



# Emissions Reduction Plan: Minister of Climate Change final approval

Date Submitted:	6 May 2022	Tracking #: BRF-1560	
Security Level	Policy and Privacy In-Confidence	MfE Priority:	Urgent

	Action sought:	Response by:
Hon James SHAW, Minister of Climate Change	Approve the near-final version of the emission reduction plan, agree that CCRA requirements are met, and note the draft text for the notice for the <i>New Zealand Gazette</i> .	9 May

Actions for Minister's Office Staff	<b>Forward</b> this briefing to the Prime Minister's office and the Minister of Finance  <b>Return</b> the signed report to MfE.
Number of appendices and attachments # 2	Appendix 1: Emissions reduction plan (near-version for approval) including Actions table (Table A) – tracked and clean versions Appendix 2: Final summary of advice and information on legal requirements for the emissions reduction plan

## Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Margaret McArthur		
Responsible Manager	Kate Ryan	s 9(2)(a)	✓
Director	Melody Guy	s 9(2)(a)	

# Emissions Reduction Plan: Minister of Climate Change's final approval

## Key Messages

1. This briefing attaches the near-final version of the emissions reduction plan (which includes the Actions Table 'Table A') for your approval. This will be subject to final fact checking, minor editing and design changes.
2. We have attached a word version of the final ERP (a version with changes since Cabinet and a clean version) and a designed version of the plan (V2).
3. This briefing also provides draft text for the notification of your decision to publish the Plan in the New Zealand Gazette, we will seek your approval on this once the Plan is finalised.
4. To support this decision, Appendix 3 contains a final summary of advice and information on the statutory requirements for the plan and how you have been addressed them.

## Recommendations

We recommend that you:

- a. **Approve** the attached emissions reduction plan (Appendix 1), which includes the actions table (Appendix 2) for publication, subject to final fact checking, minor editing and design changes

Yes/No

- b. **Note** the following draft text for the New Zealand Gazette notice

**Title: Aotearoa New Zealand's first emissions reduction plan**

Pursuant to section 5Z1 (2A)(b)(i) of the Climate Change Response Act 2002, this notifies my decision to publish Aotearoa New Zealand's first emissions reduction plan. The emissions reduction plan can be found on the Ministry for the Environment's website [URL to be confirmed]

- c. **Agree** that you are satisfied that the policies, strategies, and approaches contained within the Plan, meet the requirements under the CCRA for preparing and publishing an emissions reduction plan [Appendix 2 refers]

Yes/No

- d. **Forward** this briefing and the Plan, including the actions table to the Prime Minister's office

Yes/No

- e. **Forward** this briefing and the Plan, including the actions table to the Minister of Finance

Yes/No

## Signature

Kate Ryan Principal Analyst <b>Climate Change Directorate</b> <b>(Emissions reduction plan)</b>	
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Hon James SHAW, Minister of Climate Change	
Date	

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## Purpose

5. This briefing seeks your formal approval of the near-final version of the emissions reduction plan (the Plan), subject to final fact checking, minor editing and design changes.
6. To support this decision, Appendix 2 contains a final summary of advice and information on the statutory requirements for the Plan and how they have been addressed.
7. This briefing also provides draft text for the *New Zealand Gazette* notice, which we will seek your approval on once the Plan is finalised

## Context

8. Your approval is sought in terms of your responsibilities under the Climate Change Response Act 2002 (CCRA).
9. The Plan was considered by Cabinet on 2 May 2022 and will be publicly launched on 16 May 2022.
10. The Plan is scheduled to be presented to the House and published in the *New Zealand Gazette* on 20 May 2022.

## Analysis and advice

### *Publishing the emissions reduction plan*

11. Under the CCRA, you are responsible for preparing and publishing the emissions reduction plan. This briefing requests that you formally approve the plan (including the actions table) for public release on 16 May 2022.
12. To support these decisions, Appendix 3 provides advice and information on your legal obligations under the CCRA. This builds on previous advice and information provided on 24 March 2022 (BRF-1253 refers) and 13 April 2022 (BRF-1255 refers). New and updated advice/information is underlined throughout the table and minor editorial changes have been made since the last version (BRF 1255 refers).
13. Overall, we consider that the policies, strategies, and approaches contained within the Plan, meet the requirements under the CCRA for preparing and publishing an emissions reduction plan. We note that these requirements are of the Minister of Climate Change and as such you must be satisfied that these requirements are met.

### *Publishing the emissions reduction plan*

14. As the Minister of Climate Change, you must ensure the emissions reduction plan is published in the *New Zealand Gazette* and made publicly available by 31 May 2022. A copy must also be presented to the House of Representatives.
15. The document that is published as a hyperlink in the *New Zealand Gazette* will be considered the emissions reduction plan for the purposes of the CCRA. This version will also be evidenced by the copy presented to the House. It is important that the full and final emissions reduction plan is the document that is notified, as this will contain the detail necessary for those that may be affected by the plan

*Near-final version of the emissions reduction plan*

16. Attached is an updated near-final version of the Plan, which has had minor changes since it was lodged for Cabinet. You are able to approve these minor changes to prepare the Plan for publication.

