[katherine.durman@mfe.govt.nz](mailto:katherine.durman@mfe.govt.nz) | [environment.govt.nz](http://environment.govt.nz)



Please see below feedback on the Cabinet paper and the Visual relating to the Government's response to climate change (Appendix 1).

### Cabinet Paper

- A low-cost afforestation heavy response is being put forward. This is a change in policy approach from the previous government. Clarity needs to be provided to Ministers on what this response will look like on the ground, including what can be achieved by the ETS and what will be required by other policies.
- 9(2)(h) 
- How does the Strategy and overarching vision link to the second Emissions Reduction Plan? This needs to be made clear within the Cabinet Paper. Will ERP2 need to demonstrate how increasing the use of afforestation as a low-cost form of carbon removals will be implemented?
- Internationally, there is nothing preventing New Zealand taking an afforestation heavy approach – as we already do – although increasing reliance on forest removals does raise some issues. These include:
  - Gross vs net / reductions vs removals: the general international understanding is that the role of gross reductions versus removals will vary depending on countries' differing circumstances, but broadly that removals should complement rather than substitute for gross emission reductions. We expect to come under increasing pressure to focus on reductions. For instance,
    - The Paris Agreement provides that developed country parties should take the lead by undertaking 'economy-wide absolute emission reduction targets' (Art 4.4), and the Global Stocktake last year encourages Parties to come forward in their next nationally determined contributions with ambitious, economy-wide emission reduction targets;
    - The IPCC's 6th Assessment Report advises that removals "can fulfil three different roles in complementing emissions abatement: (i) lowering net GHG emissions in the near term, (ii) counterbalancing hard to abate emissions, and (iii) achieving net negative GHG emissions in the long term.
    - [The OECD](#) has reported the balance between emissions reductions and removals is a key issue in the climate change response, as removals have a number of potential risks and challenges that become greater the more, they are relied on, while still pushing mitigation action to the future.
    - The EU's 2030 NDC specifies where reductions and removals targets apply, for instance, it targets a 62% reduction in emissions from the EU's ETS sectors (excludes forestry) and from maritime compared to 2005 levels, and a specific removals target from the LULUCF sector of 310 Mt by 2030.
  - Risks to long term carbon stocks from increasing frequency of natural disasters and a changing climate – with concerns that some of the biggest forest carbon sinks in the world are starting to become net emitters.

### Other suggested comments:

- Para 3.1 – suggest replacing "in 2030" with "for 2021 to 2030" – because our 2030 NDC target needs to be met (and will be scrutinised) throughout this decade not just in 2030.

- Para 5 could be misleading. The original 2030 NDC set in 2015 assumed offshore mitigation at a higher cost than current estimates.

**The Visual relating to the Government's response to climate change (Appendix 1) (Minister facing)**

1. There should be clear intervention logic between the outcomes sought, priority areas and policies which will deliver on these. In addition, does the Strategy need to demonstrate some level of 'sufficiency' in meeting domestic and international commitments?
2. The policies included below each priority area should accurately reflect manifesto wording, or wording agreed by the responsible Minister.
3. The lead agency for each policy should be made clear.
4. The '*Nature-based solutions address climate change*' priority area includes the policy '*Native forests are replanted on Crown Land*'. This misrepresents the manifesto commitment '*Partnering with the private sector to plant trees including opportunities for native afforestation on Crown land (excluding National Parks) that is unsuitable for farming and has low conservation value*'. - This includes planting trees (both exotic and native on Crown Land).

**IN C O N F I D E N C E**

**In Confidence**

Office of the Minister of Climate Change

Cabinet Economic Policy Committee

**Establishing our approach to responding to climate change**

**Proposal**

- 1 This paper seeks Cabinet approval for the Government's climate change strategy. The strategy will form the basis for decisions this pParliamentary term including upcoming decisions on ETS settings and the Emissions Reduction Plan. An agreed strategy will help align advice from officials with the Government's approach.

**Relation to government priorities**

- 2 The proposed strategy supports the Government's climate change commitments in the Coalition Agreements and the Prime Minister's ninth public service target to limit net emissions to 290 Mt for 2022-2025 and 305 Mt for 2026-2030. This paper primarily focuses on climate change mitigation. Cabinet recently considered and approved actions on adaptation.

**New Zealand is not on track to meet our climate targets**

- 3 The Government is committed to the successful delivery of our climate change targets including.
  - 3.1 The Nationally Determined Contribution under the Paris Climate Agreement in 2030 ("the 2030 NDC")
  - 3.2 Net zero emissions of all greenhouse gas emissions other than biogenic methane by 2050, and
  - 3.3 Biogenic methane targets in 2030 and 2050.<sup>1</sup>
- 4 This Government has inherited no plan to meet those targets. Despite large amounts of expenditure, the previous Government has left us with a significant gap in emissions reductions to meet.
- 5 At the Glasgow climate conference in 2021 the Government extended New Zealand's international commitment under the Paris Agreement despite official advice warning the extra reduction in emissions could not be achieved domestically and would have to come from offshore mitigation. In the years

<sup>1</sup> New Zealand has 'split gas' emission targets, which consider biogenic methane separately from all other greenhouse gases. This reflects the different impact that methane has compared with other greenhouse gases.

**IN C O N F I D E N C E**

after Glasgow, the previous Government did not take the necessary steps to achieve this goal.

- 6 The actions of the previous Government have put New Zealand's reputation at risk. Officials estimate New Zealand is between 60Mt and 97Mt off track for the 2030 NDC commitment. Despite net emissions declining since 2020, the decline needs to be at a greater rate to deliver the net zero target by 2050.

**Proposed strategy**

- 7 To address the lack of a credible and viable plan, I have developed an overarching framework to support delivery of the commitments in our Coalition Agreements, domestic legislation, and international obligations. I have attached my full strategy as **appendix 1**.
- 8 The framework outlines, New Zealand will play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change. This will be delivered in five priority areas, as outlined below.
  - 8.1 Clean energy is abundant and affordable
  - 8.2 Credible markets to support the climate transition
  - 8.3 World-leading climate innovation is boosting the economy
  - 8.4 Nature-based solutions address climate change
  - 8.5 Resilient infrastructure and well-prepared communities
- 9 I propose to reduce net emissions at least cost using effective and efficient policies. Without such policies, New Zealand cannot deliver on our targets.
- 10 We will not accept shutting down productive sectors of the economy to deliver emissions targets.
- 11 I propose a technology-led approach to allow production to increase as emissions come down. By definition, a least cost approach will minimise the economic impact of climate change targets which will, in turn, protect social license for action.
- 12 I propose to target net emissions of greenhouse gases as required by domestic legislation and as New Zealand has agreed to in our international commitments. New Zealand has made no commitment that requires any minimum reduction in gross emissions as part of our targets based on net emissions.
- 13 The previous Government's focus on gross emissions increased the cost of mitigation policies for no discernible benefit to New Zealand. Targeting net emissions reduces the cost of mitigation through flexibility by allowing discovery of the least-cost combination of gross reductions and removals (i.e., carbon capture).

