



Climate policy

SUMMARY FOR IWI / MĀORI

Climate policy – summary for iwi/Māori

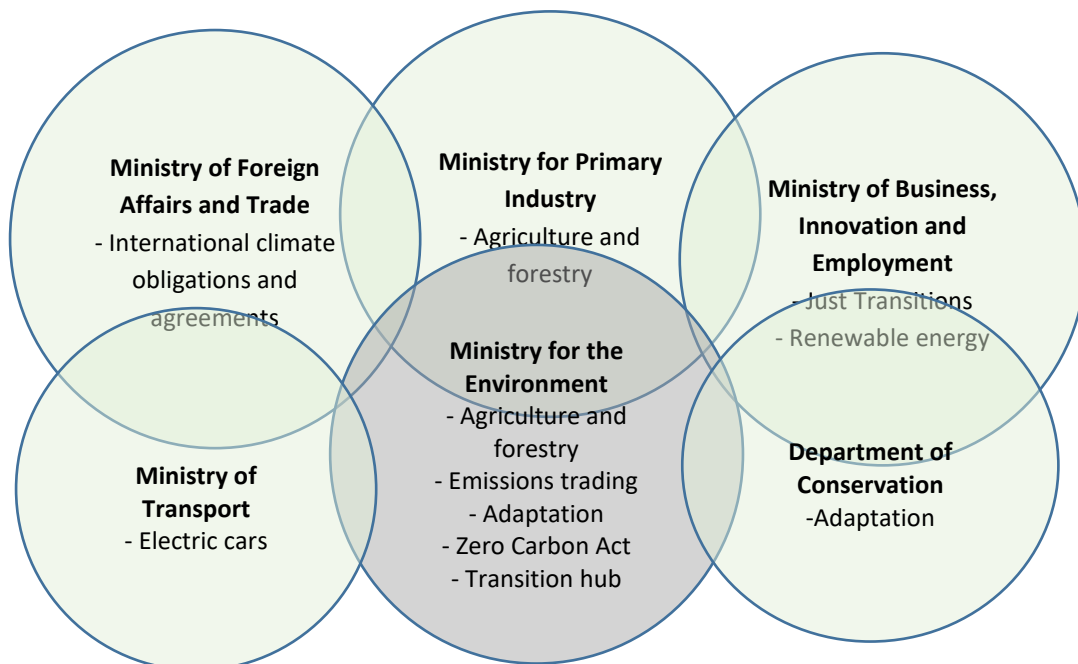
The Ministry for the Environment’s climate policy work programme is focused on the Climate Change Response (Zero Carbon) Amendment Act, amending the Emissions Trading Scheme legislation to improve the operation of the scheme, options for reducing agricultural emissions, establishing the Climate Change Commission and climate change adaptation.

The Ministry is also working with other government agencies to support the transition to a low-emissions, climate-resilient economy. This summary also provides an overview of the climate policy work of other agencies.

Climate policy across government

The Ministry for the Environment works with other government agencies to develop climate policy.

Diagram 1: High-level summary of climate policy across government (January 2020)



Not all of the Government's policy work is reflected in the diagram above. For example, the Ministry of Health is working on the Environmental Health Action Plan.

The Zero Carbon Amendment Act

The Climate Change Response (Zero Carbon) Amendment Act has recently been enacted. The Act puts in place a framework for the transition to a low-emissions and climate-resilient economy for Aotearoa. This framework includes: a new greenhouse gas emissions reduction target, a requirement the Government develops and implements plans for climate change adaptation and mitigation, and the establishment of an independent Climate Change Commission.

Establishing the Climate Change Commission

The Climate Change Commission was announced on 17 December 2019. Dr Rod Carr is Chairperson, Lisa Tumahai is Deputy Chairperson, and the commissioners are Dr Harry Clark, Dr Judy Lawrence, Professor Nicola Shadbolt, Ms Catherine Leining and Professor James Renwick. More information about the Commission can be found at www.climatecommission.govt.nz

Reducing agricultural emissions

The Ministry for the Environment and the Ministry for Primary Industries have been working on options to address the agriculture sector's contribution to climate change. The recent consultation, Action on Agricultural Emissions, set out the Government's key policy proposals in response to the Interim Climate Change Committee's recommendations.

