

In Confidence

Office of the Prime Minister

Office of the Minister of Climate Change

Chair, Cabinet Business Committee

Climate change emergency and a whole-of-government response

Proposal

1. This paper seeks agreement to endorse the climate change emergency declaration and to formalise governance arrangements for a whole-of-government response to climate change.

Analysis

Responding to climate change as an emergency

2. Climate change is one of the greatest challenges of our time. Through the Paris Agreement and the Zero Carbon amendments to the Climate Change Response Act, New Zealand has committed to taking ambitious action to reduce emissions of greenhouse gases as part of the global effort to limit warming to 1.5 degrees above pre-industrial levels, and to build resilience to the physical effects of climate change.
3. The Government needs to continue to take bold action, and show leadership in reducing emissions.
4. The scientific consensus represented by the Intergovernmental Panel on Climate Change's (IPCC's) special report on 1.5 degrees of warming shows that a failure to limit global average temperature rise will result in a range of risks to our ecology, society, and economy, and that there are likely to be irreversible impacts.
5. The effects of climate change are already being felt in New Zealand, and will increase in the future. From the physical impacts, such as, coastal erosion and sea level rise, and the economic impacts of dealing with the aftermath of major storms and droughts, we know the costs will be significant.
6. The world has a limited window to limit temperature rise and avoid locking in more severe impacts for future generations.
7. In 2019 and 2020, a number of national and local governments declared "climate emergencies". Overseas examples include the United Kingdom, Ireland, and Canada. Local New Zealand examples include Environment Canterbury, Christchurch City Council, Nelson City Council, Auckland Council, Wellington City Council, Dunedin City Council, and Queenstown Lakes District Council.

8. A climate change emergency is not a state of emergency under the Civil Defence and Emergency Management Act 2002 (CDEM Act). It does not require a Civil Defence response or entail emergency powers, and should not detract from the seriousness of any future emergency events, such as, risks of tsunami, serious fire, flood or pandemic.
9. Rather, making such a declaration signals that we regard climate change as an emergency that has a level of equivalence to a Civil Defence emergency and demands a sufficiently ambitious, urgent, and coordinated response across government to meet the scale and complexity of the challenge.
10. While we have not previously been in a position to declare a climate change emergency for New Zealand, the Government has in the last three years worked in a bipartisan manner to provide the basis for a long-term response to climate change. For example, the Government has:
 - 10.1. committed to New Zealand's first Climate Action Plan, in which the Government agreed to, or agreed to investigate, 76 of the 77 recommendations that the Productivity Commission made in its report on a low-emissions economy [CAB-19-MIN-0296];
 - 10.2. introduced the Zero Carbon amendments to the Climate Change Response Act, which provide a statutory and institutional framework for ambitious and coordinated climate action;
 - 10.3. established the independent Climate Change Commission;
 - 10.4. reformed the New Zealand Emissions Trading Scheme to make it more effective in helping New Zealand meet its emissions-reduction goals.
11. We know that significantly more is needed to transition New Zealand to a low-emissions and climate-resilient future, both now and over the coming decades.
12. As we enter into a new term in office, we propose to acknowledge the seriousness and urgency of this ongoing task by declaring a climate change emergency in New Zealand.

What the emergency means for our ongoing work

13. Many of the policy and structural changes to respond to climate change are already underway or planned.
14. A climate change emergency means that we will put the climate at the centre of our decision-making. For example, over the next three years, we will:
 - 14.1. prioritise implementation of the Climate Action Plan across Ministers and agencies;
 - 14.2. establish New Zealand's first three statutory emissions budgets and first emissions reduction plan in response to independent advice to be received from the Climate Change Commission;
 - 14.3. consider revising the long-term biogenic methane target in the Climate Change Response Act (taking into account the Commission's advice about the reductions in biogenic methane that might eventually be required as part of the global effort under the Paris Agreement) and consider revising New Zealand's Nationally Determined Contribution (NDC) under the Paris

- Agreement (taking into account the Commission's assessment of the consistency of the current NDC with a global 1.5 degree goal);
- 14.4. develop a National Adaptation Plan and introduce and progress legislation on managed retreat and adaptation, to provide coherent climate change adaptation outcomes from the resource management system;
 - 14.5. consider mechanisms for the creation of a farm-level system for measuring, managing, and pricing agricultural greenhouse gas emissions in place of processor-level obligations under the Emissions Trading Scheme;
 - 14.6. legislate a mandatory comply-or-explain climate-related risk disclosure regime for the financial sector;
 - 14.7. investigate options to address New Zealand's dry year electricity storage problem to achieve our goal of 100 per cent renewable electricity by 2030, through the New Zealand Battery Project;
 - 14.8. support energy efficiency and fuel-switching in industrial process heat through the Government Investment in Decarbonising Industry (GIDI) Fund;
 - 14.9. introduce the Clean Car Standard, and support more New Zealanders to travel by public transport;
 - 14.10. work with stakeholders to establish regulated product stewardship schemes for priority products, such as, plastic packaging, tyres, e-waste, agrichemicals and their containers, refrigerants, and farm plastics;
 - 14.11. put in place significant sector-level policies for the decarbonisation of electricity generation, transport, industrial process heat, building and construction, waste management and others.
15. The climate context will shape all of our decisions. We will set expectations to central government agencies that:
- 15.1. all new government policies take into account climate impacts, including through the Climate Implications of Policy Assessment requirements and the Treasury's work embedding climate adaptation into decision-making processes;
 - 15.2. regulatory agencies review their existing areas of responsibility under legislation to assess how climate change impacts will affect these;
 - 15.3. agencies take the lead on reducing their own emissions through the Carbon Neutral Government Programme, report on progress, and be held to account for this by Parliament.