**IN C O N F I D E N C E**

- 14 The Emissions Trading Scheme is the main tool for reducing net emissions. The ETS puts a price on carbon for most of the economy except for agriculture. A carbon price encourages investments to reduce gross emissions and increase carbon capture and storage. Applying a single carbon price to both reductions and removals allows net emission to be lowered at least cost.
- 15 My goal is to restore the stability and credibility of the ETS to improve its effectiveness. The ETS experienced a significant period of volatility under the previous Government, in large part because of uncertainty about policy settings.
- 16 To restore confidence in the ETS, I propose to permanently rule out differential treatment of forestry and other offsets within the ETS or to introduce any form of vintaging (setting use by dates on ETS credits). These changes were proposed by the previous Government which led to an immediate and substantial fall in the ETS price, reflecting a loss of credibility. I will propose more modest changes to streamline and improve the ETS.
- 17 Complementary policies that operate outside of the ETS have an important role in removing barriers to investment in reductions and removals. Examples of complementary policies include investing in Research and Development and removing barriers to investment (e.g. in renewable energy). Complementary policies play their most important role in agriculture, where emissions pricing is not currently in place.

**Forestry**

- 18 Because exotic ~~trees~~ afforestation ~~are is~~ a relatively cost-effective way reduce net emissions, a least cost approach that uses the ETS as its main tool is likely to encourage ~~excessive widespread~~ afforestation. To protect agricultural production from the risk of excessive afforestation, the Minister of Forestry and I propose to introduce limits on new forests ~~entering registering in~~ the ETS if they are planted on high ~~or medium~~ quality versatility farmland.
- 19 Our approach will ~~target limit~~ whole farm conversions and preserve flexibility for farmers to integrate forestry within their farms to support farm income and generate removals. Forests already in the ETS will not be affected by this change.
- 20 I also intend to reduce the reliance on trees for removals by introducing other forms of carbon capture and storage into the ETS on a robust and additional basis. I will return to Cabinet later this year on these matters.
- 21 Forestry limits illustrate a more general point that a least cost mitigation strategy can be safely pursued by introducing constraints to manage unwanted consequences of that strategy.

**Commented [MF1]:** It has to be additional and it has to be forests

**Commented [MF2]:** LUC 1-5 is high quality, LUC 6 is medium quality

**Commented [MF3R2]:** Oops - we are now using versatility (as this accords with what the LUC system says it is classifying)

**IN CONFIDENCE**

**Agriculture**

22 Agriculture will remain outside the ETS. Pricing of agricultural emissions will be introduced no later than 2030, with farm level measurement coming into force before that. Since agriculture is exposed to trade, pricing of agricultural emissions will be aligned with other countries to avoid leakage. New Zealand farmers are among the world's most carbon efficient, so pricing agricultural emissions at a level that sends production offshore could raise global emissions.

**Commented [AW4]:** Suggest "with farm level measurement commencing before that." This aligns with the wording from the CCRA amendment policy CAB paper which announced ag emissions reducing actions and makes it sounds less mandatory while preserving some flexibility.

**Role of government**

23 It is the role of the elected Government to choose how to deliver climate change targets. The role of agencies including the independent Climate Change Commission is to advise the Government. The Government has no obligation to agree with all advice from officials.

24 Some of the advice I have received is not aligned with the Government's priorities for least cost, effective and efficient policies, and rebuilding the credibility of the ETS.

25 The law requires the Minister of Climate Change to consider certain advice from the Climate Change Commission. As Minister, I intend to fully meet this and all statutory requirements. I also intend to stop spending on policies that are inconsistent with the Government's approach. Consistency with the Government's strategy will be an important consideration when I make decisions.

**Commented [MF5]:** It is good that this obligation is acknowledged here - but as agree rec 3 rejects the current CCC advice, it would be good to be clearer on whether rec 3 is a final decision or a proposed position that will be consulted on and more fully considered through ERP 2. Further consideration would seem desirable - given the need to show compliance with the statutory obligation, and relatively high-level analysis in this paper currently.

**Cost-of-living Implications**

26 There are no immediate cost of living implications from this paper.

**Commented [MF6R5]:** Note that that further consideration through ERP2 is hinted at in rec7.

**Financial Implications**

27 There are no immediate financial implications of this paper.

**Legislative Implications**

28 No new legislation is proposed and no changes to existing legislation.

**Impact Analysis**

**Regulatory Impact Statement**

29 A regulatory impact statement is not required for this paper.

**Climate Implications of Policy Assessment**

30 There are no immediate policy proposals that warrant a Climate Implications of Policy Assessment (CIPA).

**IN CONFIDENCE**

**Population Implications**

31 There are no immediate population implications of this paper.

**Human Rights**

32 There are no immediate human rights implications of this paper.

**Use of External Resources**

33 No external resources have been engaged in core policy development processes for this work programme.

**Consultation**

34 The following agencies were consulted in the development of this Cabinet paper:

Commented [AF7]: Suggest listing agencies which were consulted

35 The Department of the Prime Minister and Cabinet has been informed.

Commented [WG8]: MPI commented???

**Communications**

36 Once Cabinet agrees on the Government's strategy, I plan to further test and refine the document to ensure the language resonates with New Zealanders.

37 I will then publicly release the strategy and in time, build supporting public engagement and communications to:

37.1 give confidence to, and empower, the private sector and households to make lower emission investment decisions

37.2 build social licence for New Zealand's climate change response.

38 I will also direct officials to develop a narrative with key messages on our priorities to be used across agencies to ensure a joined-up approach.

39 The first opportunity to ~~de~~ share the strategy with the public is in the Government's second Emissions Reduction Plan (ERP2), which needs to be published this year. I plan to include elements of this vision in upcoming consultation material for ERP2.

40 The ~~g~~Government also has a variety of other statutory obligations which will allow us to demonstrate our strategy, including the yearly updates to ETS settings and auction volumes which is currently out for public consultation, in advance of Cabinet decisions in August.

