

Chapter 12

Aronga Kaupapa – Kia whakawhirinaki mai ki te pae taurikura

Policy direction to create an enabling environment for change

Summary

To reach its climate targets Aotearoa needs to create an environment where long-lasting change is possible.

This means making it easy for people and organisations to make choices and decisions that support the transition. The choices and decisions that people, households, businesses, industries, and local government make will result in lasting change. Everyone has a role in getting Aotearoa to net zero.

The Government's main role is to create conditions where addressing climate change is achievable, affordable, and supported across Aotearoa.

This chapter outlines areas where the Government should take action to support an enabling environment for lasting change:

- **Uphold its commitments and obligations to Te Tiriti o Waitangi/The Treaty of Waitangi.** To achieve an equitable and enduring transition for Iwi/Māori, we recommend developing and implementing a strategy to ensure emissions reduction plans are firmly rooted in the Treaty principles of partnership, participation, protection, and equity.
- **Provide clear, credible, and consistent signals about the direction and pace of change.** Cross-party political support is central to this and is particularly important with the emissions budgets because they set the pace of the transition.

- **Different organisations and groups need to coordinate and work together. In particular:**
 1. Well-supported local government will be critical to meeting emissions reduction targets.
 2. Government ministries, departments and agencies need to work together in an effective and efficient way to support climate action. They must also be sufficiently resourced. A separate appropriation, or 'Vote Climate Change', will support the scale of response required and make sure action is coordinated.
 3. Effective public participation will make sure people's voices are heard and everyone can participate in the transition.
 4. The Government needs to work collaboratively with business and industry, and leverage private sector leadership. The investment decisions and choices that businesses make are critical to the transition.
- **Ensure a fair, inclusive and equitable transition.** Government must recognise the challenges different groups will face during the transition and make sure plans and support are in place to manage them. As the government develops and implements how it will meet the emissions budgets, it must reflect the te ao Māori values of manaakitanga, tikanga, whanaungatanga and kotahitanga and ground the approach to reducing emissions firmly in these values. This will ensure that people, the environment, and Te Tiriti o Waitangi/The Treaty of Waitangi remain at the centre of the transition.

Changes in our final advice

This is a new chapter that includes some content that was elsewhere in our *2021 Draft Advice for Consultation*. We have taken on feedback through consultation and adjusted the recommendations, as well as placing more emphasis on the importance of laying the groundwork for the transition.

We have distinguished between the need for cross-party support for the emissions budgets and for the Government's emissions reduction plans. This recognises that support for the emissions budgets is more critical. It also recognises that views on the best policies and approaches to meeting emissions budgets are likely to be party-specific, making cross-party consensus more difficult to achieve.

We strengthened our recommendation for climate considerations to be included in all government decision making, and emphasised the need for adequate resourcing.

We have emphasised the need for collaboration and partnership with business. This recognises how crucial these groups are in the transition.

Introduction

- 1 Climate change touches on the lives of everyone who lives in Aotearoa. All New Zealanders, businesses, industries, communities, and regions will need to play their part in addressing it.
- 2 The policy direction in this chapter draws on our policy framework and focuses on putting the foundations in place for people to get behind and support efforts to achieve emissions budgets and targets.
- 3 The choices and investment decisions that people, households, businesses, industries, and local governments make is what will drive emissions reductions, and make the transition to a low emissions society happen.
- 4 Meeting emissions budgets and achieving our climate goals will not be possible without bringing all New Zealanders along on the journey and supporting them to make decisions that align with those goals.

- 5 The five recommendations in this chapter are about creating a social and political environment that supports this. The Government must create the conditions for ambitious and enduring change.
- 6 This includes making sure that upholding Te Tiriti o Waitangi/The Treaty of Waitangi is at the core of the transition. It also means providing certainty via clear and consistent signals about how Aotearoa will transition, and how quickly.
- 7 Effective governance structures will also be important. There must be better coordination across government with respect to climate change, and central government needs to work closely with local government to deliver low-emissions outcomes. Making sure a wide range of perspectives feed into decisions about the transition to low emissions will also be important.
- 8 The Government also needs to ensure the benefits of climate action are shared across society, and that certain groups do not shoulder an unfair share of the cost burden from the climate transition.
- 9 As the Government develops and implements how it will meet emissions budgets, it should support and align with the te ao Māori values of manaakitanga, tikanga, whanaungatanga and kotahitanga (see *Chapter 11: Approach to developing advice on policy direction*). By grounding the approach to reducing emissions firmly in these values, the Government will ensure that people, the environment, and Te Tiriti o Waitangi/The Treaty of Waitangi, remain at the centre of the transition.

