



Briefing: Update on Māori Rights and Interests in the Second Emissions Reduction Plan

Date submitted: 21 August 2024

Security level: CLASSIFICATION

MfE priority: Urgent

Actions sought from Ministers		
Name and position	Action sought	Response by
To Hon Simon WATTS Minister of Climate Change	note the recommendations in this briefing	

Actions for Minister's office staff
Return the signed briefing to the Ministry for the Environment (ministerials@mfe.govt.nz).

Appendices and attachments
<ol style="list-style-type: none"> Appendix 1: High-level summary of Māori Rights and Interests in ERP2 Appendix 2: Table of Māori-focused ERP2 Engagements Appendix 3: Key feedback themes from ongoing engagement with Māori stakeholders on ERP2 (as at 18 July 2024) Appendix 4: Broader support measures to mitigate the impacts of emissions reduction policies on Māori communities

Key contacts at Ministry for the Environment			
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Minister's comments

Update on Māori Rights and Interests in the Second Emissions Reduction Plan

Key Messages

1. This briefing provides an update on our approach to Māori rights and interests in the second emissions reduction plan (ERP2). We recommend this briefing be read alongside the advice you received last week on the overall approach to finalising ERP2 [BRF-5073 refers].
2. As the Minister of Climate Change, you need to consider Māori rights and interests to discharge your duties under the Climate Change Response Act 2002 (CCRA) and to recognise and respect the Crown's responsibility to give effect to the principles of the Treaty of Waitangi. You have two specific requirements to address under the CCRA, specifically:
 - a. To ensure that iwi and Māori have been adequately consulted on ERP2; and
 - b. To include a strategy in ERP2 to recognise and mitigate the impacts on iwi and Māori of reducing emissions and increasing removals.
3. The Government continues to engage with iwi, hapū, and Māori groups on ERP2. We consider that the approach the Government has taken, including formal consultation, positions you as Minister of Climate Change on track to effectively discharge the duty for adequate consultation.
4. Your strategy for Māori reflects obligations under the CCRA, which emphasises the Crown's responsibility to give effect to Treaty principles. This requires tailored responses that address the specific and disproportionate impacts of climate change on Māori, ensuring active protection and meaningful engagement. This includes:
 - a. Growing the economy so that New Zealanders' wellbeing and choices are increased.
 - b. Managing distributional impacts through universal supports, such as benefits and the climate dividend.
 - c. Monitoring for significant distributional impacts, such as a large-scale change to regional economies. While we have not yet seen widespread economic shifts, we acknowledge the localised impacts, such as those from recent cyclones in Tairāwhiti.
 - d. Continuing to provide data to the public to enable local decision-making; and
 - e. Continuing to provide tailored consideration of Māori rights and needs to adapt to change through both the adaptation framework and Māori Climate Platform.
5. Māori also have rights and interests associated with specific actions in ERP2. These rights and interests should be considered as specific actions in the plan are undertaken (e.g. consenting renewable energy projects).

6. Consultation is ongoing but so far Māori stakeholders have told officials that they would like to see stronger representation of issues for Māori in ERP2. We will provide you with a briefing about submissions themes in September for your consideration.

Recommendations

We recommend that you:

1. **note** that under the Climate Change Response Act 2002, you must ensure that consultation with iwi and Māori has been adequate and that a strategy to manage the impacts of reducing emissions and increasing removals on iwi and Māori is included in ERP2.
2. **note** officials will provide further advice on the current approach to consultation with Māori and the approach to a strategy to manage the distributional impacts on iwi and Māori, in September seeking final decisions.
3. **note** our current understanding of the broader Māori rights and interests involved in ERP2, and that this will be further developed through consultation.

Signatures



Hemi Smiler
General Manager
**Climate Change Mitigation and
Resource Efficiency**

21 August 2024

Hon Simon WATTS
Minister of Climate Change

August 2024

Update on Māori Rights and Interests in the Second Emissions Reduction Plan

Purpose

1. This briefing updates you on progress to meet Treaty-related requirements under the Climate Change Response Act 2002 (CCRA) for ERP2.