■ s 9(2)(g)(i) [Redacted]

■ [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

18. Changes to the Plan are identified via the attached tracked version, with explanatory comments. Please note we have also retained some comments directed towards the designers in this version.

*Confirming Gazette notice for emissions reduction plan*

19. As previously advised, publishing the Plan in the *New Zealand Gazette* involves drafting a short notice and sending it to the Gazette Office (see BRF-1226 - Appendix 2).

20. We recommend that the notice includes a short description and a link to the full emissions reduction plan (including the actions table), which will be publicly available on the Ministry for the Environment's website.

■ s 9(2)(g)(i) [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

22. It is important that the full and final emissions reduction plan is the document that is notified, as this will contain the detail necessary for those that may be affected by the Plan.

23. Once the Plan is finalised, we will seek your approval on the notice text for publication in the *New Zealand Gazette*, currently scheduled for the 20 May.

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s 9(2)(h)

[REDACTED]

**Next steps**

26. Key steps and intended dates are set out in the following table.

Milestone/Activity	Timeframe
Parliamentary debate on emissions budgets	12 May 2022
Media receive an embargoed copy of the Plan	9.00am, 16 May 2022
Public launch of the Plan including the Actions table	Noon, 16 May 2022
The Plan (including the Actions table) published in the New Zealand Gazette. Presentation of the Plan (including the Actions table) to the House. The Government's response to the Climate Change Commission's recommendations (Table B) and the technical information annex (Table C) published as supporting information on the Ministry's website.	20 May 2022

**Appendix 1: Emissions reduction plan (version for final approval), including the Actions table (Table A)**

**Appendix 2: Final summary of advice and information on the legal requirements for the emissions reduction plan**

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## Appendix 2: Final summary of advice and information on legal requirements for the emissions reduction plan

This appendix updates advice on your legal obligations under the Climate Change Response Act 2002 (CCRA). We provided you with the draft advice and information on the 24 March 2022 (BRF-1253 refers) and 13 April 2022 (BRF-1255 refers). New and updated advice/ information is underlined throughout the table and minor editorial changes have been made since the last version (BRF 1255 refers).

CCRA provision	Summary of advice and information
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### 3 Purpose of the Act

<p>The purpose of this Act is to—</p> <p>(aa) provide a framework by which New Zealand can develop and implement clear and stable climate change policies that—</p> <p>(i) contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels; and</p> <p>(ii) allow New Zealand to prepare for, and adapt to, the effects of climate change:</p>	<ul style="list-style-type: none"> <li>• The Ministry considers that the proposed Plan aligns with the overarching goals of the CCRA.</li> <li>• The first three emissions budgets determine the course for stepping down to the necessary level of greenhouse gas emissions permitted for each emissions budget, with the view to eventually bring us to our 2050 target. New Zealand’s 2050 targets are set on the basis of contributing to the global efforts to limit temperature rise to 1.5°C.</li> <li>• The Plan is the approach required to meet the emissions budgets and therefore also contributes to New Zealand’s contribution to the global effort under the Paris Agreement to limit global average temperature rise.</li> <li>• The Plan sets out a package of policies (strategic and sector-specific) to deliver emissions reductions. We consider that the Plan <u>can</u> achieve our emissions budgets (noting there are risks and uncertainties as outlined in Cabinet Paper: Emissions Budgets for 2022-2025, 2026-2030 and 2031-2035 [CAB-21-MIN-0320.01] and <i>Emissions reduction plan: Setting emissions budgets 2022-2025, 2026-2030, 2031-2035</i> [CAB-22-MIN-0148 refers]).</li> <li>• <b>Out of Scope</b>  <div style="background-color: black; height: 15px; width: 100%;"></div> <div style="background-color: black; height: 15px; width: 95%;"></div> <div style="background-color: black; height: 15px; width: 90%;"></div> </li> <li>• Recently you were briefed on the release of the findings from Working Group III (Mitigation of Climate Change) contribution to the Intergovernmental Panel on Climate Change’s (IPCC) Sixth Assessment Report (AR6) and the headline statements from the Summary for Policymakers released on 5 April (BRF 1397 Refers). <ul style="list-style-type: none"> <li>○ The IPCC Working Group III report includes several options for mitigation by 2030 and global emissions pathways that will limit peak global warming to 1.5°C. As highlighted throughout the Sixth Assessment Report, significant reductions in greenhouse gas emissions, including biogenic methane are required to limit peak warming (note you were briefed on the findings of Working Group I in relation to methane in BRF-464).</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>○ The report builds on previous findings from Working Groups I and II of the Sixth Assessment Report and the Fifth Assessment Report released in 2014. Finding B.6.4 highlights that overshoot pathways imply increased climate-related risk as well as greater social and environmental risks compared to pathways that limit warming to 1.5°C with no or limited overshoot.</li> <li>• The Commission concluded that the percentage changes in GHGs under its demonstration pathway were within the IPCC global ranges for 2010 to 2030 that are compatible with the 1.5°C global temperature goal (although the Commission uses a gross-net approach, so its pathway is not directly comparable).</li> <li>• As the first two emissions budgets cover the period from 2022 to 2030, the IPCC advice about the need for action to 2030 is important. Their advice on policy direction to meet emissions budgets was considered during the development of the Plan (the response to the Commission’s specific recommendations is provided in Table B of the Plan).</li> </ul>
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### 5W Purpose of Subpart 2-Setting emissions budgets