12.1 Treaty of Waitangi and the Crown-Māori relationship

- 10 Under the Climate Change Response Act 2002 (the Act), the Commission must consider the Crown-Māori relationship, te ao Māori, and specific effects on Iwi/Māori in our advice.
- 11 When acting on our advice, the Government is required to include strategies to recognise and mitigate the impacts, on Iwi/Māori, of reducing emissions and increasing removals of carbon from the atmosphere. This includes considering the economic, social, health, environmental, ecological, and cultural effects of climate change for Iwi/Māori.
- 12 Almost 80% of total submissions to the *2021 Draft Advice for Consultation* supported an approach that upholds Te Tiriti o Waitangi/The Treaty of Waitangi. Submissions from both Māori and some non-Māori emphasised the importance of ensuring that the Te Tiriti partnership and Te Tiriti o Waitangi/The Treaty of Waitangi underpins all aspects of our advice and policy direction.
- 13 We also heard through consultation that the Government's failure to comply with principles of Te Tiriti over time has disadvantaged Iwi/Māori, who in many circumstances do not experience the rights of protection, partnership, participation, and equity.
- 14 Further, historic actions and ongoing barriers continue to inhibit Iwi/Māori from exercising rangatiratanga and kaitiakitanga as guaranteed under Te Tiriti o Waitangi/The Treaty of Waitangi.

- 15 Based on the recent findings from the *Hauora Wai 2575 Waitangi Tribunal Report 2019*, giving effect to Te Tiriti o Waitangi/The Treaty of Waitangi as Aotearoa transitions to a thriving, climate-resilient, low-emissions future would require that:
- The Government works in **partnership** with Iwi, hapū, and whānau Māori through the balancing of the concepts of kāwanatanga and tino rangatiratanga expressed in Articles one and two of Te Tiriti o Waitangi/The Treaty of Waitangi. This requires the Government to consult and partner with Māori genuinely through co-decision making and co-governance structures.
 - The Government upholds its responsibility to the principle of active **protection** of Iwi/Māori rights to exercise rangatiratanga and kaitiakitanga. Active protection includes a government obligation to focus specific attention on inequities experienced by Māori and, if need be, provide additional resources to address the causes of those inequities. To achieve this the Government needs to work with Iwi, hapū, and whānau Māori to ensure sufficient understanding of Māori perspectives so new policies uphold Te Tiriti principle of protection, particularly regarding Iwi/Māori rights to exercise rangatiratanga and kaitiakitanga.
 - The Government ensures Iwi/Māori **participate** within an enabling environment by working with Iwi, hapū, and whānau Māori in co-design and co-decision-making processes.
 - The Government satisfies its obligations under the principle of **equity**, closely linked to the principle of active protection, by reasonably ensuring Iwi/Māori do not suffer inequity through government actions or omissions. Government should work with Iwi/Māori to promote equitable outcomes in alignment with Iwi/Māori aspirations for intergenerational wellbeing.
- 16 Upholding Te Tiriti o Waitangi/The Treaty of Waitangi must be at the core of our transition, to ensure climate action is enduring, sustainable, and equitable.
- 17 In Aotearoa, effective action to address climate change must be premised on an equitable Te Tiriti partnership to correct the existing inadequacies. To accomplish this, government must demonstrate a commitment to Te Tiriti o Waitangi/The Treaty of Waitangi that reflects a genuine desire to remove barriers and achieve equitable outcomes.
- 18 Consultation feedback from the majority of Māori-collectives indicated that government failure to comply with Te Tiriti o Waitangi/The Treaty of Waitangi, lack of adequate consultation and understanding, and inequitable policy design and outcomes, have caused Iwi/Māori to be continuously impeded by moving goal posts.
- 19 Our recommendation, in response to this feedback, is for the Government to work in partnership with Iwi/Māori to develop a strategy that ensures the principles of Te Tiriti o Waitangi/The Treaty of Waitangi are embedded in emissions reduction plans.
- 20 We heard from Iwi/Māori that they often face competing priorities and resourcing constraints. This, coupled with the time required to build capability to establish an effective and enduring collaboration, means that this work will take time.
- 21 While work to implement this strategy will likely develop during the first emissions reduction plan period, this strategy should be considered a priority so it can be embedded in subsequent emissions reduction plans.

