



## Talking points for DEV - Emissions reduction plan cabinet papers

Date Submitted:	13 December 2021	Tracking #: BRF-901	
Security Level	Policy and Privacy In-Confidence	MfE Priority:	Not Urgent

	<b>Action sought:</b>	<b>Response by:</b>
Hon James SHAW, Minister of Climate Change	Read before DEV meeting on 15 December	N/A

Actions for Minister's Office Staff	<b>Return</b> the signed report to MfE.
Number of appendices and attachments Nil	N/A

### Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Kate Whitwell	s 9(2)(a)	✓
Responsible Manager	Mark Storey	s 9(2)(a)	
Director	Lisa Daniell	s 9(2)(a)	

# Talking points for DEV - Emissions reduction plan cabinet papers

## Key Messages


1. This briefing provides you with talking points for the Cabinet paper: *Emissions reduction plan: meeting New Zealand's emissions budgets* to be considered at DEV on 15 December 2021.
2. The key points are:
  - **The paper describes how decisions will be sought to respond to the Climate Change Commission's (the Commission) advice and publish the first emissions reduction plan in conjunction with the Budget in May 2022.**
    - Decisions on proposed sectoral and cross-sectoral policies and measures will be sought through a series of Cabinet papers in February and March 2022.
    - The final emissions reduction plan will be brought to Cabinet for approval in April 2022, prior to finalisation of Budget 2022, and will include a detailed response to the Commission's recommendations.
    - Newly quantified policies have reduced the gap to meet the proposed first emissions budget but still fall short.
    - The sufficiency of policies to achieve the first, and subsequent emissions budgets, will be re-evaluated in March and again for the final plan.
  - **The paper takes forward the agreed CRMG decision to set sector sub-targets.**
    - The paper sets sector sub-targets based on the Commission's demonstration pathway.
    - I intend to bring a further paper to Cabinet in February 2022 outlining how Ministerial and Chief Executives will be held accountable for sector sub-targets.
  - **To enable a timely response to key Commission recommendations, the paper seeks an immediate decision to prioritise gross emissions reductions, alongside maintaining support for net emissions reductions.**
    - This decision has important implications for the design of the NZ ETS and the role of forestry removals that requires further consideration.
    - We need a policy package that provides the right incentives for emitters to reduce gross emissions while also supporting the levels and types of afforestation needed to meet our targets and budgets.
    - The paper directs officials to rapidly progress work on the design and role of the NZ ETS in delivering this objective and report back to CRMG in March 2022.

## Recommendations

We recommend that you:

- a. **Note** the talking points we have provided to support your paper *Emissions reduction plan: meeting New Zealand's emissions budgets* at DEV on 15 December 2021

## Signature

Mark Storey Manager - ERP, CIPA and National direction team Climate Change Directorate	
Hon James SHAW, Minister of Climate Change	
Date	

Proactively released under the Official Information Act 1982