<p>The purpose of this subpart and <a href="#">subparts 3</a> and <a href="#">4</a> is to require the Minister to set a series of emissions budgets—</p> <p>(a) with a view to meeting the 2050 target and contributing to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels; and</p> <p>(b) in a way that allows those budgets to be met domestically; and</p> <p>(c) that provides greater predictability for all those affected, including households,</p>	<ul style="list-style-type: none"> <li>• In your Cabinet paper <i>Emissions reductions plan: Setting emissions budget 2022-2025, 2026-2030 and 2031-2035</i> [CAB-22-MIN-0148 refers] you note that you have considered how the emissions budgets proposed in that paper set New Zealand on a path to meet the 2050 target and contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° C above pre-industrial level, as required by section 5W(a) of the CCRA.</li> <li>• By setting out how the first emissions budget will be achieved, the proposed Plan is in line with contributing to the global effort to limit temperature increase to 1.5° C. The most recent Working group III contribution to the IPCC AR6 (Mitigation of Climate Change) makes clear the need for swift action in line with IPCC advice.</li> <li>• The Plan enables the emissions budgets to be met domestically, by including policies and strategies across the key sectors and cross-sectors of the New Zealand economy (as required by 5W (b)).</li> <li>• The Plan provides predictability, covering major sectors and cross-sectors of the New Zealand economy (as required by 5W(b)). It includes actions for the private sector of New Zealand and highlights the role of communities and individuals in the low-emissions transition.</li> <li>• The Plan seeks to provide predictability for all those affected including households, businesses, investors by outlining the Government’s direction over the first three emission budget periods (as required by 5W (c)).</li> </ul>
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businesses, and investors, by giving advance information on the emissions reductions and removals that will be required.