Recommendation 6

Treaty of Waitangi and the Crown-Māori relationship

We recommend that the Government commit to:

Working in partnership with Iwi/Māori and local government to develop a strategy to ensure the principles of Te Tiriti o Waitangi/The Treaty of Waitangi are embedded in subsequent emissions reduction plans.

The strategy should:

1. Include an outcomes framework and action plan, as well as an evaluation framework outlining agreed accountability milestones and measures.
2. Specify outcomes that align with the principles of protection, partnership, participation, and equity, recognising the guarantee of rangatiratanga and kaitiakitanga for Iwi/Māori under Te Tiriti o Waitangi/The Treaty of Waitangi.
3. Include actions to give effect to Recommendations 26 and 27 (see *Chapter 19: Policy direction for an equitable transition for Iwi/Māori*).
4. Take a whole of systems approach that addresses climate change in parallel with wai (water) and whenua (land).
5. Be resourced appropriately.

Recommendation 6

Provisional progress indicators

1. Government to work in partnership with Iwi/Māori, by 30 June 2022, to agree on an approach for developing the strategy, and to develop and publish the strategy. This should include an outcomes framework with a phased implementation plan.
2. Government to have initiated, by 31 December 2022, the first phase of implementation and work in partnership with Iwi/Māori to develop an evaluation framework.
3. Government to report annually, from 31 of December 2022, on a suite of indicators, including how the strategy will be resourced and funded.

12.2 Clearly and credibly signal outcomes that align with targets

- ²² The Government must provide clear and consistent signals about how Aotearoa will transition to low emissions, and how quickly. Signalling the speed and direction of travel well in advance will help to provide as much certainty as possible.
- ²³ This will help New Zealanders, businesses, industries, communities, and regions make informed decisions that align with climate change goals.
- ²⁴ Under the Act, the Minister of Climate Change has a duty to set emissions budgets well in advance, and to ensure that they are met. A key purpose of the emissions budgets process is to provide greater predictability for all those affected by giving advance information on the emissions reductions and removals required.
- ²⁵ The Commission has made recommendations on the level of the first three emissions budgets in *Chapter 5: Recommended emissions budgets*. As required under the Act, this advice includes recommendations on the overall level of each of the first three emissions budgets, the balance of emissions reductions and removals, the breakdown of emission budgets by gas, and the use of offshore mitigation to meet the budgets.
- ²⁶ If the Minister does not adopt the emissions budgets the Commission recommends, they must explain the reason for any departures from this advice. As part of our ongoing role, the Commission will continue to provide advice on future emissions budgets, not less than 10 years before the start of each budget period.
- ²⁷ This emissions budget process will ensure that the speed and direction of transition to low emissions is clearly signalled well in advance, and that those signals are robust and credible.

12.2.1 Cross-party support for emissions budgets

- ²⁸ Emissions budgets provide clear direction on the pace of change and set goals for how Aotearoa will step down towards our emissions targets. Seeking cross-party support as emissions budgets are set would help to provide even greater certainty.
- ²⁹ There will be ten elections between now and 2050. Abrupt changes of course as Governments change would not give businesses and individuals the predictability they need to make decisions. To reduce uncertainty and ensure enduring progress, it is important that emissions budgets are set in a transparent way and that they are non-partisan.
- ³⁰ The Minister is already required under the Act to consult with other political parties on emissions budgets before they are notified. Cross-party support for emissions budgets would provide reassurance that actions to reduce emissions will endure, and that progress will not easily be undone by future Governments.
- ³¹ During consultation, some submitters, including some business and industry submitters, expressed a desire to see cross-party support as a condition for the Government to set an emissions budget.
- ³² However, many others – including many NGOs and individual submitters, expressed concern that pursuit of consensus could become a barrier to ambitious action on climate change. Many emphasised that a lack of cross-party support should not be a reason to forestall action on climate change.
- ³³ The Zero Carbon Bill passing in 2019 showed that cross-party consensus on ambitious climate action is possible. Every effort should be made for all parties to continue to build on that foundation.

34 Consensus will not always be possible. Each emissions budget must be accompanied by an emissions reduction plan, setting out policies and strategies for meeting the budget. As current and future Governments develop these plans, approaches will vary. Preferred policies will be based on the priorities and preferences of the Government of the day, and Governments will remain accountable for the policy choices they make.

35 Achieving cross-party support on a package of policies is desirable but will be challenging. Consensus on the overall goals of climate policy – the emissions budgets – must be the highest priority.