**Proactive Release**

41 I propose to proactively release this paper once consultation on ERP2 has begun.

**IN C O N F I D E N C E**

**Recommendations**

The Minister for Climate Change recommends that the Committee:

- 1 **note** climate change is a critical challenge we face, and that we have not inherited a plan to meet New Zealand's climate targets.
- 2 **note** my framework is for New Zealand to play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change.
- 3 **agree** that the Government's approach to climate mitigation will operate under the principle of least cost and target net emissions.
- 4 **endorse** my framework for our climate change response which summarises my vision for the climate change response, the priority focus areas, and the key actions we need to take this parliamentary term
- 5 **note** the need to publicly outline our climate change response to build social licence and give confidence to the private sector and households to make investment decisions
- 6 **note** the need to refine the language in a public-facing strategy
- 7 **note** I plan to seek Cabinet's agreement in June to begin consultation on the second Emissions Reduction Plan, which will include elements of this climate change response

Authorised for lodgement

Hon Simon Watts

Minister of Climate Change

[IN-CONFIDENCE]  
IN CONFIDENCE

## Appendix 1: New Zealand's climate change response

DRAFT

IN CONFIDENCE  
[IN-CONFIDENCE]

# OUR RESPONSE TO A CHANGING CLIMATE

## OUR CLIMATE STRATEGY

We will play our part to reduce the impact of climate change and prepare for its future effects

**MINISTER FACING (14/5)**



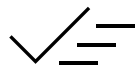
**WE ARE FOCUSING ON FIVE PRIORITY AREAS:**

<p><b>Clean energy is abundant and affordable</b></p>	<p><b>Credible markets to support the climate transition</b></p>	<p><b>World-leading climate innovation boosts the economy</b></p>	<p><b>Nature-based solutions address climate change</b></p>	<p><b>Resilient infrastructure and well-prepared communities</b></p>
<p><b>POLICIES WHICH HELP US MEET THESE PRIORITIES:</b></p>				
<p>Electrify NZ: Double renewable energy – solar, wind, hydro and geothermal -- by 2050</p> <p>Deliver 10,000 public electric vehicle chargers across New Zealand by 2030</p> <p>RMA Reform: Enable cheaper, faster large-scale renewable energy projects through fast-track consenting and Resource Management reforms</p> <p>Maintain energy security so businesses can confidently grow their operation</p>	<p>Price carbon effectively, with the Emissions Trading Scheme (ETS) regulatory settings reviewed every year.</p> <p>Fair and sustainable pricing of agricultural emissions no later than 2030, <b>that reduces emissions without sending production overseas.</b></p> <p><b>On-farm emissions measurement by 2025.</b></p> <p>Limits are placed on the amount of productive farms being turned into forests</p>	<p>Harness technology to reduce agriculture emissions and lift productivity</p> <p>Provide tools and remove barriers for businesses to innovate and prepare for the future</p> <p>Mobilise investment through partnerships both domestically and internationally</p> <p>End the effective ban on genetic engineering and modification technologies</p>	<p>Investigate other ways to <b>remove</b> emissions from the atmosphere, including wetlands and blue carbon</p> <p>Native forests are replanted on Crown land</p> <p>Predator Free 2050</p> <p>Protect the Hauraki Gulf</p>	<p>Deliver a fair and enduring Climate Adaptation Framework that provides clarity on <b>costs</b>.</p> <p>Improve quality and access to climate information, tools and guidance on future risks</p> <p>RMA Reform: Enable resilient infrastructure projects through fast-track consenting and Resource Management reforms</p>

**ENABLER 1**  
Private investment and partnerships

**ENABLER 2**  
Access to the best available data and evidence

**ENABLER 3**  
International engagement and knowledge sharing



**GOVERNMENT MEASURES:**

**By 2030**

- Reduce net greenhouse gas emissions by 2030 (Target 9)
- New Zealand’s Nationally Determined Contribution under the Paris Agreement by 2030
- **Biogenic methane emissions 10 per cent reduction below 2017 levels by 2030.**

**By 2050**

- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050

# OUR RESPONSE TO A CHANGING CLIMATE



## OUR CLIMATE STRATEGY

We will play our part to reduce the impact of climate change and prepare for its future effects

**PUBLIC FACING  
(14/5)**



## WE ARE FOCUSING ON FIVE PRIORITY AREAS:

<p><b>Clean energy is abundant and affordable</b></p>	<p><b>Credible markets to support the climate transition</b></p>	<p><b>World-leading climate innovation boosts the economy</b></p>	<p><b>Nature-based solutions address climate change</b></p>	<p><b>Resilient infrastructure and well-prepared communities</b></p>
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## HOW WE PLAN TO ACHIEVE THESE:

Doubling renewable energy by 2050 and installing 10,000 public recharging stations for electric vehicles

Pricing emissions to incentivise emission reductions

Providing tools and removing barriers for businesses to innovate and prepare for the future

Restoring biodiversity, while investigating new ways of harnessing nature to remove emissions

Delivering a fair and enduring system that helps New Zealand be ready for climate change and provides clarity on costs.



## WHAT THIS MEANS FOR NEW ZEALANDERS

Households heat their homes more affordably, with energy coming from the sun, wind, water and geothermal

Credible Emissions Trading Scheme (ETS)

People enjoy a better standard of living, with more productive jobs and economic growth

Homes and communities are better protected against climate change through restored habitats and ecosystems

Properties and infrastructure are better protected from severe weather events and the cost of repair is minimised

People charge their electric vehicles easily across the country

Businesses switch to clean energy to reduce the cost of emissions on production

Businesses develop low-emissions goods to access key markets

Businesses have more options available to reduce the impact of their emissions

People have easy access to information and guidance on potential future risks to property and community

Businesses have confidence in our energy security to grow their operations

New Zealand's competitive edge and international reputation is strengthened because of our low-emissions economy

Agriculture industry uses technology to lower emissions while lifting productivity

More native forests can be found in our environment

Interruption to business operations are minimised during and after severe weather events



### ENABLER 1

Private investment and partnerships



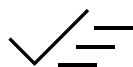
### ENABLER 2

Access to the best available data and evidence



### ENABLER 3

International engagement and knowledge sharing



## GOVERNMENT MEASURES:

**By 2030**

- Reduce net greenhouse gas emissions by 2030 (Target 9)
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- **Biogenic methane emissions 10 per cent reduction below 2017 levels by 2030.**

**By 2050**

- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050

**From:** [Simon Mandal-Johnson](#)  
**To:** [James Coombes \[EXTERNAL\] \(PARLIAMENT\)](#); [Dale Warburton](#)  
**Subject:** Re: [IN-CONFIDENCE]Cab Paper on the approach to responding to climate change - Tracked post agency comment  
**Date:** Thursday, 23 May 2024 8:09:58 am

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Kia ora James

As discussed on text:

DPMC Infrastructure Unit has requested the addition of the 'Critical Infrastructure Resilience programme' as one of the listed programmes under the adaptation pillar. If you could please add this to the Minister-facing a3, I think they would appreciate it. I assume you have the master copy at this point but let me know if you prefer us to make the edits.