### 5ZG Requirement for emissions reduction plan

<p>1) For each emissions budget period, the Minister— (a) must prepare and make publicly available a plan setting out the policies and strategies for meeting the relevant emissions budget; and</p>	<ul style="list-style-type: none"> <li>• The Plan is scheduled to be published on <u>16 May 2022</u>.</li> <li>• Aspects of the proposed plan were made publicly available in November 2021 when Part I of the emissions reduction plan was communicated to the United Nations Framework Convention on Climate Change as our long-term low emissions development strategy (see: <a href="https://unfccc.int/sites/default/files/resource/NZL_LTS_2021.pdf">https://unfccc.int/sites/default/files/resource/NZL_LTS_2021.pdf</a>)</li> <li>• The Plan sets out a package of policies (strategic and sector-specific) to deliver emissions reductions. Based on our analysis and with determined and successful implementation, the Plan <u>can</u> achieve our emissions budgets (noting there are risks and uncertainties as outlined in <i>Emissions Budgets for 2022-2025, 2026-2030 and 2031-2035</i> [CAB-21-MIN-0320.01 refers] and <i>Emissions reduction plan: Setting emissions budgets 2022-2025, 2026-2030, 2031-2035</i> [CAB-22-MIN-0148 refers]). Note that you have been briefed with further detail on the sufficiency analysis (BRF 1492 refers) and this was reflected in the final Emissions Reduction Plan: completion and launch of the first Plan Cabinet paper [CAB-22-MIN-0152 refers].</li> <li>• Officials have considered the recently released IPCC mitigation on Climate Change report and summary for policy makers, and there are several key messages relevant to the Plan listed in brief below (see Summary for Policy makers for details): <ul style="list-style-type: none"> <li>○ Tailored and comprehensive policies across all/key sectors and investment in low emissions technologies are effective at reducing emissions, and policy packages that enable innovation and build capacity are better able to support a shift towards equitable low-emission futures than are individual policies</li> <li>○ Comprehensive demand-side strategies and behaviour change are critical factors in reducing emissions</li> <li>○ All global modelled pathways that limit warming to 1.5°C with no or limited overshoot, and those that limit warming to 2°C involve rapid and deep and, in most cases, immediate and sustained GHG emission reductions in all sectors</li> <li>○ Doing less in one sector needs to be compensated by further reductions in other sectors if warming is to be limited</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>○ Coordinated policies, equitable partnerships and integration of adaptation and mitigation within and across sectors can maximise synergies and minimise trade-offs and thereby enhance the support for climate action</li> <li>○ Equity and just transitions can enable deeper ambitions for accelerated mitigation. Applying equitable transition principles and implementing them through collective and participatory decision-making processes is an effective way of integrating equity principles into policies at all scales, in different ways depending on national circumstances.</li> <li>• The Plan includes policies and actions that are targeted at reducing both long-lived greenhouse gases and biogenic methane (the volume of reductions is outlined in the technical information annex).</li> <li>• You have also held several Bilateral meetings with your Climate Responsible Ministers Group (CRMG) colleagues to discuss what else could be done to reduce emissions and meet budgets, in their respective portfolios.</li> </ul>
<p>(b) may include in the plan policies and strategies for meeting any emissions budgets that have been notified under <a href="#">section 5ZD</a> for the 2 emissions budget periods after that.</p>	<ul style="list-style-type: none"> <li>• You outlined an approach to Cabinet in <i>Scope, Process, Timeframe and Accountability for delivering the Plan in 2021</i> (CAB-21-MIN-0138 refers) by confirming accountability with a range of Ministers.</li> <li>• The proposed Plan sets out a package of policies (strategic and sector-specific) to reduce emissions and increase removals. We consider that the Plan <u>can</u> achieve our emissions budgets (noting there are risks and uncertainties as outlined in Cabinet paper- <i>Emissions Budgets for 2022-2025, 2026-2030 and 2031-2035</i> [CAB-21-MIN-0320.01 refers] and <i>Emissions reduction plan: Setting emissions budgets 2022-2025, 2026-2030, 2031-2035</i> [CAB-22-MIN-0148 refers]).</li> <li>• The Plan also includes policies and actions that will contribute towards meeting second and third emissions budgets.</li> </ul>
<p>(2) The plan must be prepared and made publicly available by the deadlines specified in <a href="#">section 5Z1</a>.</p>	<ul style="list-style-type: none"> <li>• The Plan is scheduled to be initially published <u>16 May, with the complete Plan (including the actions table) presented to the House and published in the Gazette on 20 May 2022.</u></li> <li>• A fully downloadable PDF of the Plan and summary document will be published on the Ministry for the Environment’s website on <u>16 May</u>. An HTML version of the summary document will also be published.</li> </ul>
<p>(3) The plan must include— (a)</p>	<ul style="list-style-type: none"> <li>• The Plan will include sector specific policies across several key sectors of the economy to reduce emissions and increase emissions removals. The Cabinet papers where these policies and actions were contained, to be considered for inclusion in the plan are outlined below: <ul style="list-style-type: none"> <li>○ Te Tiriti o Waitangi and the role of Māori in the transition [CAB-22-MIN-0064 refers];</li> <li>○ Equitable transition [CAB-22-MIN-0070 refers];</li> </ul> </li> </ul>