Background

2. On 29 February we briefed you on the requirements under the CCRA in developing ERP2 [BRF-4084 refers].
3. One of those requirements is section 3A(ad) of the CCRA, which states that in order to recognise and respect the Crown's responsibility to give effect to the principles of the Treaty of Waitangi the Minister must include in an ERP, a strategy to mitigate the impacts on iwi and Māori of reducing emissions and must ensure that iwi and Māori have been adequately consulted on the plan.¹
4. The CCRA also requires the Minister to consider the Climate Change Commission's (CCC) recommendations on ERP2 policy direction before finalising the plan.²

Adequate consultation

5. You previously agreed to an approach to early engagement [BRF-4091 refers] and consultation approach for ERP2 [BRF-4321 refers].
6. Our consultation with Māori on ERP2 is set out in Appendix 2 and has included:
 - a) Early engagement through three online hui in March.
 - b) Offers of 1:1 hui with Post-Settlement Governance Entities (PSGEs), groups in negotiations and certain iwi authorities under the Resource Management Act (RMA) that Ministry for the Environment (MFE) has an existing relationship with.
 - c) Māori specific and sector specific online hui with Q&A sessions, attended by a wide range of Māori representatives³.
 - d) Consultation with National Iwi Chairs Forum (NICF) technicians.

¹ These requirements are also stated in sections 5ZG(3)(c) and 5ZI(1)(b) of the CCRA.

² Section 5ZI(1)(a).

³ See Appendix 2: Table of Māori-focused ERP2 Engagements for a detailed list of hui, workshops, webinars, and the specific Māori representatives and entities that participated.

7. While consultation is ongoing, preliminary feedback received to date is outlined in Appendix 3 and includes:
 - a) Need for improved data specific to iwi and Māori, with a focus on Māori control and inclusion of Mātauranga Māori.
 - b) Interest in carbon markets and renewable energy, with concerns about the equity impacts of the New Zealand Emissions Trading Scheme (NZ ETS).
 - c) Inclusion of Mātauranga Māori into climate policies, favouring holistic approaches.
 - d) Emphasis on enhancing marae and community resilience with locally tailored solutions.
 - e) Ensuring equitable resource distribution in emissions reductions efforts.
8. Next steps for consultation include further targeted engagements and follow-up hui to refine feedback and address ongoing emerging issues. We expect this continued consultation to provide additional insights on the key themes identified above, which will inform the finalisation of ERP2.
9. It is important to note that ERP2 may not be the only vehicle to consult on relevant ERP2 policies; other government work programmes with overlapping policies may require consultation on different timelines, such as Electrify NZ.
10. Officials will provide a summary of consultation feedback for you in September.

Strategy to recognise and mitigate the impacts on Māori

11. On 28 February and 27 March 2024, we briefed you on the CCRA requirement to mitigate the distributional impacts of climate policies [BRF-4354 and BRF-4502 refers].
12. Interim, high-level analysis suggests that the economic impact on Māori households of Government emissions reductions policies may be relatively small. This analysis is ongoing, and we will provide further updates as more information becomes available. In addition, we will work with lead agencies to identify distributional impacts of specific policies, and we will also continue to consider consultation feedback on potential distributional impacts.
13. You have previously indicated a preference for using universal tools such as income support measures, and the climate dividend to manage distributional impacts from emissions reductions policies across various sectors.
14. Beyond universal tools, you may also consider how:
 - a) The Māori Climate Platform (MCP) may play a role in this strategy through its focus on enabling Māori climate action.
 - b) The Climate Data Initiative (CDI) is working to enhance the accessibility, quality, and relevance of climate data for Māori.
 - c) Additionally, MPI's Accelerating New Mitigation Programme includes a specific sub-programme called Māori-led Approaches to Reducing Biological Emissions. This

programme aims to ensure a range of Māori-led solutions and low emissions options are available for Māori landowners and agribusinesses to respond to the impacts of climate change, including new regulatory requirements. It also seeks to expedite the development and adoption of these solutions, increase Māori-led research capability, and build trust and support from Māori entities for on-farm solutions to reduce emissions.

15. On balance, the strategy is making progress towards satisfying CCRA requirements; however, we recognise that further analysis and updated data are necessary before providing definitive advice. We will consider these impacts in further detail and provide further advice in September.

CCC Recommendations relating to Māori Rights and Interests

16. The CCC has made recommendations related to Māori rights and interests in the development of ERP2⁴:
- a) Recommendation 7: “We recommend that in its second emissions reduction plan, the Government: Introduce ways to directly allocate resources to iwi/Māori and augment funding to Māori landowners to enable them to accelerate emissions reductions and removals in accordance with their assessments and priorities”.
 - b) Recommendation 8: “We recommend that in its second emissions reduction plan, the Government: Ensure iwi/Māori are empowered to lead the weaving of mātauranga Māori into policy design, development, and implementation at central and local government levels. This includes providing sufficient resources to iwi and hapū”.
17. These recommendations aim to ensure that Māori perspectives and knowledge are included in ERP2, and that sufficient support is provided to Māori communities. We are actively considering these recommendations and will provide further advice on these recommendations in our September update.
18. We acknowledge that several other recommendations⁵ from the Climate Change Commission emphasise the need to work in partnership with Māori. These recommendations are being addressed through separate workstreams and you will receive further advice on these in September.