Completely understand if we are out of time.

Dale and I on standby this morning if you need any other support pre lodgement.


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out of scope



out of scope



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**From:** Dale Warburton <[Dale.Warburton1@mfe.govt.nz](mailto:Dale.Warburton1@mfe.govt.nz)>

**Sent:** Tuesday, May 21, 2024 5:02 PM

**To:** James Coombes <[James.Coombes@parliament.govt.nz](mailto:James.Coombes@parliament.govt.nz)>

**Cc:** Paloma Hartevelt <[Paloma.Hartevelt@mfe.govt.nz](mailto:Paloma.Hartevelt@mfe.govt.nz)>; Simon Mandal-Johnson <[Simon.Mandal-Johnson@mfe.govt.nz](mailto:Simon.Mandal-Johnson@mfe.govt.nz)>; Stephen Goodman <[Stephen.Goodman@mfe.govt.nz](mailto:Stephen.Goodman@mfe.govt.nz)>; Hemi Smiler <[Hemi.Smiler@mfe.govt.nz](mailto:Hemi.Smiler@mfe.govt.nz)>; Heather Peacocke <[Heather.Peacocke@mfe.govt.nz](mailto:Heather.Peacocke@mfe.govt.nz)>; Matt Maguire <[Matt.Maguire@mfe.govt.nz](mailto:Matt.Maguire@mfe.govt.nz)>

**Subject:** [IN-CONFIDENCE]Cab Paper on the approach to responding to climate change - Tracked post agency comment

Hi James,

Please find attached a revised (tracked) version of the Cabinet Paper and appendix following agency consultation. Clean versions for both are also attached.

9(2)(h) [Redacted]

There were some broader comments from agencies that we haven't included in the Cabinet paper but perhaps are worth sharing as they may brief their own Ministers:

- New Zealand can expect to come under increasing pressure to focus on reductions.
- Risk of meeting longer-term targets with a net-based approach that requires additional afforestation
- Vulnerability of this approach to events such as fires and floods.
- The definition of "least-costs" only includes the private costs of reducing net emissions and does not include wider costs or benefits from different climate actions, for example the costs and risks associated with exotic forests (wilding conifers, flood and fires).

We are on standby tomorrow morning to make any additional changes tomorrow in light of any ministerial feedback.

Let me know if you need anything further.

Regards  
Dale

**Dale Warburton** ([he/him](#))  
Principal Advisor | Climate Strategy

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**IN CONFIDENCE****In Confidence**

Office of the Minister of Climate Change

Cabinet Economic Policy Committee

**Establishing our framework for responding to climate change****Proposal**

- 1 This paper seeks Cabinet approval for the Government's climate change framework. It will form the basis for decisions this parliamentary term including upcoming decisions on ETS settings and the second Emissions Reduction Plan. An agreed framework will help align advice from officials with the Government's approach.

**Relation to government priorities**

- 2 The proposed framework supports the Government's climate change commitments in the Coalition Agreements and the Prime Minister's ninth public service target to limit net emissions to 290 Mt for 2022-2025 and 305 Mt for 2026-2030. This paper primarily focuses on climate change mitigation. Cabinet recently considered and approved actions on adaptation.

**New Zealand is not on track to meet our climate targets**

- 3 The Government is committed to the successful delivery of our climate change targets including.
  - 3.1 The Nationally Determined Contribution under the Paris Climate Agreement for 2021 to 2030 ("the 2030 NDC")
  - 3.2 Net zero emissions of all greenhouse gas emissions other than biogenic methane by 2050, and
  - 3.3 Biogenic methane targets in 2030 and 2050.<sup>1</sup>
- 4 This Government has inherited no plan to meet those targets. Despite large amounts of expenditure, the previous Government has left us with a significant gap in emissions reductions to meet.
- 5 At the Glasgow climate conference in 2021 the Government extended New Zealand's international commitment under the Paris Agreement despite official advice warning the extra reduction in emissions could not be achieved domestically and would have to come from offshore mitigation. In the years

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<sup>1</sup> New Zealand has 'split gas' emission targets, which consider biogenic methane separately from all other greenhouse gases. This reflects the different impact that methane has compared with other greenhouse gases.

**IN CONFIDENCE**

after Glasgow, the previous Government did not take the necessary steps to achieve this goal.

- 6 The actions of the previous Government have put New Zealand's reputation at risk. Officials estimate New Zealand is between 60Mt and 97Mt off track for the 2030 NDC commitment. Despite net emissions declining since 2020, the decline needs to be at a greater rate to deliver the net zero target by 2050.

**Proposed framework**

- 7 To address the lack of a credible and viable plan, I have developed an overarching framework to support delivery of the commitments in our Coalition Agreements, domestic legislation, and international obligations. I have attached this framework as **appendix 1**. This reflects a preferred approach which will be tested during the consultation process for the second Emissions Reduction Plan.

- 8 The framework outlines, New Zealand will play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change. This will be delivered in five priority areas, as outlined below.

- 8.1 Clean energy is abundant and affordable
- 8.2 Credible markets to support the climate transition
- 8.3 World-leading climate innovation is boosting the economy
- 8.4 Nature-based solutions address climate change
- 8.5 Resilient infrastructure and well-prepared communities

- 9 I propose to reduce net emissions at least cost using effective and efficient policies. Without such policies, New Zealand cannot deliver on our targets.

- 10 New Zealand will also continue to meet its international commitments regarding transparent reporting and provision of climate finance to developing countries.

- 11 We will not accept shutting down productive sectors of the economy to deliver emissions targets.

- 12 I propose a technology-led approach to allow production to increase as emissions come down. By definition, a least cost approach will minimise the economic impact of climate change targets which will, in turn, protect social license for action.

- 13 I propose to target net emissions of greenhouse gases as required by domestic legislation and as New Zealand has agreed to in our international commitments. New Zealand has made no commitment that requires any minimum reduction in gross emissions as part of our targets based on net emissions.