<p>sector-specific policies to reduce emissions and increase removals; and</p>	<ul style="list-style-type: none"> <li>○ Research, Science, Innovation and Technology [CAB-22-MIN-0091 refers];</li> <li>○ Circular and Bioeconomy [CAB-22-MIN-0091 refers];</li> <li>○ Nature-based solutions [CAB-22-MIN-0110];</li> <li>○ Government accountability and coordination [CAB-22-MIN-0055.01]</li> <li>○ Emissions pricing [CAB-22-MIN-0110];</li> <li>○ Public, information, education, and participation [SWC-22-MIN-0027 refers];</li> <li>○ Transport [CAB-22-MIN-0080 refers];</li> <li>○ Energy and Industry [CAB-22-MIN-0080 refers];</li> <li>○ Building and Construction [CAB-22-MIN-0080.01 refers];</li> <li>○ Waste and F-Gases [CAB-22-MIN-0080 refers];</li> <li>○ Agriculture [CAB-22-MIN-0105 refers];</li> <li>○ Forestry [CAB-22-MIN-0041 refers],</li> <li>• While the first Plan includes a range of initiatives across sectors, there is a particular focus on actions in transport, energy, and industry areas to reduce emissions.</li> <li>• To ensure that emissions reductions would be delivered, you confirmed with Cabinet which Ministers would be accountable for delivery of the Plan's content, and actions [CAB-21-MIN-0138 refers]. You further confirmed additional Ministers accountable for delivery of international co-operation, nature-based solutions [CAB-21-MIN-0547.02 refers].</li> <li>• Implementation of the Plan will be by a Climate Change Chief Executives Board, which is an interdepartmental executive board [CAB-22-MIN-0055.01 refers].</li> </ul>
<p>(b) a multi-sector strategy to meet emissions budgets and improve the ability of those sectors to adapt to the effects of climate change; and</p>	<ul style="list-style-type: none"> <li>• The Plan includes a multi-sector strategy <u>to both meet emissions budgets and to improve the ability of sectors to adapt to the effects of climate change</u>. The strategy includes: <ul style="list-style-type: none"> <li>○ Sector sub- targets agreed to by Cabinet [CAB-21-MIN-0547.02 refers]</li> <li>○ Accountability and monitoring agreed to by Cabinet [CAB-22-MIN-0055.01 refers]. The Commission and central government agencies will be responsible for monitoring and regularly reporting on the sector targets, emission budgets and the success and implementation of the Plan.</li> <li>○ <u>The 'playing our part' principle highlights that in addition to reducing emissions we also need to adapt to the climate impacts that are already locked in. Each sector chapter of the Plan includes actions/ policies to help the sector adapt to climate change or a description of action/ policies with adaptation co-benefits.</u></li> <li>○ <u>Some system settings chapters span multiple sectors and identify actions that have both mitigation and adaptation co-benefits.</u></li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>▪ <u>For example, the planning and Infrastructure chapter outlines how resource management reform can support long-term strategic planning of urban and rural areas with a lower emissions profile and reduced significant risks from natural hazards.</u></li> <li>• The Plan notes that the national adaptation plan is also being developed concurrently with the emissions reduction plan and represents New Zealand’s plan to address the most significant climate risks. <b>Out of Scope</b> [REDACTED] [REDACTED]. To improve sectors’ resilience to climate impacts, sectors’ contribution to emissions budgets has identified areas for improvements to resilience, for example: <ul style="list-style-type: none"> <li>○ The Forestry chapter supports adaptation objectives, s 9(2)(g)(i) fire management plans for plantation forests of at least a hectare in size and implementing measures to protect the vulnerable ecosystems we rely on for our long-term native carbon sinks.</li> <li>○ The Energy and Industry chapter’s energy strategy will consider how to ensure the electricity system is ready to meet future needs. This will link to adaptation actions, particularly for ensuring that the electricity system is secure and reliable.</li> </ul> </li> </ul>
<p>(c) a strategy to mitigate the impacts that reducing emissions and increasing removals will have on employees and employers, regions, iwi and Māori, and wider communities, including the funding for any mitigation action; and</p>	<ul style="list-style-type: none"> <li>• There are actions and policies throughout the Plan to mitigate the impacts that reducing emissions and increasing removals will have on a range of groups. A strategy to mitigate the impacts that reducing emissions and increasing removals will have on a range of groups is specifically set out in Chapter 3 of the Plan and draws on actions across many Plan Chapters. This sits alongside a dedicated chapter on empowering Māori – the underlying content of both chapters has been approved by Cabinet.</li> <li>• The following list outline the commitments, timeframes and approaches that will be developed to mitigate impacts. Setting out the high-level approach of the strategies in the Plan and developing further detail through the course of the first emissions budget period retains the necessary flexibility to develop an effective response. Taking the time to develop strategies during emission budget period one, enables a collaborative approach with vulnerable groups, to be undertaken to ensure the right issues are addressed at the right time.</li> </ul> <p><i>Empowering Māori</i></p> <ul style="list-style-type: none"> <li>• Cabinet agreed that the Minister of Climate Change be responsible for the content on the role of Māori in the transition, with work to be led by MfE, supported by Te Puni Kōkiri and MBIE [CAB-21-MIN-0138 refers].</li> <li>• The chapter of the Plan includes proposed actions for mitigating the impacts that reducing emissions and emissions removals would have on iwi and Māori (more details in section 5Z1 (1)(b)).</li> <li>• Due to Covid-19 disruption and other circumstances, engagement with Māori in preparing the Plan was very limited [CAB-22-MIN-0064 refers] (para 22-24 of associated Cabinet paper).</li> </ul>

- The proposals included in that paper are designed with recognition of this limited engagement and have provided for future input from and collaboration with Māori (see 5ZI (1)(b) analysis below for more detail).
- The Plan includes a principle 'Uphold Te Tiriti', which in doing so will uphold the principles of the te Tiriti o Waitangi. It also includes the application of Māori values and mātauranga Māori to the transition as plans are developed (detailed Principle in Executive Summary of the Plan).
- Funding for proposed actions is subject to Budget 22 outcomes.

*Equitable transition chapter*

- Cabinet agreed that the Minister of Economic and Regional Development would be responsible for ensuring an equitable transition in the Plan [CAB-21-MIN-0138 refers] along with the Minister for Social Development and Employment. This work was led by MBIE, MSD with support from other agencies.
- The chapter sets out an overarching strategy to manage transition impacts which is based around four key objectives:
  - **enable an affordable and inclusive transition**, particularly for those least able to respond
  - **seize the opportunities of the transition**, including new business and job opportunities
  - **support proactive transition planning** with industries, workers, iwi, and Māori, regions, and communities
  - **build the evidence base and tools to monitor and assess impacts** to enable timely and well-evidenced policy responses.
- These objectives were agreed by Cabinet [CAB-22-MIN-0070 refers]. The strategy draws on the Climate Emergency Response Fund as an enduring, multi-year fund that provides flexibility to allocate funding to address the distributional impacts of the transition as they emerge over the life of the emissions reduction plan.
- The Equitable Transition chapter sets out many actions to mitigate the impacts that reducing emissions and increasing emissions removals will have including synthesising examples of measures that are included in sector and multi-sector chapters.
- In particular, the chapter includes:
  - an action to develop an Equitable Transitions Strategy (the Strategy); commencing work in 2022 in parallel with the Just Transition Partnerships work programme and in alignment with the Commission's recommendation (28); preparing a draft strategy for consultation by June 2023 and publishing a final strategy by June 2024, with sufficient flexibility to enable the identification of priority issues necessitating more urgent intervention.
  - that the Strategy be developed through high engagement and collaboration with affected groups, with governance and decision making remaining with government
  - that the Strategy be designed with iwi/Māori and a range of stakeholders including local government, businesses, unions, workers, beneficiary and low-income households, the disability community and a