Broader Māori Rights and Interests in ERP2

19. Beyond the specific requirements of section 3A(ad) of the CCRA, the Crown is committed to working with Māori throughout the development and implementation of ERP2. This includes upholding Treaty settlements and broader obligations under Treaty principles,

⁴ The CCRA requires you to consider the Commission’s recommendations on the policy direction for ERP2 in preparing an ERP and supporting policies and strategies for an emissions budget period (section 5ZI(1)(a)).

⁵ Relevant recommendations include, but are not limited to, Recommendations 19, 23, and 25, which focus on partnership with Māori in various aspects of climate action.

such as active protection and partnership, to safeguard Māori rights and interests. Below is a table setting out key Māori rights and interests in ERP2.

Table 1: Māori Rights and Interests in ERP2

ERP2 policy area	Māori rights and interests	Impact and approach
Development of ERP2	To be engaged on policy through partnership obligation and Treaty settlements.	Engaged through meaningful consultation.
NZ ETS	Owners of assets such as emissions units (NZUs) and forestry, including through Treaty settlements.	<p>Policies to support NZ ETS market credibility and confidence in NZ ETS are expected to benefit NZU holders.</p> <p>Equity impacts to be addressed through distributional impacts advice.</p>
Energy	<p>Customary and Treaty settlement-based rights and interests in land, water and sea that have implications for RMA processes where generation will take place.</p> <p>Māori may have rights and interests related to the two key ERP2 energy policies - Electrify NZ and CCUS. Ministers responsible for those work programmes are responsible for appropriately managing those rights and interests.</p>	Impact is case by case. Crown has committed to upholding Treaty settlements and approach to energy chapter sets out that policies must understand these issues. Electrify NZ serves as the overarching framework, incorporating various workstreams, including RMA and National Policy Statement (NPS) changes. Some of these workstreams will involve consultations beyond the ERP2 development timeline.
Agriculture	Māori agricultural interests, including those recognised through Treaty settlements, Mana Whakahono ā Rohe agreements (WHaR), Joint Management Agreements (JMAs), and other arrangements such as statutory acknowledgements and cultural redress mechanisms.	Proposed restrictions on ETS registrations from whole-farm conversions to exotic forestry may affect right to register in the ETS. Ministers are actively considering mitigating this impact by exempting some types of Māori land from the proposed restrictions.

Forestry/ wood processing	Owners of plantation forestry and privately owned indigenous forest. Customary based rights and interests in land.	May be disproportionately affected by changes to forestry policy because of the significant proportion of Māori-owned land that is used for forestry and the significant proportion of forest ownership and employment. Specific forestry policies consider the specific impacts on Māori land and resources through treaty analysis and advice to Ministers ahead of and as part of decision-making.
Waste	Consenting-based rights through RMA and Treaty settlements and other arrangements.	Impact is case by case.
Transport	No significant issues identified at present.	Potentially some equity considerations.

Options for enhancing ERP2 approach to meet Treaty obligations

20. In September, we will seek your direction on what you would like to include in ERP2.
21. While initial analysis suggests that our current approach is broadly appropriate, ongoing consultation could identify new ideas for enhancing our strategies and ensuring that the ERP2 effectively addresses the specific needs and concerns of Māori communities.
22. While you do not need to make decisions now, in September, you will have options to augment or adjust your strategy, to ensure that the Crown meets its obligations to Māori under the CCRA, in line with the requirement to give effect to the principles of the Treaty of Waitangi. These options will likely be:
- a) *Current* – Maintain current approach, focusing on universal tools to address distributional impacts, and continuing key targeted actions already in place, such as the adaptation pilots⁶.
 - b) *Do more* – Identify one or more additional actions, to enhance the role of Māori in ERP2, including mitigation efforts. This could include working with iwi/hapū to pilot initiatives at place, similar to the adaptation pilots.
 - c) *Do much more* – Significantly ramp up actions in specific sectors and implement detailed mitigations for distributional impacts on Māori communities.

⁶ The Adaptation Pilots, part of the Joint Work Programme (JWP) between the Ministry for the Environment and Pou Take Āhuarangi, focus on empowering Māori communities to undertake climate transition and adaptation actions. This includes conducting climate risk assessments for marae and developing adaptation plans, training iwi climate navigators, and providing technical feedback on key climate policies to ensure Māori perspectives are incorporated effectively in climate resilience efforts

23. Our initial view is that options a) and b) will be most appropriate to form the strategy to manage the distributional impacts on Māori from reducing emissions.