**IN CONFIDENCE**

- 14 The previous Government's focus on gross emissions increased the cost of mitigation policies for no discernible benefit to New Zealand. Targeting net emissions reduces the cost of mitigation through flexibility by allowing discovery of the least-cost combination of gross reductions and removals (i.e. carbon capture).
- 15 The Emissions Trading Scheme is the main tool for reducing net emissions. The ETS puts a price on carbon for most of the economy except for agriculture. A carbon price encourages investments to reduce gross emissions, carbon capture and storage, and removals. Applying a single carbon price to both reductions and removals allows net emission to be lowered at least cost.
- 16 My goal is to restore the stability and credibility of the ETS to improve its effectiveness. The ETS experienced a significant period of volatility under the previous Government, in large part because of uncertainty about policy settings.
- 17 To restore confidence in the ETS, I propose to permanently rule out differential treatment of forestry and other offsets within the ETS or to introduce any form of vintaging (setting use by dates on ETS credits). These changes were proposed by the previous Government which led to an immediate and substantial fall in the ETS price, reflecting a loss of credibility. I will propose more modest changes to streamline and improve the ETS.
- 18 Complementary policies that operate outside of the ETS have an important role in removing barriers to investment in reductions and removals. Examples of complementary policies include investing in Research and Development and removing barriers to investment (e.g. in renewable energy). Complementary policies play their most important role in agriculture, where emissions pricing is not currently in place.

**Forestry**

- 19 Because exotic afforestation is a relatively cost-effective way reduce net emissions, a least cost approach that uses the ETS as its main tool is likely to encourage widespread afforestation, with likely impacts on wilding conifers, flood risk and fire risks. To protect agricultural production from the risk of excessive afforestation, the Minister of Forestry and I propose to introduce limits on new forests registering in the ETS if they are planted on high or medium versatility farmland.
- 20 Our approach will limit whole farm conversions and preserve flexibility for farmers to integrate forestry within their farms to support farm income and generate removals. Forests already in the ETS will not be affected by this change.
- 21 We also plan to partner with the private sector to plant native trees on Crown land that is unsuitable for farming and has low conservation value.

**IN CONFIDENCE**

- 22 I also intend to reduce the reliance on trees for removals by introducing other forms of carbon capture and storage into the ETS on a robust and additional basis. I will return to Cabinet later this year on these matters. We are also investigating other forms of carbon removals, such as wetlands and blue carbon.
- 23 Forestry limits illustrate a more general point that a least cost mitigation strategy can be safely pursued by introducing constraints to manage unwanted consequences of that strategy.

**Agriculture**

- 24 Agriculture will remain outside the ETS. Pricing of agricultural emissions will be introduced no later than 2030, with farm level measurement commencing before that. Since agriculture is exposed to trade, pricing of agricultural emissions will be aligned with other countries to avoid leakage. New Zealand farmers are among the world's most carbon efficient, so pricing agricultural emissions at a level that sends production offshore could raise global emissions.

**Role of government**

- 25 It is the role of the elected Government to choose how to deliver climate change targets. The role of agencies including the independent Climate Change Commission is to advise the Government. The Government has no obligation to agree with all advice from officials.
- 26 Some of the advice I have received is not aligned with the Government's priorities for least cost, effective and efficient policies, and rebuilding the credibility of the ETS.
- 27 The law requires the Minister of Climate Change to consider certain advice from the Climate Change Commission. As Minister, I intend to fully meet this and all statutory requirements. Subject to evidence of sufficiency to meet emissions budgets, I also intend to stop spending on policies that are inconsistent with the Government's approach. Consistency with the finalised Government's framework will be an important consideration when I make decisions.

**Cost-of-living Implications**

- 28 There are no immediate cost of living implications from this paper.

**Financial Implications**

- 29 There are no immediate financial implications of this paper.

**Legislative Implications**

- 30 There are no immediate legislative implications from this paper, however Cabinet's agreement will be needed to progress legislative amendments to keep agriculture out of the ETS and to limit forestry entering the ETS. A

**I N C O N F I D E N C E**

Cabinet paper relating to agriculture is expected to be considered by LEG on 30 May and Cabinet on 4 June.

**Impact Analysis**

**Regulatory Impact Statement**

31 A regulatory impact statement is not required for this paper.

**Climate Implications of Policy Assessment**

32 There are no immediate policy proposals that warrant a Climate Implications of Policy Assessment (CIPA).

**Population Implications**

33 There are no immediate population implications of this paper.

**Human Rights**

34 There are no immediate human rights implications of this paper.

**Use of External Resources**

35 No external resources have been engaged in core policy development processes for this work programme.

**Consultation**

36 The following agencies were consulted in the development of this Cabinet paper: Ministry for Primary Industries, the Treasury, Ministry of Business, Innovation and Employment, Ministry of Transport, the Department of Conservation, and the Ministry of Foreign Affairs and Trade.

37 The Department of the Prime Minister and Cabinet has been informed.

**Communications**

38 I plan to test this framework by including it in upcoming consultation material for ERP2, which needs to be published this year.

39 I also plan to further test and refine the public-facing document to ensure the language resonates with New Zealanders.

40 I will then publicly release the strategy and in time, build supporting public engagement and communications to:

40.1 give confidence to, and empower, the private sector and households to make lower emission investment decisions

40.2 build social licence for New Zealand's climate change response.

**IN CONFIDENCE**

- 41 I will also direct officials to develop a narrative with key messages on our priorities to be used across agencies to ensure a joined-up approach.
- 42 The Government also has a variety of other statutory obligations which will allow us to demonstrate our strategy, including the yearly updates to ETS settings and auction volumes which is currently out for public consultation, in advance of Cabinet decisions in August.

**Proactive Release**

- 43 I propose to proactively release this paper once consultation on ERP2 has begun.

**Recommendations**

The Minister for Climate Change recommends that the Committee:

- 1 **note** climate change is a critical challenge we face, and that we have not inherited a plan to meet New Zealand's climate targets.
- 2 **note** my framework is for New Zealand to play its part to reduce the impact of climate change and prepare for a world experiencing the impacts of climate change.
- 3 **agree** that, subject to public consultation, the Government's approach to climate mitigation will operate under the principle of least cost and target net emissions.
- 4 **endorse** my framework for our climate change response which summarises the priority focus areas, and the key actions we need to take this parliamentary term
- 5 **note** the need to publicly outline our climate change response to build social licence and give confidence to the private sector and households to make investment decisions
- 6 **note** the need to refine the language in a public-facing framework
- 7 **note** I plan to seek Cabinet's agreement in June to begin consultation on the second Emissions Reduction Plan, which will include elements of this climate change response

Authorised for lodgement

Hon Simon Watts

Minister of Climate Change

## **Appendix 1: Our response to a changing climate**

**DRAFT**

# OUR RESPONSE TO A CHANGING CLIMATE

## OUR CLIMATE FRAMEWORK

We will play our part to reduce the impact of climate change and prepare for its future effects

**MINISTER FACING  
(14/5)**



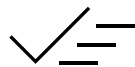
**WE ARE FOCUSING ON FIVE PRIORITY AREAS:**

