

Consultation at a glance

New Zealand's second emissions reduction plan

2026-30





Preparing for a world impacted by climate change

Households, businesses and our economy are already feeling the effects of a changing climate. We see how heavier rain and flooding during storms threaten the lives and livelihoods of New Zealanders, or how droughts affect our productivity. That's why we need to work together to reduce the impacts of climate change.

Actions like driving a low-emissions vehicle or switching to renewable energy sources to manufacture products all contribute to lowering our emissions.

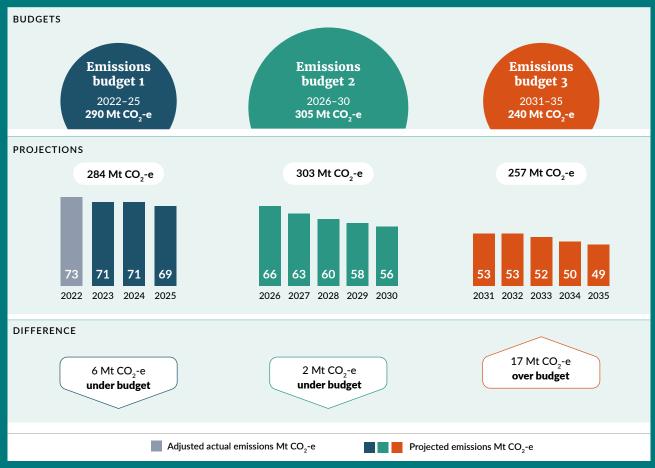
Responding to climate change is challenging but it can also create opportunities. We can fuel transport with clean energy and use technology and innovation to drive low-emissions agriculture. We can also support forestry to play its part in reducing the amount of carbon in our atmosphere.

Staying on track to meet our first two emissions budgets is one of the Government's nine public service targets. However, the Government can't get there alone – households, businesses and communities will make the critical difference to our journey.



"We are confident we can achieve and sustain our target of net zero emissions by 2050, but we need a clear plan focused on impactful actions. Our success will rely on our ability to sustainably transition to a low-emissions economy."

Hon Simon Watts
Minister of Climate Change



The Government's climate response

The Government will meet its targets to reduce the impact of climate change and prepare for its future effects, focusing on five pillars:



Infrastructure is resilient and communities are well prepared



Credible markets support the climate transition



Clean energy is abundant and affordable



World-leading climate innovation boosts the economy



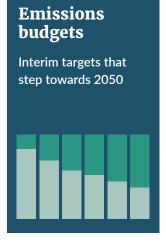
Nature-based solutions address climate change

What this means for New Zealanders:

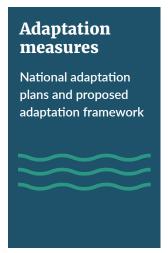
- Our communities and properties are protected against climate change.
- ▶ People are able to heat their homes affordably with more renewable energy available.
- Our economy is thriving, with more and better jobs available.
- Businesses are encouraged to switch to clean energy.
- ▶ Businesses have more options available to reduce the impact of their emissions.
- ▶ New technologies help to lower agricultural emissions.

The Zero Carbon Framework was set up in 2019 to help New Zealand develop and implement clear climate change policies

Emissions reduction targets By 2050: Long-lived greenhouse gas emissions are net zero Biogenic methane emissions are 24-47% below 2017 levels







Turning our priorities into action

The second emissions reduction plan is a key tool to bring this Government's strategy for responding to climate change to life.

The second emissions reduction plan will be published at the end of 2024. This plan will outline the actions that we intend to take to reduce emissions in New Zealand during the second half of this decade. This will help make sure we meet our emissions budget and stay on track to reach the 2050 net zero target.

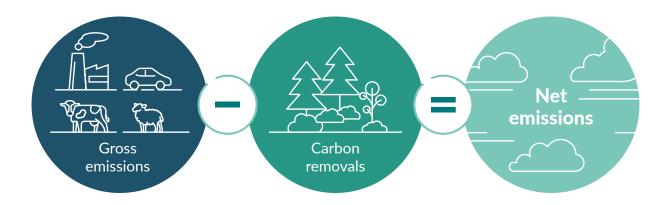
The second emissions reduction plan focuses on sectors that are the key drivers of emissions – energy, transport, agriculture, forestry and waste.

The actions in the second emissions reduction plan have been guided by two principles:

1. We will remove barriers to enable rapid investment in a climate response that also grows our economy and increases productivity (a 'least-cost' transition).

This approach means we will focus on activities that benefit both our climate and our economy, making sure the choices we make are effective, efficient and flexible enough to support us on our journey while enabling New Zealand to continue to thrive.