	<p>range of other interests including young people, older people, rural communities, and Pasifika people. The Plan includes objectives for the equitable transition chapter such as:</p> <ul style="list-style-type: none"> <li>▪ <u>proactive transition planning,</u></li> <li>▪ <u>strengthening education sector to be more responsive,</u></li> <li>▪ <u>supporting workers to transition from high to low emissions sectors</u></li> <li>▪ <u>§ 9(2)(f)(iv)</u></li> <li>▪ <u>identifying actions to reduce community and household exposure to negative transition impacts</u></li> <li>▪ <u>identifying measures for business support .</u></li> </ul> <ul style="list-style-type: none"> <li>• Alongside the action to develop an Equitable Transitions Strategy the chapter sets out several new and existing measures to manage transition impacts and commits to ongoing work to monitor and respond to impacts as they emerge. The chapter includes a range of other initiatives to support an equitable transition including actions to: <ul style="list-style-type: none"> <li>○ strengthen the education and training system</li> <li>○ support regions and industries to manage the transition.</li> </ul> </li> <li>• Funding for some/all these actions is subject to Budget 22 decisions.</li> </ul> <p><i>Emissions reduction plan principles</i></p> <ul style="list-style-type: none"> <li>• Consultation included principles to guide the transition. These have been revised based on submission feedback and included in the Executive Summary of the Plan:</li> </ul>
(d) any other policies or strategies that the Minister considers necessary.	<ul style="list-style-type: none"> <li>• Where needed, the proposed Plan includes other policies that are necessary to the low emissions transition or for the effective implementation of emissions reduction policies.</li> </ul>

### 5ZH Commission to advise on emissions reduction plans

(1) Not later than 24 months before the beginning of an emissions budget period, the Commission must provide to the Minister advice on the direction of the policy required in the emissions reduction plan for that emissions budget period.	<ul style="list-style-type: none"> <li>• You presented the Climate Change Commission’s final advice to the House in June 2021. Climate Change Commission’s final advice on emissions budgets and policies to meet them. <a href="https://www.climatecommission.govt.nz/our-work/advice-to-government-topic/inaia-tonu-nei-a-low-emissions-future-for-aotearoa/">https://www.climatecommission.govt.nz/our-work/advice-to-government-topic/inaia-tonu-nei-a-low-emissions-future-for-aotearoa/</a></li> <li>• On 14 July 2020 you confirmed via the New Zealand Gazette (Notice number 2020-go3059) an extension to the Commission’s statutory deadlines, to the 31 May 2021. For its advice on the following matters: <ul style="list-style-type: none"> <li>○ The first three emissions budgets, in accordance with section 5ZA of the Act; and</li> <li>○ The first emissions reduction plan, in accordance with section 5ZH of the Act.</li> </ul> </li> </ul>
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<p>(2) Despite subsection (1), the first advice must be given no later than— (a) 1 February 2021; or (b) after a request by the Commission to extend the deadline, any date on or before 1 August 2021 that is specified by the Minister (whether once or more) by notice in the <i>Gazette</i></p>	
<p>(3) In preparing its advice, the Commission must apply <a href="#">section 5ZC(2)</a> as if it referred to preparing an emissions reduction plan.</p>	<p>N/A</p>

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## 5Z1 Minister to prepare and make emissions reduction plan publicly available