Other considerations

9(2)(h)

[Redacted text block]

[Redacted text block]

[Redacted text block]

Next steps

27. We will provide you with further advice on the feedback received through consultation with Māori in September, along with options to ensure that ERP2 meets the statutory requirements outlined in section 3A(ad) of the CCRA. This advice may include a limited set of additional actions for you to consider.

Appendix 1: High-Level Summary of Māori Rights and Interests in ERP2

Table 1A: Overview of Key Māori Rights and Interests in ERP2

This table provides an overview of the key Māori rights and interests that are relevant to ERP2, outlining their significance and implications for policy development.

Consultation and Engagement	Ensuring adequate and meaningful consultation with iwi and Māori communities is a requirement under the CCRA. This includes early engagement and continuous dialogue throughout the policy development and implementation stages.
Partnership	The Crown has obligations to engage in partnership arrangements, such as co-management of natural resources. In some cases, this includes consensus decision-making processes, particularly with PSGEs and through other arrangements like MWaR agreements and JMAs, including for significant bodies like the Waikato River.
Protection of Māori Interests in Environmental Policies	Policies in sectors such as agriculture, forestry, and energy must consider the specific impacts on Māori land and resources. This includes protecting the cultural and economic interests of Māori communities, ensuring that land use changes, especially in high-quality agricultural areas, are managed in a way that respects and provides for Māori rights and interests.
Recognition and Inclusion of Mātauranga Māori	The inclusion of Mātauranga Māori in climate mitigation and adaptation strategies aligns with the Crown's responsibilities under the Treaty of Waitangi. Under the CCRA, ERP2 must include a strategy to mitigate the impacts of reducing emissions on iwi and Māori, ensuring these obligations are met. This approach is further supported by the Climate Change Commission's recommendations, which highlight the importance of incorporating Māori perspectives in climate policies.
Distributional Impacts	Distributional impacts involve the measurement and assessment of how different Māori communities are affected by climate policies. This includes evaluating the socio-economic impacts and environmental outcomes of policies like the NZ ETS on Māori, with a particular focus on how these policies influence access to economic opportunities and resources.
Equity	Equity refers to the fair allocation of resources and support to ensure Māori communities have the means to participate and benefit equitably in climate change mitigation efforts. This involves providing adequate resourcing, technical assistance, and other resources necessary for iwi and Māori to achieve their climate goals and ensure their inclusion in the decision-making process.
Legal and Treaty Obligations	The Crown's legal obligations under the Treaty of Waitangi and the CCRA include active protection and ensuring that the principles of the Treaty are upheld in all relevant policies. This means that the Crown must ensure that its actions do not disproportionately disadvantage Māori communities.

Appendix 2: List of Māori-focused ERP2 Consultations (As at 16 August 2024)

Table 2A: Comprehensive List of Māori-focused ERP2 Engagements.

Note: While the engagements listed here represent those who actively participated, invitations were extended to a much broader group, including entities in regions like Te Taitokerau, Waikato, and Tāmaki Makaurau, for who engagement with ERP2 may not be a priority at this time.

Week	Date	PGSE/Entity	Consultation Style
Pre	27 March	Ngā Pou a Tāne Ngā Maunga Whakahii o Kaipara Development Trust Whenua Oho Interpine Group Ltd Ngā Pou a Tāne	Early engagement/Online hui
	28 March	Te Tumu Paeroa Ngāti Tahu-Ngāti Whaoa Runanga Trust Ngāti Apa Ki Te Rā Tō	Early engagement/Online hui
1	July 18	Tūwharetoa ki Kawerau <u>Hawkes Bay Collective:</u> Ahuriri Hapū Maungaharuru-Tangitū Hapū Tātau Tātau o Te Wairoa Trust Hineuru Iwi Trust Tamatea Pōkai Whenua (Heretaunga Tamatea) Ngāti Pāhauwera Development Trust Ngāti Ruapani – <i>yet to settle</i> <u>Gisborne Collective:</u> Rongowhakaata Ngāti Porou Ngāi Tāmanuhiri Tūtū Poroporo Te Aitanga a Māhaki – <i>yet to settle</i>	Regional hui/Online hui
2	July 24	Te Roroa Manawhenua Trust	One-on-One/Online hui
	July 26	Ngāi Tai ki Tōrere	One-on-One/Online hui
3	July 29	Ngāi Tai ki Tāmaki	One-on-One/Online hui

