

Ardern Government introduces Zero Carbon Bill

May 8 2019

Prime Minister Jacinda Ardern and Climate Change Minister James Shaw today released the [Climate Change Response \(Zero Carbon\) Amendment Bill](#), which will provide the framework for New Zealand's climate change policy for the next three decades.

The Zero Carbon Bill commits New Zealand to take action to limit global temperature rises to 1.5 degrees by 2050, in accordance with its commitments under the Paris Agreement.

The Bill:

- Sets a target of zero net emissions by 2050, with the exception of biological methane (10% gross reduction on 2017 levels by 2030, and a provisional target of 24-47% by 2050)
- Establishes an independent Climate Change Commission, which will advise the Government on targets.
- Requires the Government to set five-yearly emissions budgets.
- Requires the Government to report on how it will deal with the impacts of climate change.

The Emissions Trading Scheme (ETS) will be the key tool for meeting emissions budgets and achieving the 2050 target. The Government is currently drafting amendments to the ETS, which will be progressed through the Climate Change Response Amendment Bill later in 2019.

The Zero Carbon Bill was originally due to be in force by April 2019 but has been significantly delayed as a result of Climate Change Minister James Shaw's efforts to build cross-party consensus, both within the Coalition Government and with the opposition National Party.

Minister Shaw's intention is to create political consensus in order to provide a clear signal on New Zealand's long-term emissions reduction goals and the economy-wide transition that will need to take place over the next 30 years.

Concessions granted to help allay the concerns of Coalition partner NZ First include a split target for biological methane (reflecting concerns from the agricultural sector) and a paring back of the powers of the Climate Change Commission.

Split target for biological methane:

- All non-methane greenhouse gases will be required to reduce to net zero by 2050.
- The Bill will adopt a 'split gases approach' with biological methane having a specific separate target.
- The specific methane target is a 10% reduction in biological methane emissions by 2030, with an aim for provisional reduction ranging from 24%-47% by 2050.
- The provisional range will be reviewed by the Climate Change Commission in 2024.



Establishment of the independent Climate Change Commission:

The Commission will:

- Support emissions reduction targets through independent expert advice, guidance, and regular five-yearly emissions budgets alongside plans on how the Government will meet them.
- Monitor successive governments' progress toward emissions-reduction and adaptation goals.
- Provide a regular national climate change risk assessment. The Minister for Climate Change will be required to present this to Parliament and provide a national adaptation plan in response to each risk assessment.

The Government had given consideration to the Climate Change Commission being granted statutory independence similar to the Reserve Bank, however this was not pursued due to NZ First's objections.

As a result, the Minister for Climate Change will need to sign off on the Commission's proposed emissions budgets and provide an explanation if the Commission's advice is not followed.

Political reaction:

Labour's Coalition partner New Zealand First welcomed the bill while claiming credit for concessions. NZ First leader and Deputy Prime Minister Winston Peters stated "In negotiations, New Zealand First sought to balance the interests of the agricultural sector and the need for the government to take strong action and show leadership on climate change."

Green Party co-leader and Climate Change Minister James Shaw stressed the importance of consensus but noted he "would like the bill to go further, and there's still opportunity to help it become stronger."

National Party leader Simon Bridges said his party agreed with the Commission's form and function, the net-zero target for long lived gases, and the separate treatment of methane, but has serious reservations about the expected rate of reduction for methane.

The ACT Party, which holds just one seat in Parliament, confirmed it will oppose the Bill, stating "New Zealand's actions are not going to change the climate. We account for just 0.17 per cent of global emissions."

Stakeholder response:

Federated Farmers criticised targets for biological methane emissions. "This decision is frustratingly cruel, because there is nothing I can do on my farm today that will give me confidence I can ever achieve these targets", said Federated Farmers says vice president Andrew Hoggard.



Business NZ said clear policies and actions and a bipartisan approach will be needed to meet the ambitious targets. Chief Executive Kirk Hope said "We need to implement changes that don't get ahead of our trade competitors and ensure our exporters remain internationally competitive, while effectively transitioning to a zero-carbon economy"

Greenpeace Executive Director, Dr Russel Norman, said the Bill has no ability to enforce its climate change targets and the plan 'lacks teeth'.

Generation Zero, the campaign group whose activism inspired the Bill, celebrated the announcement but was critical of the decision to tie the Zero Carbon Bill to the ETS legislation, as well as the separate treatment of biological methane.

Process

The Bill will now go to First Reading, where it will be debated and voted on by Members of Parliament.

Following this, the Environment Select Committee will call for submissions on the legislation.

Stakeholders will have the opportunity to provide written submissions to the Committee. If submitters wish, they can also request to present their submission to the committee in person.

Contact

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