<p>(1) In preparing a plan and supporting policies and strategies for an emissions budget period, the Minister must—</p> <p>(a) consider the advice received from the Commission under <a href="#">section 5ZH</a> for meeting emissions budgets; and</p>	<ul style="list-style-type: none"> <li>• An interim response to the Commission’s advice was provided to Cabinet [CAB-21-MIN-0547.02 refers] in December 2021. This response outlined how a combination of existing and proposed actions could respond to the Commission’s recommendations. An indication was also given of the degree to which the Government agreed or disagreed with the recommendation as proposed by the Climate Change Commission.</li> <li>• BRF 116 set out the key messages in the Commission’s final advice.</li> <li>• You noted to Cabinet the Governments interim response to the Commissions policy recommendations (Appendix 1, CAB-21-MIN-0547.02 refers).</li> <li>• Through <i>Setting emissions budgets for 2022-25, 2026-2030, 2031-2035</i> [CAB-22-MIN-0148 refers] and associated BRF 524 and BRF 1393, analysis and advice has been provided on how you have considered the advice from the Commission under section 5ZH of the Act.</li> <li>• Through CRMG you have considered the advice received from the Commission, alongside your Ministerial colleagues, and discussed what would be sufficient to meet the emissions budgets you proposed the Government should adopt, how this compared with the Commission’s proposed emissions budgets and how to meet any shortfall between your proposed budgets and existing actions already discussed or underway.</li> <li>• Alongside the emissions reduction plan, you intend to make publicly available a table of how the Government has responded to the Commission’s advice (Table B) [CAB-21-MIN-0547.02 refers].</li> <li>• The notification of the first three emissions budgets and the publication of the first Plan is happening in tandem (instead of emissions budgets first as will happen in future emission budget periods). The Commission’s advice has therefore been considered in the development of both emissions budgets and the first Plan.</li> </ul>
<p>(b) ensure that the consultation has been adequate, including with sector representatives, affected communities, and iwi and Māori, and undertake further consultation as the Minister considers necessary.</p>	<ul style="list-style-type: none"> <li>• From 13 October – 24 November 2021, public consultation was run on a discussion document to inform the development of the emissions reduction plan - <i>Ministry for the Environment. 2021. Te hau mārohi ki anamata   Transitioning to a low-emissions and climate-resilient future: Have your say and shape the emissions reduction plan. Wellington: Ministry for the Environment. <a href="https://environment.govt.nz/publications/emissions-reduction-plan-discussion-document/">https://environment.govt.nz/publications/emissions-reduction-plan-discussion-document/</a></i></li> <li>• On 8 April 2021, you agreed to a combined consultation for the emissions reduction plan, emissions budgets (if needed) and NDC 1 (2021-B-07838 refers).</li> <li>• On 10 June 2021 we briefed you on a proposal for consultation on the emissions reduction plan and on the Nationally Determined Contribution for 2021-2030 (NDC1) simultaneously (BRF 193 refers). This briefing also</li> </ul>

included an approach for pre consultation with key partners and stakeholders including iwi and Māori, local government, environmental non-government organisations, youth, and businesses.

• s 9(2)(g)(i)

- On 8 July 2021 we briefed you on the implications of updated timeframes for Cabinet decisions on the emissions budgets, emissions reduction plan and updating New Zealand's NDC 1 (BRF- 288 refers).
- You sought approval from Cabinet to begin public consultation for the emissions reduction plan CAB 36 *Emissions reduction plan: Public Consultation* [CAB-21-SUB-0335 refers].
- However due to COVID-19 outbreak in Auckland in July/August 2021 when consultation was due to begin, an agreement between yourself and the Prime Minister's office, confirmed that consultation was postponed until October.
- We briefed you on the timeframe implications of COVID in BRF 567 Implications of COVID-19 on the timeframes for emissions budgets and the emissions reduction plan.
- Throughout the consultation period you also met with a range of sector representatives.

Submission report

- BRF 1046 - *Submissions Analysis on the Emissions Reduction Plan Consultation*, outlined consultation outcomes, and key themes heard through submissions and consultation workshops on *Te hau mārohi ki anamata*. A Summary of submissions will be published on the Ministry for the Environment website after the final plan is published, along with submissions that were received on *Te hau mārohi ki anamata*.
- Cabinet paper *Emissions reduction plan: launch of the first plan* [CBC-MIN-22-0028 refers] reports outcomes of consultation to Cabinet.

Consultation with Māori

- Your paper to Cabinet 'Emissions Reduction Plan: Te Tiriti o Waitangi and the Role of Māori in the Transition' [MCR-22-MIN-0007 refers] outlined specific aspects of consultation for iwi and Māori, and efforts to address limitations of consultation.
- With regards to this requirement in the CCRA to consult with Iwi and Māori consultation, due to Covid-19 disruption and other circumstances, engagement with Māori in preparing the plan was very limited. This is acknowledged in the referenced Cabinet paper at para 22-24.

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- The proposals agreed to in principle by Cabinet, were developed acknowledging this limited engagement and noted that following policy decisions are subject to ongoing engagement with Māori (MCR-22-MIN-0007, Cab Min rec 5).
- Recommendations 6-9 outline future work such as development of a strategy to ensure Te Tiriti principles are embedded in subsequent emissions reduction plans (MCR-22-MIN-0007, Cab Min rec 6), development of a mechanism for authentic and enduring partnership (MCR-22-MIN-0007, Cab Min rec 7), and that the Government work with iwi and Māori to develop a strategy to advance a Māori-led approach to an equitable transition for iwi/ Māori and the Māori economy (MCR-22-MIN-0007, Cab min rec 8).
- With respect to the above, recommendation 6-8 also note *‘in so far as the particular action/ issue can be addressed through climate policy response including emissions reduction plan and the national adaptation plan’*, and it is noted in recommendation 7 that the outcomes may be beyond the immediate scope of the Plan.
- Recommendation 9-13 includes the establishment of a platform to support Māori climate action and a Tiriti-led approach to an equitable transition for Māori and the Māori economy. Cabinet agreed that phase one of the platform would include the establishment of an interim Ministerial advisory committee to provide advice to the Minister for climate change and Climate Response Ministerial Group on the priorities in our approach to an equitable transition. Noting that this group would also work alongside the Climate Change Chief Executives Board to reflect collective views in advice where appropriate.