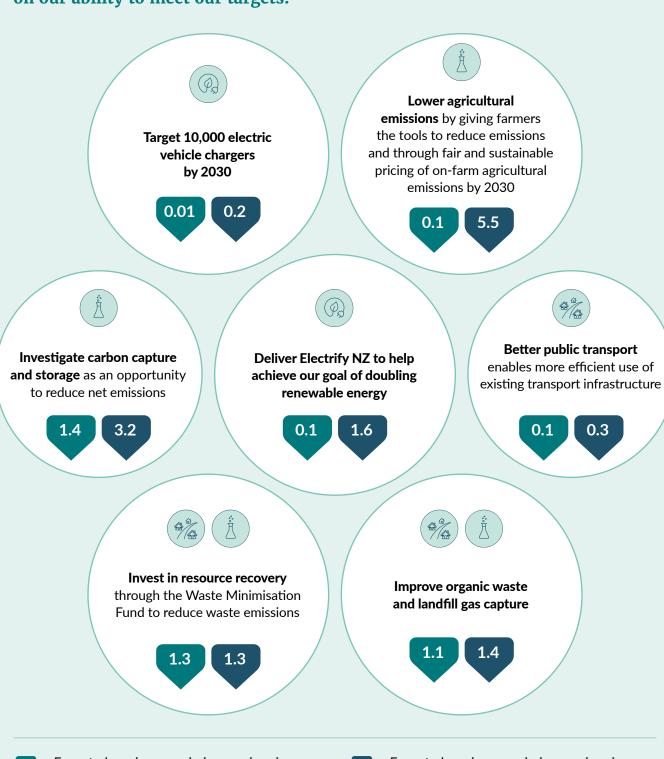
2. We will meet our targets by a mixture of actions that reduce our overall emissions, alongside activities that remove greenhouse gases from the atmosphere (a 'net-based' approach).

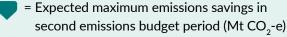


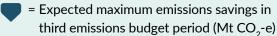
Using targets that are focused on 'net emissions' means we will balance the amount of greenhouse gases we produce with activities that take those emissions out of the atmosphere to reach our overall targets. This gives us more options to meet our targets and lets us take advantage of our unique landscape which enables activities that remove greenhouse gases from the atmosphere, such as growing trees.

Key actions to drive emissions reductions

Our second emissions reduction plan will outline actions within the Government's five pillars and across multiple sectors. Within those actions, there are seven key policies that could have the greatest impact on our ability to meet our targets.







Policies to reduce emissions across five sectors

The second emissions reduction plan will identify targeted actions to reduce our emissions across five key sectors. Focusing on the sectors that produce the most emissions ensures that our response is coordinated across the whole economy. That coordination will help to make sure that we reduce emissions in a cost-effective and efficient way.

Energy What we're ► Enabling accelerated investment in renewable energy generation and electricity networks by improving the doing now resource management system. Enabling carbon capture technology. Doubling renewable energy by 2050. What's coming A smarter electricity system which gives New Zealanders the ability to change how and when they use power. ▶ In the long term, households can heat their homes What this more affordably, with renewable energy. could mean for **New Zealanders** People charge their electric vehicles easily across the country. Renewable energy providers have confidence to invest, enabling them to grow their operations and meet increasing demand. What barriers are there to business investing The kinds of in renewable electricity supply? questions you might see ▶ How can the Government support business to take up low-emissions fuels and carbon-capture technology?

Transport





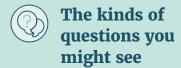
Working with Sustainable Aviation Aotearoa, which is a group of private sector and government agencies supporting the decarbonisation of the aviation sector.



- ► Enabling a network of 10,000 public electric vehicle (EV) charging points by 2030 and facilitating private investment in EV charging infrastructure, subject to a cost-benefit analysis.
- Reviewing regulatory barriers to zero-emissions heavy vehicle uptake.
- Working with other countries on sustainable aviation fuels and low- and zero-carbon shipping on key trade routes by 2035.
- Supporting public transport in key areas.



- ▶ People can easily charge their electric vehicles wherever they are in New Zealand.
- ► There are fewer barriers to using zero-emissions heavy vehicles in New Zealand.
- Reliable and accessible public transport in our main cities encourages efficient use of our infrastructure and supports our emissions goals.



- ► How can the Government enable more public EV charging infrastructure?
- What are the three main things the Government can do to make it easier to switch to low- and zero-emissions heavy vehicles?

Agriculture

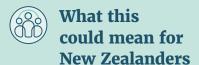




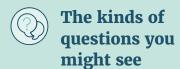
- ▶ Reviewing methane science and target.
- Accelerating the development of tools and technologies to reduce on-farm emissions.
- Developing on-farm emissions measurement for implementation by 2025.



