



# Cabinet Business Committee

## Minute of Decision

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### Paris Agreement on Climate Change: Ratification and Domestic Action

**Portfolio**                      **Climate Change Issues**

On 11 July 2016, the Cabinet Business Committee, having been authorised by Cabinet to have Power to Act [CAB-16-MIN-0354]:

### Background

- 1        **noted** that on 22 April 2016, the Minister for Climate Change Issues signed the Paris Agreement on Climate Change (the Paris Agreement) on behalf of New Zealand [EGI-16-MIN-0053];
- 2        **noted** the existing climate change work underway across government, as outlined in the paper under CBC-16-SUB-0004;

### Ratification of Paris Agreement

- 3        **directed** officials to begin work to enable New Zealand to ratify the Paris Agreement by the end of 2016;
- 4        **noted** that amendments to the Climate Change Response Act 2002 are not legally required in order for New Zealand to ratify the Paris Agreement, but will be necessary before 2020;
- 5        **noted** that the Minister for Climate Change Issues intends to submit a paper to the Cabinet Economic Growth and Infrastructure Committee in August 2016 seeking approval:
  - 5.1      of a National Interest Analysis for the Paris Agreement;
  - 5.2      to present the Paris Agreement and its National Interest Analysis to the House of Representatives for Parliamentary treaty examination;
  - 5.3      to ratify the Paris Agreement, subject to the satisfactory completion of the Parliamentary treaty examination process and New Zealand moving in step with major economies;
- 6        **directed** officials to do further work to develop and build access to international carbon markets;

**Climate change work underway**

- 7 **authorised** the Minister for Climate Change Issues, alongside other relevant Ministers, to develop and publish a blueprint of existing climate change work underway across government;
- 8 **noted** that:
  - 8.1 the New Zealand Emissions Trading Scheme (NZ ETS) is being reviewed in two stages [EGI-15-MIN-0137];
  - 8.2 stage one of the review concluded with Budget 2016 announcements relating to the removal of the one-for-two transitional measure, which allows some participants to surrender one unit for every two tonnes of emissions [CAB-16-MIN-0134];
  - 8.3 stage two of the NZ ETS review, which is looking at longer term issues, is now underway [CAB-16-MIN-0134], and that priority issues will be progressed alongside the work outlined in paragraphs 2 above and 9 below;

**Climate Change Adaptation Group**

- 9 **approved** the proposal to establish a Climate Change Adaptation Technical Advisory Group, to work with a proposed Forestry Reference Group and an Agricultural Working Group and alongside officials, to help in the development of a government climate change plan;
- 10 **noted** that an Agricultural Working Group and the proposed Forestry Reference Group are part of officials’ existing climate change work, and will report to officials;
- 11 **noted** that a Climate Change Adaptation Technical Advisory Group is not part of existing government work programmes;
- 12 **authorised** the Minister for Climate Change Issues and the Associate Minister for Climate Change Issues, in consultation with Business Growth Agenda Natural Resources Sector Ministers, to approve the final terms of reference and appointments to the Climate Change Adaptation Technical Advisory Group;

**Productivity Commission**

- 13 **noted** that the Ministry for the Environment is developing a potential inquiry topic for the Productivity Commission for consideration by Ministers in the next round of potential topics in August 2016;

**Financial implications**

- 14 **agreed** to increase expenditure to provide for costs associated with paragraphs 6 and 9 above, with the following impacts on the operating balance:

	\$m – increase/(decrease)				
Vote Environment Minister for Climate Change Issues	2016/17	2017/18	2018/19	2019/20	2020/21
Operating Balance Impact	0.742	0.924	-	-	-
Debt Impact	-	-	-	-	-
<b>Total</b>	<b>0.742</b>	<b>0.924</b>	-	-	-

- 15 **approved** the following changes to appropriations to provide for the multi-category appropriation for costs associated with paragraphs 6 and 9 above:

Vote Environment Minister for Climate Change Issues	\$m – increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21
Multi-Category Expenses and Capital Expenditure:					
Climate Change MCA					
Departmental Output Expenses:					
<i>Domestic Climate Change Programme Policy Advice</i> (funded by revenue Crown)	0.342	0.409	-	-	-
<i>International Climate Change Programme Policy Advice</i> (funded by revenue Crown)	0.400	0.515	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Climate Change	0.742	0.924	-	-	-
<b>Total Operating</b>	0.742	0.924	-	-	-
<b>Total Capital</b>	-	-	-	-	-

- 16 **agreed** that the changes to appropriations for 2016/17 above be included in the 2016/17 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 17 **agreed** that the operating impacts in paragraph 14 above of the expenses and capital expenditure incurred under paragraph 15 above be charges, respectively, against the between-Budget operating contingency established as part of Budget 2016;

### Publicity

- 18 **noted** that the Minister for Climate Change Issues intends to announce the government's intention to ratify the Paris Agreement in 2016, at an appropriate time.

Suzanne Howard  
Committee Secretary

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**Present:**

Hon Bill English (Chair)  
Hon Gerry Brownlee  
Hon Steven Joyce  
Hon Paula Bennett  
Hon Amy Adams (part of item)  
Hon Christopher Finlayson QC  
Hon Simon Bridges  
Hon Dr Nick Smith  
Hon Nathan Guy  
Hon Michael Woodhouse  
Hon Maggie Barry

**Officials present from:**

Office of the Prime Minister  
Department of the Prime Minister and Cabinet  
Ministry for the Environment  
Ministry of Foreign Affairs  
Ministry for Primary Industries

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Office of the Prime Minister  
Deputy Chief Executive, Policy, DPMC  
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Minister of Foreign Affairs  
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