Iwi/Māori submissions on the Government's proposals consistently highlighted the:

- importance of partnership with the Crown and industry in relation to Māori land-use change
- Crown needing to understand the historical challenges facing Māori land use
- possible distributional impacts and fairness issues of policy change on Māori
- need to recognise how Māori approaches to land use often support biodiversity and/or water quality outcomes.

On 24 October 2019, the Government announced its decisions to price livestock emissions at the farm level and to price fertiliser emissions at the processor level from 2025.

In the interim, the Government has agreed to work together with primary sector leaders, including the Federation of Māori Authorities (FOMA), to build an enduring framework for a farm-level emissions reduction scheme – either as part of the Emissions Trading Scheme or through an alternative pricing mechanism.

This joint work programme, known as He Waka Eke Noa, includes providing information, tools and support for farmers, growers and Māori landowners to understand what they can do to reduce emissions on farm. He Waka Eke Noa will be overseen by a Steering Group that includes representatives from the agriculture industry, government and iwi/Māori, including a representative from FOMA and a representative who can bring broader perspectives of whānau, hapū and iwi.

This is one part of an approach to partnership with iwi/Māori in the context of agricultural emission policy. As part of the policy implementation process, we are committed to the Māori/Crown relationship and will continue to seek advice and guidance from iwi/Māori.

Climate Change adaptation

Aotearoa's First National Climate Change Risk Assessment

A project team led by AECOM, together with Tonkin and Taylor, the National Institute of Water and Atmospheric Research, and others has been appointed by the Ministry to undertake the first National Climate Change Risk Assessment (NCCRA) for Aotearoa.

The NCCRA will provide a national overview of how various hazards and threats may be influenced by climate change, and identify key risks to be addressed through a National Adaptation Plan. It will gather existing evidence and knowledge about risks to Aotearoa from climate change across all sectors, on an economy-wide basis, and identify gaps in the current evidence base.

The first step towards producing the NCCRA was the development of a risk assessment framework (Arotakenga Huringa Āhuarangi) which was published in September 2019 and is available on the Ministry's website. The framework was developed for the Ministry by a panel of experts in climate change risk and risk assessments, vulnerability assessments, and risk in the context of te ao Māori. Te ao Māori perspectives and values are integral to the assessment process. The framework includes Ngā Mātāpono (guiding principles).

The framework has been developed for the purpose of completing the NCCRA, however it has been designed to be used at different scales and should also be useful to iwi and hapū in performing their own climate change risk assessments.

The Crown and the NCCRA project team are now working with iwi/Māori, central and local government, climate change experts and affected sectors to complete the first National Climate Change Risk Assessment. Stage one of the assessment considered the broad range of risks and opportunities Aotearoa faces from climate change and identified priority risks to be assessed in more detail in the second stage. A key event during stage one was a one-day hui with iwi/Māori on 29 November 2019, with 25 attendees, where the climate change risks to Māori and how these risks impact te ao Māori were discussed. Stage two, which involves a more detailed assessment of the priority risks, is currently underway. Hui with iwi/Māori and other engagement events will be held during February 2020 to inform this stage of the assessment. Stage three will involve consideration of current and planned adaptation actions and decision urgency to support the identification of key risks, and will be undertaken concurrently with stage two.

Other key adaptation policy work underway

The central and local government Community Resilience Group is looking at strengthening community resilience in the face of increasing natural hazards exacerbated by climate change. Part of this work will look at enabling investment in risk reduction and adaptation capacity. The Group will report back to Cabinet in May 2020 with a proposed framework to guide the role of central government in strengthening community resilience, with an initial focus on flood risk.

To support the Community Resilience work programme, the Ministry is undertaking partnership projects with councils in Hawke's Bay, Dunedin and the West Coast. These projects aim to give central government a detailed picture of local government's natural hazards and climate change adaptation activity, and better understand the challenges which councils and communities are facing on the ground.

Recent amendments made by the Zero Carbon Act enable the Government and the Climate Change Commission to gather information and require disclosures from certain organisations about how they are preparing for, and responding to, the effects of climate change. Organisations which may be required to report include wānanga, lifeline utilities, transport infrastructure and fuel distributors, councils and central government agencies (including Māori Crown entities). Information collected via

this Adaptation Reporting Power may be used for subsequent National Climate Change Risk Assessments and to inform the National Adaptation Plan.