- § 9(2)(f)(iv) [REDACTED]

Note that:

- The CCRA requires that nominations to the Commission are required to include nominations from Māori and members must have expertise relevant to te Tiriti o Waitangi.
- The Commission’s advice was also made in consultation with Māori, so the recommendations being responded to in Table B reflect this.

Consultation with Youth

- You were informed of our intention to consult with youth through ‘the Hive’. This consultation ran parallel to public consultation on *Te hau mārohi ki anamata*.

Regarding the Commission’s consultation on policy advice for meeting emissions budgets:

- BRF-415 summarises the Commission’s consultation on emissions budgets.

	<ul style="list-style-type: none"> <li>• See Cabinet paper <i>Emissions budgets for 2022-2025, 2026- 2030 and 2031 -2035</i> [CAB-21-MIN-0320.01 refers] for analysis relating to the adequacy of the Commissions consultation as a basis for setting emissions budgets (i.e., para 100).</li> <li>• Relevant sections of the Commission’s final advice <i>Ināia nei tonu</i>: includes consultation feedback and updates Parts 1-5, <i>Overview - Public engagement, consultation, and submission analysis process</i> and eight appendices.</li> </ul>
<p>(2) The Minister must—</p> <p>(a) prepare the plan after the relevant emissions budget has been notified under <a href="#">section 5ZD</a>; but</p> <p>(b) do the following at least 12 months before the commencement of the budget period:</p> <p>(i) publish the plan in the <i>Gazette</i>; and</p> <p>(ii) make the plan publicly available; and</p> <p>(iii) present a copy of the plan to the House of Representatives.</p>	<p>N/A See 2A below.</p>
<p>(2A) However, for the plan for the first emissions budget period, the Minister—</p> <p>(a)</p>	<ul style="list-style-type: none"> <li>• Due to the impacts of COVID- 19 the statutory deadline for publishing the emissions reduction plan and notifying the emissions budgets needed to change.</li> <li>• On the 28 September 2021 the COVID-19 Response (Management Measures) Legislation Bill, was introduced into Parliament, with proposals to change the statutory date from 31 December 2021 to 31 May 2022.</li> <li>• We briefed you on the timeframe implications of COVID in BRF-567 Implications of COVID-19 on the timeframes for emissions budgets and the emissions reduction plan.</li> </ul>

<p>may prepare the plan before the relevant emissions budget has been notified under <a href="#">section 5ZD</a>; and</p> <p>(b) must do the following at the same time as, or after, that emissions budget is notified under <a href="#">section 5ZD</a>, but no later than 31 May 2022:</p> <p>(i) publish the plan in the <i>Gazette</i>; and</p> <p>(ii) make the plan publicly available; and</p> <p>(iii) present a copy of the plan to the House of Representatives.</p>	<ul style="list-style-type: none"> <li>COVID-19 Response (Management Measures) Legislation Bill, Departmental report <a href="https://www.parliament.nz/resource/en-NZ/53SCFE_ADV_116000_FE2369/116186c09c5a1d4df66ce6844c668e5cc3cb3286">https://www.parliament.nz/resource/en-NZ/53SCFE_ADV_116000_FE2369/116186c09c5a1d4df66ce6844c668e5cc3cb3286</a></li> <li>Out of Scope [REDACTED]</li> <li>BRF-1226 – Confirming processes for launching Plan and finalising emissions budgets. This briefing included Appendix 2, which set out the legal requirements for the Plan – including those relating to publishing the Plan in the New Zealand Gazette and presenting it to the House.</li> </ul>
<p>(3) The Minister may, at any time, amend the plan and supporting policies and strategies to maintain their currency,—</p> <p>(a) using the same process as required for preparing the plan; or</p>	<p>N/A</p>
<p>(b) in the case of a minor or technical change, without repeating the process used for preparing the plan.</p>	<p>N/A</p>

(4) To avoid doubt, the plan for the first emissions budget period applies to that whole period, commencing on 1 January 2022, even if it is published, made available, and presented after that.

- The Plan is scheduled to be published on 16 May 2022.

**5ZN 2050 target and emissions budget are permissive considerations**

If they think fit, a person or body may, in exercising or performing a public function, power, or duty conferred on that person or body by or under law, take into account—  
(a) the 2050 target; or  
(b) an emissions budget; or  
(c) an emissions reduction plan.

- The Plan – like emissions budgets and the 2050 target – will be a permissive consideration for those exercising public functions, powers and duties conferred by statute. For this reason, the plan must include sufficient detail for relevant individuals and entities considering the plan.
- For the purposes of section 5ZN, the emissions reduction plan will be the document that is published in the New Zealand Gazette and presented to the House of Representatives.

s 9(2)(h)

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

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