<p><b>Clean energy is abundant and affordable</b></p>	<p><b>Credible markets to support the climate transition</b></p>	<p><b>World-leading climate innovation boosts the economy</b></p>	<p><b>Nature-based solutions address climate change</b></p>	<p><b>Resilient infrastructure and well-prepared communities</b></p>
<p><b>POLICIES WHICH HELP US MEET THESE PRIORITIES:</b></p>				
<p>Electrify NZ: Double renewable energy – solar, wind, hydro and geothermal -- by 2050</p> <p>Deliver 10,000 public electric vehicle charge points across New Zealand by 2030</p> <p>RMA Reform: Enable cheaper, faster large-scale renewable energy projects through fast-track consenting and Resource Management reforms</p> <p>Maintain energy security so businesses can confidently grow their operation</p>	<p>Price carbon effectively, with the Emissions Trading Scheme (ETS) regulatory settings reviewed every year.</p> <p>Fair and sustainable pricing system for on-farm agricultural emissions by 2030 that reduces emissions without sending production overseas.</p> <p>Limits are placed on the amount of productive farms being turned into forests</p>	<p>Harness technology to reduce agriculture emissions and lift productivity</p> <p>Provide tools and remove barriers for businesses to innovate and prepare for the future</p> <p>Mobilise investment through partnerships both domestically and internationally</p> <p>End the effective ban on genetic engineering and modification technologies</p>	<p>Investigate other ways to reduce emissions from the atmosphere, including wetlands and blue carbon</p> <p>Recognise other ways of removing emissions from the farm, beyond forestry</p> <p>Native forests are replanted on Crown land</p> <p>Predator Free 2050</p> <p>Protect the Hauraki Gulf</p>	<p>Deliver a fair and enduring Climate Adaptation Framework that provides clarity on costs.</p> <p>Improve quality and access to climate information, tools and guidance on future risks</p> <p>RMA Reform: Enable resilient infrastructure projects through fast-track consenting and Resource Management reforms</p>

**ENABLER 1**  
Private investment and partnerships

**ENABLER 2**  
Access to the best available data and evidence

**ENABLER 3**  
International engagement, knowledge sharing, and climate finance



**GOVERNMENT MEASURES:**

**By 2030**

- Reduce net greenhouse gas emissions by 2030 (Target 9)
- New Zealand’s Nationally Determined Contribution under the Paris Agreement to reduce net GHG emissions to 50 per cent below gross 2005 levels by 2030
- 10 per cent reduction in biogenic methane below 2017 levels by 2030.

**By 2050**

- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction in biogenic methane below 2017 levels by 2050

# OUR RESPONSE TO A CHANGING CLIMATE



## OUR CLIMATE FRAMEWORK

We will play our part to reduce the impact of climate change and prepare for its future effects

**PUBLIC FACING  
(14/5)**



## WE ARE FOCUSING ON FIVE PRIORITY AREAS:



**Clean energy is abundant and affordable**



**Credible markets to support the climate transition**



**World-leading climate innovation boosts the economy**



**Nature-based solutions address climate change**



**Resilient infrastructure and well-prepared communities**



## HOW WE PLAN TO ACHIEVE THESE:

Doubling renewable energy by 2050 and enabling delivery of 10,000 public recharging points for electric vehicles by 2030.

Pricing emissions to incentivise emission reductions

Providing tools and removing barriers for businesses to innovate and prepare for the future

Restoring biodiversity, while investigating new ways of harnessing nature to remove emissions

Delivering a fair and enduring system that helps New Zealand be ready for climate change and provides clarity on costs.



## WHAT THIS MEANS FOR NEW ZEALANDERS

Households heat their homes more affordably, with energy coming from the sun, wind, water and geothermal

Credible Emissions Trading Scheme (ETS)

People enjoy a better standard of living, with more productive jobs and economic growth

Homes and communities are better protected against climate change through restored habitats and ecosystems

Properties and infrastructure are better protected from severe weather events and the cost of repair is minimised

People charge their electric vehicles easily across the country

Businesses switch to lowest cost emissions reductions and removals to reduce the cost of emissions on production

Businesses develop low-emissions goods to access key markets

Businesses have more options available to reduce the impact of their emissions, beyond forestry

People have easy access to information and guidance on potential future risks to property and community

Businesses have confidence in our energy security to grow their operations

New Zealand's competitive edge and international reputation is strengthened because of our low-emissions economy

Agriculture industry uses technology to lower emissions while lifting productivity

More native forests in our environment

Interruption to business operations are minimised during and after severe weather events



### ENABLER 1

Private investment and partnerships



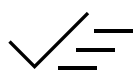
### ENABLER 2

Access to the best available data and evidence



### ENABLER 3

International engagement, knowledge sharing, and climate finance



## GOVERNMENT MEASURES:

**By 2030**

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- New Zealand's Nationally Determined Contribution under the Paris Agreement to reduce net GHG emissions to 50 per cent below gross 2005 levels by 2030
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- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction in biogenic methane below 2017 levels by 2050

**In Confidence**

Office of the Minister of Climate Change

Cabinet Economic Policy Committee

**Establishing our strategy for responding to climate change****Proposal**

- 1 This paper seeks Cabinet approval for the Government's climate change strategy. It will form the basis for decisions this parliamentary term including upcoming decisions on ETS settings and the second Emissions Reduction Plan. An agreed strategy will help align advice from officials with the Government's approach.

**Relation to government priorities**

- 2 This proposed strategy supports and contains all the Government's climate change commitments contained in the Act-National, and New Zealand First-National Coalition Agreements.
- 3 The proposed strategy supports Prime Minister's ninth public service target to limit net emissions to 290 Mt for 2022-2025 and 305 Mt for 2026-2030. This paper primarily focuses on climate change mitigation. Cabinet recently considered and approved actions on adaptation.

**New Zealand is not on track to meet our climate targets**

- 4 The Government is committed to the successful delivery of our climate change targets including.
  - 4.1 The Nationally Determined Contribution under the Paris Climate Agreement for 2021 to 2030 ("the 2030 NDC")
  - 4.2 Net zero emissions of all greenhouse gas emissions other than biogenic methane by 2050, and
  - 4.3 Biogenic methane targets in 2030 and 2050.<sup>1</sup>
- 5 This Government has inherited no viable plan to meet those targets. Despite large amounts of expenditure, the previous Government has left us with a significant gap in emissions reductions to meet.
- 6 At the Glasgow climate conference in 2021 the Government extended New Zealand's international commitment under the Paris Agreement despite official advice warning the extra reduction in emissions could not be achieved domestically and would have to come from offshore mitigation. In the years

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<sup>1</sup> New Zealand has 'split gas' emission targets, which consider biogenic methane separately from all other greenhouse gases. This reflects the different impact that methane has compared with other greenhouse gases.

after Glasgow, the previous Government did not take the necessary steps to achieve this goal.

