



Emissions Budgets - Talking points for oral item to Cabinet 14 March

Date Submitted:	11 March 2022	Tracking #: BRF-1325
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Delete/add Ministers as appropriate	Action sought:
To Hon James SHAW, Minister of Climate Change	For noting only

Actions for Minister's Office Staff	Note talking points
Number of appendices and attachments 1	Titles of appendices and attachments (ie separate attached documents): Appendix 1 - Talking points for oral item to Cabinet 14 March

Ministry for the Environment contacts

Position	Name	Cell phone	1st contact
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Director	Melody Guy		

Emissions Budgets - Talking points for oral item to Cabinet 14 March


Purpose

1. The purpose of this aide memoire is to provide you with amended talking points to support the oral item to Cabinet on 14 March to meet the expectation to report back on your plan for cross-party consultation on emissions budgets as requested by your office.

Background and Content

2. Talking points were originally provided with advice on scheduling the report back to align with the finalisation of the emissions reduction plan and final decisions on emissions budgets [BRF-1281 Emissions budgets cross-party consultation: report back to ENV refers].
3. The talking points attached (Appendix 1) have been updated and now cover the following topics:
 - a. cross-party consultation on emissions budgets before the emissions budgets are finally decided, as required by the Climate Change Response Act (CCRA)
 - b. the proposal for a Special Debate on the final emissions budgets before they are announced, as recommended by the Climate Change Commission (the Commission)
 - c. clarification of the reasons Cabinet agreed in principle to adjust the Commission's recommended emissions budgets to take account of new forestry intentions.

Signature

Melody Guy Director Climate Directorate	
Date: 11 March 2022	

Appendix 1 - Talking points for oral item to Cabinet 14 March

Cross-party consultation and the parliamentary debate proposal are separate but related

Cross-party consultation is a statutory requirement (no discretion)

- The CCRA requires the Minister to consult the appropriate representative of each of the political parties represented in the House before notifying emissions budgets.
- The consultation must meet the legal standards for proper consultation, but does not require agreement to the emissions budgets.

Parliamentary debate is a Commission recommendation (at the government's discretion)

- The Commission recommended the Government commit to seeking cross-party support on emissions budgets, and debating emissions budgets in Parliament before they are notified, "so that the positions of each political party are on the parliamentary record."
- I propose we should agree to this recommendation. My general premise is we should agree to all the Commission's recommendations unless there are strong reasons not to.
- The intent of the Commission's recommendation is that we strive for cross-party support, but it does not require that we get it. The debate is intended to ensure that the support (or otherwise) of political parties is on the Parliamentary record.
- My draft parliamentary motion asks the House to express its support for the first set of emissions budgets – not to formally adopt them as if it were a decision for Parliament.

Proposed approach to engage with other parties (report back as requested by ENV)

- I intend to shortly send letters to the leaders and/or climate change spokespeople of all the parties represented in Parliament to seek their views on:
 - the proposed emissions budgets that were agreed in principle last August and consulted on through the discussion document issued in October 2021
 - the proposal for a Parliamentary debate seeking cross-party support.
- The letters and my proposed draft motion for the debate both stress that cross-party support would give a strong and enduring signal for the future.
- This would give people, including businesses and investors, the greater certainty and confidence they need to make low-emissions investments and changes in behaviour.

Timing for the cross-party consultation and proposed parliamentary debate

- The cross-party consultation needs to happen before the final emissions budgets and emissions reduction plan Cabinet papers are lodged for consideration at DEV on 13 April.
- Therefore a suitable window for cross-party consultation would be in the last week or so in March, noting that Parliament does not sit on 22-24 March.

- Ministerial consultation on the final emissions budgets Cabinet paper and the final draft emissions reduction plan is scheduled from 24 March – 5 April.
- Following consultation with the Leader of the House, I have already written to the House Business Committee requesting a Special Debate to be held on Thursday 12 May 2022.
- This date is contingent on the final plans and timing for launching the emissions reduction plan and notifying the emissions budgets.

Clarification of how the proposed emissions budgets Cabinet agreed in principle took account of new survey information about forestry intentions

- Last August Cabinet agreed in principle to adjust the Commission's recommended emissions budgets to account for the latest Survey of Afforestation and Deforestation Intentions, commissioned by the Ministry for Primary Industries (MPI).
- The rationale was that this was new external information that had changed the government's projections, rather than changes in officials' analysis and assumptions.
- The new forestry figures meant emissions in the first budget period be 2 Mt CO₂ higher than in the Commission's analysis, but the second and third budgets would be respectively 5 MtCO₂ and 11 MtCO₂ lower.
- Cabinet agreed in principle to modify the proposed emissions budgets accordingly.
- Recently a Stuff media query clarified that there was unfortunately an error in the detail of how some of this change was explained in the Cabinet paper.
- The 2 Mt CO₂ number itself, and all the other numbers provided in the emissions budget forestry advice across the three budget periods were correct.
- However, the underlying explanation provided by MPI for the 2 Mt CO₂ figure in the first budget period was incorrect.
- The additional emissions were attributed to an increase in afforestation (new forests being planted), when it should have been attributed to deforestation (forests converted to a different land use) - for that first emissions budget period only.
- The overall change over the three budget periods is an increased afforestation story, leading to much lower emissions.