Work on the National Adaptation Plan, which will respond to the most significant risks identified in the NCCRA, will begin this year. The Ministry is also looking at more immediate actions that could be taken to manage the impacts of a changing climate.

New Zealand Emissions Trading Scheme

New Zealand Emissions Trading Scheme Bill

The Minister for Climate Change has introduced the Climate Change Response (Emissions Trading Reform) Amendment Bill (known as the ETR bill) into Parliament. This Bill will make improvements to the New Zealand Emissions Trading Scheme (NZ ETS), including improvements to forestry in the scheme.

The Bill is the culmination of a lengthy policy development process. The Ministry for the Environment and Ministry for Primary Industries held a Māori Leaders' Forum in September 2018 on improvements to the NZ ETS. The Government has made a series of decisions on those improvements over the past 12 months.

The Government decisions that are being incorporated into the Bill are set out on the websites of the Ministry for the Environment (for overall ETS changes) and Ministry for Primary Industries (for forestry changes). The links are:

<https://www.mfe.govt.nz/climate-change/proposed-improvements-nz-ets>

<https://www.mpi.govt.nz/protection-and-response/environment-and-natural-resources/emissions-trading-scheme/emissions-trading-scheme-reviews/>

The Select Committee accepted submissions on the Bill until 17 January 2020 and will be hearing oral submissions until 10 February 2020. The Select Committee is due to report back to Parliament about this bill on 2 April 2020.

Consultation on NZ ETS supply settings and a provisional emissions budget

The Government is currently consulting on the policy for a Provisional Emissions Budget and draft NZ ETS settings. The consultation closes on 28 February 2020. The discussion document and consultation on unit supply regulations includes information about the use of international units (see below) and a Provisional Emissions Budget. The Provisional Emissions Budget reflects the Government's desired level of emission reductions over the 2021–2025 period. It has been used as the basis for setting a cap on emissions covered by the NZ ETS. The level of the NZ ETS cap will have financial costs on businesses obliged to pay New Zealand Units in the scheme. These costs will be passed on to businesses and households, incentivising people to change their behaviour and reduce their emissions. The proposed NZ ETS settings detail the volume of units that will be released into the market, as well as the price control settings that are designed to reduce the risk of over- or under-priced units in the market.

International Carbon Markets

The Ministry is investigating what the best options might be for Aotearoa to access international carbon markets in the future. International carbon markets refers to countries cooperating together to reduce emissions and can include countries 'linking' emissions trading schemes to create larger markets or working together on projects to reduce emissions.

Accessing international carbon markets could be a way of Aotearoa meeting some of its obligations under the Paris Agreement. The Government has yet to make any decisions on using international units. For New Zealand, environmental integrity would be a pre-condition for us in participating in global carbon markets, and any international units used would be subject to a limit set by Government. International units would sit alongside our continued and ongoing efforts at home to reduce our emissions, and increase tree planting.

The consultation on ETS unit supply settings, outlined above, includes information on the proposed limit on the use of international units in future (these are the limits that would apply if the NZ ETS were to accept international units in future). The consultation document also introduces a *Framework for International Carbon Market Cooperation* which outlines how the Government will approach cooperating with potential overseas partners under the Paris Agreement. The consultation document outlines modes through which international units could be made available to New Zealand Emission Trading Scheme (NZ ETS) participants. We expect to seek views on the feasibility or practicality of these modes of access in 2020.

More information on international carbon markets can be found on our website at:

www.mfe.govt.nz/climate-change/global-response/new-zealand-and-international-carbon-markets

New Zealand's international climate change target for 2021–2030

All Parties to the Paris Agreement, including New Zealand, will communicate or update their international climate change target for 2030 (the nationally determined contribution, or NDC) this year. Officials are currently working to finalise advice to the Minister on how Aotearoa should respond to this obligation.

The Productivity Commission's Low-emissions Economy report – the Government's response

In 2017, the Government asked the New Zealand Productivity Commission to identify options for how New Zealand could reduce its greenhouse gas emissions while continuing to grow incomes and wellbeing. The Commission provided 77 recommendations in its final report in August 2018.