- Recognising more on-farm activities that remove greenhouse gases from the atmosphere.
- ▶ Implementing a fair and sustainable pricing system for agricultural emissions by 2030.
- Accelerating the development and commercialisation of emissions-reduction tools and technologies.



- Our farmers and growers are thriving, producing high-value products while creating fewer emissions.
- ► Farmers and growers have access to new technologies that support emissions reductions without reducing production.



- ► How can the Government support farm/industry-led action to reduce emissions?
- ► How can farmer uptake of emissions-reductions tools be encouraged?

Forestry and wood processing





Restoring confidence and credibility in the New Zealand Emissions Trading Scheme to give certainty to the market.

- What's coming
- Managing on-farm conversions to forestry through the New Zealand Emissions Trading Scheme.
- Boosting wood processing by improving the consenting framework, supporting commercial investments, and getting the system settings right to be building with wood.
- What this could mean for New Zealanders
- Our most valuable and productive farmland is protected, so that we're able to produce food and other goods.
- The kinds of questions you might see
- ▶ What could the Government do to help streamline consents for wood processing?
- What other opportunities are there to reduce emissions in forestry and wood processing?

Waste





- Incentivising efficient landfill gas capture through the New Zealand Emissions Trading Scheme.
- ► Investing a portion of the waste disposal levy into New Zealand's waste infrastructure.
- What's coming
- ➤ Targeting further investment in New Zealand's resource recovery infrastructure and systems (including construction and demolition waste).
- ► Investigating improvements to organic waste disposal and landfill gas capture.
- What this could mean for New Zealanders
- ▶ Waste-related biogenic methane emissions are further reduced.
- More reusable and recyclable resources are available, to be used in the New Zealand economy.
- The kinds of questions you might see
- ▶ What is the main barrier to reducing emissions from waste in households, businesses or across the sector?
- ▶ What is the key action (or actions) the Government could take to support the waste sector to produce fewer emissions?

Other policies to shift the dial

As well as sector-based strategies, the second emissions reduction plan will consider other areas that are critical to meeting our emissions budgets.

	What does this section cover?	Questions you might see
Strengthening the New Zealand Emissions Trading Scheme (NZ ETS)	How the Government intends to strengthen the NZ ETS to support New Zealand to achieve the second emissions budget and longer-term climate change targets.	 What are the other main ways the Government could use the NZ ETS to reduce net emissions? What are the three main risks of using the NZ ETS as a key lever to reduce net emissions?
Non-forestry removals	Opportunities for New Zealand to take advantage of its natural abundance to remove emissions in other ways, such as wetland restoration.	 What are the three main opportunities and barriers for non-forestry removals? How should we balance recognising the role of non-forestry removals with ensuring landowners have flexibility for managing their own land?
Sustainable finance: How we fund and finance climate mitigation	To achieve our targets, we will need the private sector to invest in new technologies and tools that support the climate response.	 What are the barriers to investing in activities that support our climate response? What can the Government do to remove those barriers?
Adaptation: Helping sectors adapt to the impacts of a changing climate	Sectors need to consider how they manage the impacts of climate change. This will help to ensure the changes they make to reduce emissions also have a positive impact on our resilience.	What are the barriers that sectors face when managing or planning for climate risks?
Distributional impacts: Understanding the impacts that policies will have on communities	Some changes that are made as part of our transition to a low-emissions economy will be challenging and may impact communities in different ways. We need to understand these impacts as part of our policy development.	 What are the main impacts that the proposed changes will have on your community? Should the Government consider climate-specific support services or programmes over the coming years?

Join the conversation and have your say

This consultation starts on 17 July 2024 and ends on 21 August 2024.

After that, the government agencies working on the emissions reduction plan will review submissions and will include their findings in advice to Ministers. A summary of submissions will support Cabinet decisions on the second emission reduction plan, which will published by the end of 2024.

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Help shape the emissions reduction plan

We have released two documents to help New Zealanders understand the draft proposals for the second emissions reduction plan.

Read the <u>discussion document</u> to learn more about sector proposals for the second emissions reduction plan, as well as how these policies might affect different groups of people and how communities can respond to the effects of climate change.

Read the <u>technical annex</u> to understand the modelling and supporting information for the proposals.

Register for online events and hui and learn more about the proposal on our website.

How to make a submission

The most effective way to make a submission is through our <u>online form</u>. If you have any questions about making a submission or need to send a written submission, contact us at:

ERPConsultation@mfe.govt.nz

ERP2, Ministry for the Environment PO Box 10362 Wellington 6143

Submissions close at 11:59pm on 21 August 2024.