	July 30	Te Whānau-ā-Apanui – <i>yet to settle</i>	One-on-One/Online hui
	Aug 2	Ngāti Kahungūnu	One-on-One/Online hui
4	Aug 7	Ngāti Awa	One-on-One/Online hui
		Māori Rights and Interests Workshop – <i>Various Māori Stakeholders</i>	Online hui
	Aug 8	Rangitāne ki Manawatu	Online hui
		Ngāti Whare	Online hui
	Aug 9	Ngāti Raukawa	Online hui
5	Aug 12	NICF Technicians	In-person hui
	Aug 13	Ngāti Toa Rangatira	Online hui
	Aug 14	Ngāi Tahu	One-on-One/Online hui
	Aug 15	<u>Te Tai Ihu iwi Collective:</u> Ngāti Koata Ngāti Kuia Ngāti Rārua Ngāti Tama Ngāti Toa Rangatira Rangitāne o Wairau Te Ātiawa o Te Waka-a-Māui Ngāti Apa ki te Rā Tō	Online hui
		<u>Taranaki Iwi Collective:</u> Ngāruahine Ngāti Maru Ngāti Mutunga Ngāti Ruanui Ngāti Tama Ngā Rauru Kītahi Taranaki Iwi Te Āti Awa	Online hui
	Aug 16	Te Ati Awa ki Whakarongotai Charitable Trust	Online Hui

Appendix 3: Key Feedback Themes from Consultation with Māori Stakeholders (as at July 2024)

Table 3A: Summary of Feedback from Māori Stakeholders on ERP2

This table summarises the primary themes and concerns raised by Māori stakeholders during consultation on ERP2 to date, highlighting areas of agreement and those requiring further consideration.

Data and Emissions Tracking	<p>Need for Better Data: There is a strong desire for improved emissions data specific to iwi and Māori entities.</p> <p>Call for Data Sovereignty: Emphasis on ensuring Māori involvement over data collection and the inclusion of Mātauranga Māori.</p>
Economic Opportunities in Climate Action	<p>Interest in Carbon Markets and Renewable Energy: Māori seek clearer guidelines and support to participate effectively in these sectors.</p> <p>Concern Over Equity in ETS: Ongoing concerns about the effectiveness of the ETS and its economic viability for Māori landowners.</p>
Integration of Mātauranga Māori	<p>Inclusion in Climate Policies: Advocacy for including traditional knowledge into climate strategies.</p> <p>Preference for Holistic Approaches: Calls for a broader, interconnected approach to climate action that aligns with Māori values.</p>
Adaptation and Resilience	<p>Focus on Marae and Community Resilience: Priority on enhancing the resilience of Māori communities and marae.</p> <p>Local Solutions: Preference for solutions tailored to specific Māori contexts.</p>
Partnership and Collaboration	<p>Capacity Building: Need for enhanced capacity building in governance and technical expertise.</p> <p>Frustration with Lack of Implementation: Desire for the government to move from exploration to concrete actions in areas like afforestation and hybrid forests.</p>
Concerns About Equity and Fairness	<p>Equitable Resource Distribution: Ensuring fair access to climate-related resources and benefits.</p> <p>Protecting Māori Land and Resources: Safeguarding Māori land from exploitation under climate policies.</p>
Accountability and Transparency	<p>Request for Clear Communication: Need for clearer communication from the government on policy decisions and how Māori feedback is incorporated.</p> <p>Ongoing Engagement: Desire for sustained meaningful engagement with the government beyond one-off consultations.</p>

Appendix 4: Broader Support Measures to Mitigate the Impacts of Emissions Reduction Policies on Māori Communities

This appendix outlines the broader support measures available to mitigate the impacts of emissions reduction policies on Māori communities, including financial assistance, capacity-building initiatives, and community resilience programmes.

- 1. Income Support and Financial Assistance:** The government provides financial assistance through existing processes, such as the Winter Energy Payment. This measure supports low-income households, including many Māori families, in managing the increased costs associated with climate change mitigation efforts.
- 2. Employment and Training Services:** Government employment services, including transition advice and training programs, are designed to assist individuals, including Māori, in transitioning to new job opportunities within low-emissions sectors. These services aim to ensure that Māori communities can participate in and benefit from the emerging green economy.
- 3. Climate Dividend Tax Relief:** Revenue generated from the NZ ETS is redistributed to the public in the form of a "climate dividend." This initiative helps to offset additional costs related to climate change policies, providing financial relief to affected communities.