He Pou a Rangi
Climate Change Commission

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Buildings, Industry, Transport and Energy
THE COMMISSION

• Board of Commissioners

• Supported by technical staff
THE COMMISSION

Created by the ‘Zero Carbon Act’

Amendment to the Climate Change Response Act in 2019:
• National emissions reductions targets
• System of emissions budgets
• Climate Change Risk Assessments and National Adaptation Plans
• Establishment of a Climate Change Commission
THE COMMISSION’S MANDATE

Zero Carbon Act  
Independent advice  
24 matters in the Act
TASKS FOR THE CLIMATE CHANGE COMMISSION

- Primary sector commitments
- ETS settings
- Emissions reduction plan
- 2050 target review
  - International aviation and shipping
- Emissions budgets
- Monitoring and reporting – ERP and adaptation
- Risk assessments
- 5K requests
THE SYSTEM

[Diagram of governance framework showing relationships between Climate Change Commission, Governance Framework, and various actors and processes related to emission reduction, policy formulation, and local government actions.]

- Recommendations from Climate Change Commission:
  - Advice
  - Final advice, emissions budgets
  - Monitoring progress

- Decisions in the Governance Framework:
  - The Government sets strategic policy direction
  - Policy agencies set policy
  - Operational and regulatory agencies give effect to policy
  - Local government sets local policy

- Uphold principles of partnership, participation, protection, and equity, supports Crown-Māori relationships.

- Acts:
  - Communities, businesses, iwi/Māori, NGOs, industry, all New Zealanders
  - Our actions contribute towards our net zero target.

Tools for effecting change.
Ināia Tonu Nei
NDC – the Paris Agreement

• In October 2021, Aotearoa updated its NDC to **50% net reduction in GHG emissions by 2030** – on a point year approach.

• This equates to a 41 per cent net reduction on 2005 gross emissions by 2030 – on a budgets approach.
What has Aotearoa set itself as targets?

**International target:**
- NZ updated its Nationally Determined Contribution under the Paris Agreement to a 50 per cent reduction of net emissions below our gross 2005 level by 2030.
- The NDC covers the period 2021-2030.
Analytical Approach

Science ➔ Mitigations

Long-term scenarios ➔ Pathways to 2035 ➔ Impacts of pathways ➔ Policies

Methane reductions ➔ NDC and 1.5°C ➔ Level of budgets ➔ Emissions Reduction Plan
OUR MODEL DEVELOPMENT
SCENARIOS
RESPONSE TO CONSULTATION

- Alternative ways to meet budgets
- Checked pace of transition
- More on costs and impact on GDP
- Checked contribution to 1.5°C effort
- More on distributional impacts
- More on co-benefits
Our independent advice: recommended budgets

- **2019**: CO\textsubscript{2}e 78 Mt Per Year
- **4 Years 2022 - 2025**: 72.4 Mt Per Year
- **5 Years 2026 - 2030**: 62.4 Mt Per Year
- **5 Years 2031 - 2035**: 50.6 Mt Per Year
Achieving the budgets: energy & transport

- Expand low carbon electricity generation
- Improve efficiency across energy and transport
- Rapidly adopt electric vehicles
- Scale up low emissions gas & fuels
- Phase out coal in process heat and electricity
- Reduce reliance on cars
- Begin work to decarbonise heavy transport
- Reduce the use of fossil gas
Employment trends: energy sector

- Up to 2000 fewer jobs in oil, gas and coal by 2035
- Thousands more jobs in renewable electricity by 2035
- Thousands of jobs to bring homes up to healthy standards
- Hundreds of jobs to divert waste from landfill
- More jobs in developing bioenergy and hydrogen industries
Electricity prices
Pricing to influence investment choices

The ETS critical for driving investments and choices in the energy sector
WE ARE NOT ON TRACK TO MEET OUR TARGETS

• Previous targets shared short-term focus on planting trees and purchasing offshore mitigation

• Aotearoa used forests to offset emissions, rather than developing low emissions technologies, practices and behaviours

• Carbon removal benefits of forests are coming to an end, and gross emissions have increased by 26% since 1990

• Aotearoa is in a position more difficult than it might have been

• Policies are needed to decarbonise the economy and achieve emissions reductions at source
LONGER TERM DIRECTION TO DRIVE LONGER TERM ACTION

- Transformational change takes time

- People need certainty around the speed and direction of travel to invest in changing how they live, work and operate

- Te Tiriti o Waitangi must be at the forefront of the transition, to ensure an equitable transition for Iwi/Māori

- There needs to be some hard work done now that will pay dividends later

- We have recommended that the Govt of the day seeks cross-party support on emissions budgets, and that they are debated in Parliament
SETTING A SUSTAINABLE PACE FOR CHANGE

• Balance between pushing hard to catch up and moving at a sustainable pace. Recommended budgets suggest smaller emissions reductions initially, that accelerate over time

• Moving too slowly will push the burden onto young people and future generations, and moving too fast could impact jobs and industries

• Budgets must be met in a way that is fair, equitable and inclusive – Govt must implement policies to support those most disadvantaged and least able to adjust

• Assessed level of GDP could be around 0.5% lower in 2035 and 1.2% lower in 2050 than it would be otherwise
LASTING CHANGE – SETTING THE RIGHT POLICY DIRECTION

- Emissions reduction plan needs to provide a comprehensive and cohesive strategy

- To inform our advice on policy direction, we gathered information about current and likely future costs for various technologies

- Assessment of climate policy landscape in Aotearoa helped to identify gaps, barriers and opportunities

- We also considered where emission pricing is likely to drive change

- International research and experience show the best approach to reducing emissions is to implement suite of climate policies alongside pricing schemes
Next steps for the Commission

• Monitoring progress

• ETS settings

• Agriculture pricing and assistance

• Adaptation
Thank you

Want to get in touch?
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