A whole-of-government response to climate change

16. A sufficiently ambitious, urgent, and coordinated response at the scale and complexity of the challenge will require strengthened cross-agency and cross-government coordination. We will need to adapt our response as we learn more, making sure that we stay on track to meet our long-term targets and address risks as they arise. Progress on the Climate Action Plan to date has been uneven and needs greater consistency and strong direction from Ministers to drive progress,

Redaction consistent with, s 9(2)(f)(iv)

17. We propose to establish a dedicated ministerial group, chaired by the Prime Minister, to oversee and respond to climate change. The group will meet regularly and monitor and coordinate progress on our climate change work programme. The Climate Response Ministerial Group will:

- 17.1. oversee, co-ordinate, drive, and ensure the timely and effective delivery of the climate change work programme;
- 17.2. coordinate key climate-related workstreams across relevant portfolios that support New Zealand's commitments to the Paris Agreement and the Climate Change Response (Zero Carbon) Amendment Act 2019;
- 17.3. work to ensure that the government's climate initiatives support a just transition, with a focus on groups that have been left behind in the past.
- 17.4. identify gaps and commission further work where required, and to agree priorities and sequencing of further work.

18. The response will also require coordinated effort from public service agencies. The Climate Change Chief Executives Board will be directed to implement the remaining commitments in the Climate Action Plan as a priority.

19. We propose to report back in March 2021 with:

- 19.1. more detailed proposals for the membership, specific roles and responsibilities of the ministerial group identified in this paper;
- 19.2. more detailed proposals for governance among public service agencies to support the core components of the ongoing climate change response.

Financial implications

20. This paper has no financial implications at this stage. The Government has an ambitious programme of work underway to respond to climate change, which is likely to entail considerable resource and investment over a number of years.

21. Support may be needed from the Ministry for the Environment for the ministerial groups proposed in this paper, and funding will be sought for this if needed.

Legislative implications

22. There are no direct legislative implications from the proposals in this paper.

Consultation

23. The following agencies were consulted in the preparation of this paper: the National Emergency Management Agency (NEMA), the Treasury, the Ministry for Primary Industries, the Ministry of Transport, the Ministry of Housing and Urban Development, the Ministry of Foreign Affairs and Trade (MFAT), the Energy Efficiency and Conservation Authority and the Department of the Prime Minister and Cabinet.

24. NEMA supports the declaration as an opportunity to highlight the reality of climate change as an exacerbator of natural hazards, including severe climate events. It supports a strong communications plan that ensures clarity that the declaration is not made under the CDEM Act, and does not provide an opportunity to activate any CDEM powers at either national or local levels.

Communications

25. We anticipate considerable public interest in the announcement. A short communications plan is being developed.

Proactive Release

26. We propose to release this paper on the Ministry for the Environment website, subject to appropriate redactions under the Official Information Act 1982.

Recommendations

The Prime Minister and the Minister of Climate Change recommends that the Cabinet Business Committee:

1. **note** the scientific consensus represented by the IPCC's special report on 1.5 degrees of warming which states that failure to limit global average temperature rise to 1.5 degrees Celsius will result in a range of risks to our ecology, society, and economy, and that there are likely to be irreversible impacts;
2. **agree** that climate change requires decisive action by all levels of government, the private sector, and communities;
3. **agree** that the Prime Minister and the Minister of Climate Change will declare a climate change emergency in New Zealand by making a public announcement on 2 December 2020;
4. **note** that a declaration of a climate change emergency is not the same as a declaration of a state of emergency under the Civil Defence Emergency Management Act 2002;
5. **agree** that we regard climate change as having a level of equivalence to a Civil Defence emergency in that it demands a sufficiently ambitious, urgent, and coordinated response across government to meet the scale and complexity of the challenge;
6. **direct** the Climate Change Chief Executives Board to implement the remaining commitments in the Climate Action Plan as a priority and regularly report progress to their respective Ministers;
7. **note** our intention to put the climate at the centre of Government decision-making;
8. **agree** we establish a Climate Response Ministerial Group, chaired by the Prime Minister to oversee, co-ordinate, drive, and ensure the timely and effective delivery of the climate change work programme.
9. **note** that support may be needed from the Ministry for the Environment for the ministerial group proposed in this paper, and funding will be sought for this if needed.
10. **agree** that the Prime Minister and the Minister of Climate Change will report back to Cabinet in March 2021 with more detailed proposals on the role of the Climate Response Ministerial group and governance arrangements for public service agencies to support the whole-of-government response to climate change.

In Confidence

Authorised for lodgement.

Rt Hon. Jacinda Ardern
Prime Minister

Hon. James Shaw
Minister of Climate Change

Proactively Released under the provisions of the Official Information Act 1982

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