- 7 The actions of the previous Government have put New Zealand's reputation at risk. Officials estimate New Zealand is between 60Mt and 97Mt off track for the 2030 NDC commitment. Despite net emissions declining since 2020, the decline needs to be at a greater rate to deliver the net zero target by 2050.

### Proposed strategy

- 8 To address the lack of a credible and viable plan, I have developed an overarching strategy to support delivery of the commitments in our Coalition Agreements, domestic legislation, and international obligations. I have attached this strategy as **appendix 1**. This reflects a preferred approach which will be tested during the consultation process for the second Emissions Reduction Plan.
- 9 The strategy outlines, New Zealand will meet our targets to reduce the impact of climate change and prepare for its future effects. This will be delivered in five priority areas, as outlined below.
  - 9.1 Resilient infrastructure and well-prepared communities
  - 9.2 Credible markets to support the climate transition
  - 9.3 World-leading climate innovation is boosting the economy
  - 9.4 Nature-based solutions address climate change
  - 9.5 Clean energy is abundant and affordable
- 10 I propose to reduce net emissions at least cost using effective and efficient policies. Without such policies, New Zealand cannot deliver on our targets.
- 11 New Zealand will also continue to meet its international commitments regarding transparent reporting and provision of climate finance to developing countries.
- 12 We will not accept shutting down productive sectors of the economy to deliver emissions targets.
- 13 I propose a technology-led approach to allow production to increase as emissions come down. By definition, a least cost approach will minimise the economic impact of climate change targets which will, in turn, protect social license for action.
- 14 I propose to target net emissions of greenhouse gases as required by domestic legislation and as New Zealand has agreed to in our international commitments. New Zealand has made no commitment that requires any minimum reduction in gross emissions as part of our targets based on net emissions.

- 15 The previous Government's focus on gross emissions increased the cost of mitigation policies for no discernible benefit to New Zealand. Targeting net emissions reduces the cost of mitigation through flexibility by allowing discovery of the least-cost combination of gross reductions and removals (i.e. carbon capture).
- 16 The Emissions Trading Scheme is the main tool for reducing net emissions. The ETS puts a price on carbon for most of the economy except for agriculture. A carbon price encourages investments to reduce gross emissions, carbon capture and storage, and removals. Applying a single carbon price to both reductions and removals allows net emission to be lowered at least cost.
- 17 My goal is to restore the stability and credibility of the ETS to improve its effectiveness. The ETS experienced a significant period of volatility under the previous Government, in large part because of uncertainty about policy settings.
- 18 To restore confidence in the ETS, I propose to permanently rule out removal of forestry and other offsets within the ETS, or to introduce any form of vintaging (setting use by dates on ETS credits). These changes were proposed by the previous Government which led to an immediate and substantial fall in the ETS price, reflecting a loss of credibility. I will propose more modest changes to streamline and improve the ETS.
- 19 Complementary policies that operate outside of the ETS have an important role in removing barriers to investment in reductions and removals. Examples of complementary policies include investing in Research and Development and removing barriers to investment (e.g. in renewable energy). Complementary policies play their most important role in agriculture, where emissions pricing is not currently in place.

### **Forestry**

- 20 Because exotic afforestation is a relatively cost-effective way reduce net emissions, a least cost approach that uses the ETS as its main tool is likely to encourage widespread afforestation, with likely impacts on wilding conifers, flood risk and fire risks. To protect agricultural production from the risk of excessive afforestation, the Minister of Forestry and I propose to introduce limits on new forests registering in the ETS if they are planted on high or medium versatility farmland.
- 21 Our approach will limit whole farm conversions and preserve flexibility for farmers to integrate forestry within their farms to support farm income and generate removals. Forests already in the ETS will not be affected by this change.
- 22 We also plan to partner with the private sector to plant trees on Crown land that is unsuitable for farming and has low conservation value.

- 23 I also intend to reduce the reliance on trees for removals by introducing other forms of carbon capture and storage into the ETS on a robust and additional basis. I will return to Cabinet later this year on these matters. We are also investigating other forms of carbon removals, such as wetlands and blue carbon.
- 24 Forestry limits illustrate a more general point that a least cost mitigation strategy can be safely pursued by introducing constraints to manage unwanted consequences of that strategy.

### **Agriculture**

- 25 Agriculture will remain outside the ETS. Pricing of agricultural emissions will be introduced no later than 2030, with farm level measurement commencing before that. Since agriculture is exposed to trade, pricing of agricultural emissions will be aligned with other countries to avoid leakage. New Zealand farmers are among the world's most carbon efficient, so pricing agricultural emissions at a level that sends production offshore could raise global emissions.

### **Role of government**

- 26 It is the role of the elected Government to choose how to deliver climate change targets. The role of agencies including the independent Climate Change Commission is to advise the Government. The Government has no obligation to agree with all advice from officials.
- 27 Some of the advice I have received is not aligned with the Government's priorities for least cost, effective and efficient policies, and rebuilding the credibility of the ETS.
- 28 The law requires the Minister of Climate Change to consider certain advice from the Climate Change Commission. As Minister, I intend to fully meet this and all statutory requirements. Subject to evidence of sufficiency to meet emissions budgets, I also intend to stop spending on policies that are inconsistent with the Government's approach. Consistency with the finalised Government's strategy will be an important consideration when I make decisions.

### **Cost-of-living Implications**

- 29 There are no immediate cost of living implications from this paper.

### **Financial Implications**

- 30 There are no immediate financial implications of this paper.

### **Legislative Implications**

- 31 There are no immediate legislative implications from this paper, however Cabinet's agreement will be needed to progress legislative amendments to keep agriculture out of the ETS and to limit forestry entering the ETS. A

Cabinet paper relating to agriculture is expected to be considered by LEG on 30 May and Cabinet on 4 June.

## **Impact Analysis**

### **Regulatory Impact Statement**

32 A regulatory impact statement is not required for this paper.

### **Climate Implications of Policy Assessment**

33 There are no immediate policy proposals that warrant a Climate Implications of Policy Assessment (CIPA).

### **Population Implications**

34 There are no immediate population implications of this paper.

### **Human Rights**

35 There are no immediate human rights implications of this paper.

### **Use of External Resources**

36 No external resources have been engaged in core policy development processes for this work programme.

### **Consultation**

37 The following agencies were consulted in the development of this Cabinet paper: Ministry for Primary Industries, the Treasury, Ministry of Business, Innovation and Employment, Ministry of Transport, the Department of Conservation, and the Ministry of Foreign Affairs and Trade.