The Government has responded to the work of the Productivity Commission through the Climate Action Plan. Key areas of policy development include the New Zealand Emissions Trading Scheme, innovation, legal changes (such as the Zero Carbon Act), land-use change and transport. The Government's full response to the Productivity Commission report can be found at the following link:

<https://www.mfe.govt.nz/publications/climate-change/transitioning-low-emissions-future-government-response-productivity>.

Climate-related financial disclosures

The Ministry for the Environment and the Ministry of Business, Innovation and Employment are considering introducing mandatory requirements for financial firms and listed companies to report on risks and opportunities from climate change for their businesses and investments.

A consultation on the design of these requirements recently closed (December 2019) and the Ministries are now analysing the submissions. A summary of submissions will be published in the first quarter of 2020. While the current proposals do not intend to apply to iwi/Māori organisations, we are committed to upholding the Māori/Crown relationship in the policy development process and will continue to seek advice and guidance from iwi/Māori.

Climate policy development – across government

Below are some significant climate engagement issues from other government agencies.

Key climate policy / engagement issue

Ministry of Business, Innovation and Employment – Just Transitions

The Just Transitions Unit sits within the Ministry of Business, Innovation and Employment. It has a role of partnering with Māori, business, workers and communities to build an understanding of the potential pathways to transition to a low-emissions future; to identify, create and support new opportunities, jobs, skills and investments that will emerge from the transition; and to better understand how the transition might impact on different communities, regions and sectors. More information can be found at <https://www.mbie.govt.nz/business-and-employment/economic-development/just-transition/> or by emailing jtu@mbie.govt.nz.

Ministry of Business, Innovation and Employment – Renewable energy

The Energy Markets Policy team at the Ministry of Business, Innovation and Employment is working on a number of actions under the Government's Renewable Energy Strategy work programme. This programme outlines actions to achieve an affordable, secure and sustainable energy system that provides for New Zealanders' wellbeing in a low-emissions world.

As part of the work on this work programme, there will be the opportunity to make submissions this year on:

- a hydrogen green paper was released in early September which will contribute to the development of a green hydrogen strategy in early 2020
- a discussion document on both options to accelerate renewable electricity generation and to reduce process heat emissions is currently out for consultation till 28 February
- implementation of the Electricity Price Review's recommendations around Consumer Voice and Energy Hardship.

If you would like to discuss further, please email energymarkets@mbie.govt.nz.

Ministry of Foreign Affairs and Trade – Climate Change Division

The Ministry of Foreign Affairs and Trade (MFAT) works closely with the Ministry for the Environment and many other government agencies to ensure international action on climate change supports our domestic priorities, which have special relevance for Māori – energy, forestry, agriculture, aquaculture, fishing, transport, wāhi tapu and the environment.

Climate change affects us all, and Māori businesses based on natural resources and land-based activities are particularly vulnerable. We're seeing harsher and more frequent extreme weather events like drought and floods, new or different pests and diseases killing crops or native bush, ocean acidification and diminishing stocks of kaimoana. Climate change directly affects whānau by imposing higher costs on transport or home heating, and by causing rising seas that destroy homes, ancient pā sites or urupā.

You can read more about New Zealand's climate change targets, the global agreements New Zealand has signed up to, and MFAT's work with our Pacific neighbours on MFAT's website: <https://www.mfat.govt.nz/en/environment/climate-change/>.

You can also follow MFAT on Twitter @ClimateEnvoyNZ.

Ministry of Transport – The Clean Car Reforms

Key climate policy / engagement issue

The Ministry of Transport called for submissions in 2019 on two proposals to reduce CO₂ emissions from light vehicles. The Government is expected to take decisions on the proposals this year. Short explanatory videos, the discussion document, and submissions can be found at: <https://transport.cwp.govt.nz/clean-cars/>.

For more information contact Gayelene Wright on g.wright@transport.govt.nz.

Department of Conservation – Adaptation (native species)

A framework has been developed to guide how the Department of Conservation (DOC) will manage the impacts of climate change on New Zealand's land-based native species and ecosystems.

<https://www.doc.govt.nz/our-work/climate-change-and-biodiversity/adapting-to-climate-change/>.

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Aotearoa - he whenua mana kura mō te tangata

New Zealand Government