



Cabinet

Minute of Decision

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Climate Change Response (Zero Carbon) Amendment Bill: Policy Proposals for Departmental Report

Portfolio Climate Change

On 2 September 2019, Cabinet:

Background

- 1 **noted** that the Climate Change Response (Zero Carbon) Amendment Bill (the Bill) is currently being considered by the Environment Select Committee (the Select Committee);
- 2 **noted** that, following input from submitters, the Minister for Climate Change has refined a number of proposals to ensure that the objectives of the Bill and the government's wider climate change goals are being achieved, and that the Zero Carbon framework can be implemented effectively;
- 3 **noted** that the substantive changes relate to:
 - 3.1 broadening the purpose statement to explicitly include climate change adaptation;
 - 3.2 ensuring the government strikes the right balance between achieving gross emissions reductions (eg through changes to energy sources) and removals (eg through afforestation), including by providing for changes to the form of the target if required;
 - 3.3 ensuring that the work of the Climate Change Commission (the Commission) adequately reflects the interests of iwi/Māori;
 - 3.4 including reference to the 1.5° Celsius temperature goal in the purpose of emissions budgets;
 - 3.5 extending to the Commission the power to request information on climate change adaptation from certain organisations;
 - 3.6 providing for the Commission to advise on if, and if so how, emissions from international shipping and aviation should be included in the 2050 target and emissions budgets as part of its target review in 2024;
 - 3.7 the legal enforceability in respect of the emissions budgets and the 2050 target;

Substantive changes

- 4 **agreed** that the purpose of the Bill be extended to explicitly include enabling New Zealand to adapt to the effects of a changing climate;
- 5 **agreed** that the Bill allow for the Commission to consider the form of the target in its reviews, including:
 - 5.1 what the target should be (including the types, sources and sinks of greenhouse gases it applies to);
 - 5.2 how the target should be met (including through reductions, removals and offshore mitigation);
- 6 **agreed** that in preparing its advice on emissions budgets and emissions reduction plans, the Commission must have regard to the potential implications of land use changes for communities;
- 7 **agreed** that in performing its functions and duties and exercising its powers under the Bill, the Commission must have regard to the unique Crown-Māori relationships, including by considering te ao Māori and specific impacts on iwi/Māori;
- 8 **agreed** that the Ministry for the Environment, with support from Te Arawhiti, will develop guidance for the Commission for engaging with Māori;
- 9 **agreed** that the purpose of emissions budgets include a reference to the need for New Zealand to contribute to global efforts to limit the average temperature increase to 1.5° Celsius above pre-industrial levels;
- 10 **agreed** that the Bill extend to the Commission the power to request information on climate change adaptation from the reporting organisations listed in a new section 5ZV of the Bill;
- 11 **agreed** that the Bill be amended to remove the clause that provides that a failure to take the 2050 target or an emissions budget into account does not invalidate a public decision;
- 12 **agreed** that the Climate Change Commission will advise on if, and if so how, emissions from international shipping and aviation should be included in the 2050 target and emissions budgets as part of its target review in 2024;

Accounting for emissions budgets and targets

- 13 **agreed** that the 2030 component of the target be considered to be met if emissions of biogenic methane are 10 percent or more below 2017 levels;
- 14 **agreed** that offshore mitigation and other removals (eg carbon capture and storage) can be counted towards the net zero part of the 2050 target;
- 15 **agreed** that emissions budgets must be set in such a way that allows them to be met domestically;
- 16 **agreed** that offshore mitigation can only be used if unforeseen circumstances affect New Zealand's ability to meet emissions budgets domestically;

Commission's engagement and consultation

- 17 **agreed** that in the performance of its functions, the Commission must:

- 17.1 proactively engage with persons the Commission considers relevant to its functions;
- 17.2 where the Commission considers relevant, provide for public participation in order to assist the preparation of advice;
- 18 **agreed** that before recommending an emissions budget, the Commission must:
- 18.1 publicly notify a proposal;
- 18.2 allow adequate time for views to be heard;
- 18.3 consider matters raised in consultation;
- 19 **agreed** that before setting an emissions budget, the Minister must be satisfied that adequate consultation has occurred (and, if not, must notify a proposal, allow adequate time for views to be heard, and consider matters raised in consultation);
- 20 **agreed** that consultation process requirements not be specified in relation to the other functions of the Commission;

Protection of information

- 21 **agreed** that the Bill require that the Minister and the Commission cannot publicly disclose information obtained through their adaptation reporting powers (unless it is already in the public domain), except:
- 21.1 if non-disclosure would materially limit the Minister or the Commission's ability to undertake adaptation functions under the Bill; and
- 21.2 following consultation with the person or organisation to whom the information is confidential;

Reporting timeframes and processes

- 22 **agreed** that the timeframe for the Commission to provide its emissions-reduction monitoring report will be three (rather than two) months following the publication of a National Greenhouse Gas Inventory report;
- 23 **agreed** that the Minister must present a written response to the House of Representatives no later than three (rather than two) months after receiving the Commission's annual monitoring report;
- 24 **agreed** that the timeframes that apply to the delivery of emissions reduction plans (other than the first emissions reduction plan) will require:
- 24.1 the Minister to publish emissions reduction plans 12 months ahead of the beginning of the relevant emissions budget period;
- 24.2 the Commission to provide its advice on high-level direction of policy 24 months before the beginning of the period;
- 25 **agreed** that each report of the Commission is to be tabled in the House by the Minister within 10 working days of receiving it from the Commission, or if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament;

- 26 **agreed** that each report of the Commission is to be published by the Commission as soon as practicable after it has been tabled in the House, but in any case within 20 working days of the report being received by the Minister;
- 27 **agreed** that the transparency requirements on the Minister's responses to statutory Commission advice be made consistent, so that:
- 27.1 for reports that contain specific recommendations: a public, written response is required, which gives reasons for any departures from the Commission's recommendations and which is tabled in Parliament;
- 27.2 for reports that need not contain specific recommendations but are regular functions of the Commission: a public, written response is required, which is tabled in Parliament;

Legislative implications

- 28 **agreed** that if the above changes are not adopted by the Environment Select Committee, the Minister for Climate Change introduce them as a Supplementary Order Paper (SOP) for consideration by the Committee of the Whole House;
- 29 **authorised** the Minister for Climate Change to issue drafting instructions to the Parliamentary Counsel Office for a SOP to give effect to the above proposals, if necessary.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister for Climate Change

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