38 The Climate Priorities Ministerial Group (CPMG) reviewed and discussed this paper on the 20<sup>th</sup> May.

39 The Department of the Prime Minister and Cabinet has been informed.

### **Communications**

40 I plan to test this strategy by including it in upcoming consultation material for ERP2, which needs to be published this year.

41 I also plan to further test and refine the public-facing document to ensure the language resonates with New Zealanders.

42 I will then publicly release the strategy and in time, build supporting public engagement and communications to:

42.1 give confidence to, and empower, the private sector and households to make lower emission investment decisions

42.2 build social licence for New Zealand's climate change response.

43 I will also direct officials to develop a narrative with key messages on our priorities to be used across agencies to ensure a joined-up approach.

44 The Government also has a variety of other statutory obligations which will allow us to demonstrate our strategy, including the yearly updates to ETS settings and auction volumes which is currently out for public consultation, in advance of Cabinet decisions in August.

### Proactive Release

45 I propose to proactively release this paper once consultation on ERP2 has begun.

### Recommendations

The Minister for Climate Change recommends that the Committee:

- 1 **note** climate change is a critical challenge we face, and that we have not inherited a plan to meet New Zealand's climate targets.
- 2 **note** my strategy is for New Zealand to meet our targets to reduce the impact of climate change and prepare for its future effects
- 3 **agree** that, subject to public consultation, the Government's approach to climate mitigation will operate under the principle of least cost and target net emissions.
- 4 **endorse** my strategy for our climate change response which summarises the priority focus areas, and the key actions we need to take this parliamentary term
- 5 **note** the need to publicly outline our climate change response to build social licence and give confidence to the private sector and households to make investment decisions
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- 7 **note** I plan to seek Cabinet's agreement in June to begin consultation on the second Emissions Reduction Plan, which will include elements of this climate change response

Authorised for lodgement

Hon Simon Watts

Minister of Climate Change

## Appendix 1: Our response to a changing climate

# OUR RESPONSE TO A CHANGING CLIMATE



## OUR CLIMATE STRATEGY

We will meet our targets to reduce the impact of climate change and prepare for its future effects



## WE ARE FOCUSING ON FIVE PRIORITY AREAS:



**Resilient infrastructure and well-prepared communities**



**Credible markets to support the climate transition**



**World-leading climate innovation boosts the economy**



**Nature-based solutions address climate change**



**Clean energy is abundant and affordable**



## POLICIES WHICH HELP US MEET THESE PRIORITIES:

Deliver a fair and enduring Climate Adaptation Framework that provides clarity on costs.

Improve quality and access to climate information, tools and guidance on future risks

RMA Reform: Enable resilient infrastructure projects through fast-track consenting and Resource Management reforms

Critical Infrastructure Resilience programme

Price carbon effectively, with the Emissions Trading Scheme (ETS) regulatory settings reviewed every year.

Fair and sustainable pricing system for on-farm agricultural emissions by 2030 that reduces emissions without sending production overseas.

Limits are placed on productive farms being turned into forests and registered in the ETS

Harness technology to reduce agriculture emissions and lift productivity

Provide tools and remove barriers for businesses to innovate and prepare for the future

Investigate carbon capture, utilisation and storage

End the effective ban on genetic engineering and modification technologies

Investigate other ways to reduce emissions from the atmosphere, including wetlands and blue carbon

Recognise other ways of removing emissions from the farm, beyond forestry

Investigate trees being planted on Crown land

Predator Free 2050

Protect the Hauraki Gulf

Electrify NZ: Double renewable energy – solar, wind, hydro and geothermal -- by 2050

Deliver 10,000 public electric vehicle charge points across New Zealand by 2030

RMA Reform: Enable cheaper, faster large-scale renewable energy projects through fast-track consenting and Resource Management reforms

Ensure energy security so businesses can confidently grow their operation

## ENABLERS TO SUPPORT DELIVERY



Private investment and partnerships



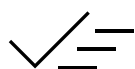
Access to the best available data and evidence



International engagement and knowledge sharing,



Competitive markets



## GOVERNMENT MEASURES:

**By 2030**

- Reduce net greenhouse gas emissions by 2030 (Target 9)
- New Zealand's Nationally Determined Contribution under the Paris Agreement to reduce net GHG emissions to 50 per cent below gross 2005 levels by 2030
- 10 per cent reduction in biogenic methane below 2017 levels by 2030.\*

**By 2050**

- Net zero for long-lived gases by 2050
- 24 to 47 per cent reduction in biogenic methane below 2017 levels by 2050

\*Methane target is currently subject to an independent expert review



# Cabinet Economic Policy Committee

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Establishing a Strategy for Responding to Climate Change

Portfolio                      Climate Change

On 29 May 2024, the Cabinet Economic Policy Committee:

- 1        **noted** that climate change is a critical challenge, and that the Government has not inherited a plan to meet New Zealand's climate targets;
- 2        **noted** that the Minister of Climate Change's strategy is for New Zealand to meet the targets to reduce the impact of climate change and prepare for its future effects;
- 3        **agreed** that, subject to public consultation, the Government's approach to climate mitigation will operate under the principle of least cost, and will target net emissions;
- 4        **endorsed** the Minister of Climate Change's strategy for the Government's climate change response, attached to the paper under ECO-24-SUB-0097, which summarises the priority focus areas and the key actions that need to be taken this parliamentary term;
- 5        **noted** the need to publicly outline the Government's climate change response to build social licence and give confidence to the private sector and households to make investment decisions;
- 6        **noted** the need to refine the language in a public-facing strategy;
- 7        **noted** that the Minister of Climate Change intends to seek Cabinet's agreement in June 2024 to begin consultation on the second Emissions Reduction Plan, which will include elements of the Government's climate change response.

Rachel Clarke  
Committee Secretary

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**Present: (see over)**

**Present:**

Rt Hon Christopher Luxon  
Rt Hon Winston Peters  
Hon David Seymour  
Hon Nicola Willis (Chair)  
Hon Brooke van Velden  
Hon Shane Jones  
Hon Simeon Brown  
Hon Paul Goldsmith  
Hon Todd McClay  
Hon Tama Potaka  
Hon Matt Doocey  
Hon Simon Watts  
Hon Melissa Lee  
Hon Penny Simmonds  
Hon Chris Penk  
Hon Andrew Bayly  
Hon Andrew Hoggard  
Hon Mark Patterson

**Officials present from:**

Office of the Prime Minister  
Office of Hon Simon Watts  
Ministry for the Environment  
Officials Committee for ECO