36 In the absence of consensus, transparency remains critical. Debating the budgets in Parliament would enhance transparency by making sure that cross-party deliberations are captured on the parliamentary record.

Recommendation 7

Cross-party support for emissions budgets

We recommend that the Government commit to:

1. Seeking cross-party support on emissions budgets.
2. Debating emissions budgets in Parliament before they are notified, so that the positions of each political party are on the parliamentary record.

12.3 Effective governance structures for delivering the transition

37 Effective institutional arrangements and governance structures are very important to support the transition to a low-emissions society. Without this, there is a risk that policies and approaches chop and change with electoral cycles, and are based only on short-term interests.

38 Creating political processes and institutions that support wider technological, behavioural and systems change will be critical. An important part of achieving this will be ensuring that there is policy coherence and coordination across government, and across different levels of government.

39 Measures will also be needed that ensure the Government maintains the social licence for climate action, and that community, individual and business perspectives are heard as the Government develops its plans and policies.

40 This is because emissions budgets are not only the concern of Government. Rather, they lay foundations that will guide the actions that New Zealanders, households, businesses, industry, local government, and others take to reduce emissions.

41 Emissions budgets need to guide a partnership between government and wider society. The choices and investments these actors make will be critical to achieving our climate goals. Their ongoing support will be important as the Government develops and implements emissions reduction policies.

42 The sections that follow focus on some of the most important areas of partnership needed to support the transition to a low-emissions society.

12.3.1 Aligning central and local government efforts

43 Local government plays an important role in the transition to a thriving, climate-resilient and low-emissions Aotearoa.

- 44 Councils make decisions on land use, urban form, road and transport services, housing, the three waters (stormwater, wastewater and water supply), waste management, flood risk management, and coastal management. These decisions affect how New Zealanders live, work, and run businesses.
- 45 We heard consistently in our engagement about how important coordination between central and local government is. This was reinforced strongly in some submissions we received during consultation.
- 46 Councils are the level of government closest to individual communities, and the 78 local authorities across Aotearoa will play an important role supporting diverse communities through the transition. Central and local government need to be aligned and work closely together to achieve emissions budgets and targets.
- 47 Policy alignment will be important for delivering low-emissions outcomes. Alignment will be needed across the Local Government Act, the Building Act and Code, the Resource Management Act (RMA), national direction under the RMA, proposed RMA reforms and the infrastructure plan.
- 48 This will be important to ensure that central and local government actions support the same climate goals. This was strongly supported in submissions, some of which emphasised the importance of a strong, reciprocal relationship between local and central government for meeting climate change goals.
- 49 Local government will also need additional funding and resources. Some submitters emphasised how many councils are already facing resource as well as capacity and capability constraints. These constraints are likely to grow as more measures are put in place over the coming years and decades, which will have an impact on local government.
- 50 Resourcing needs and funding and financing arrangements must be carefully addressed to ensure that councils can effectively support the transition to a low-emissions Aotearoa. In their submissions several councils also called for more guidance from central government in certain areas to support this – for example, how to measure emissions at a local level, and how to make effective procurement and investment decisions that consider climate impacts.
- 51 There was concern expressed during consultation that efforts to align central and local government efforts could lead to more bureaucracy and increased costs to tax and ratepayers. Clarity around the respective roles of central and local government will be important for ensuring the relationship is streamlined and effective.

Recommendation 8

Aligning central and local government efforts

We recommend that the Government commit to:

1. Aligning policy and investments to enable local government to make effective decisions for climate change mitigation and adaptation. This should include aligning the Local Government Act, the Building Act and Code, the Resource Management Act (RMA), national direction under the RMA, proposed RMA reforms and the infrastructure plan.
2. Implementing funding and financing mechanisms that provide adequate funding to enable local government to take action aligned with emissions reduction plans, and the implementation of climate adaptation plans.

Recommendation 8

Provisional progress indicators

1. Government to have, by 30 June 2022, published an agreement that sets out the mechanism for achieving the necessary alignment between central and local government.
2. Government to have published a work plan by 31 December 2022, outlining how alignment and funding will be addressed, and the milestones for achieving this plan.

12.3.2 Coordinate efforts to address climate change across government

⁵² The Act requires the Government to publish an emissions reduction plan outlining the policies and strategies it will put in place to meet the first emissions budget. It also allows the Government to include policies and strategies for meeting the second and third emissions budgets, but this is not a requirement.

⁵³ It will take time for government actions to take effect, so signalling longer-term policy well in advance will support public and private investment decisions in line with targets. For this reason, it is vital that the Government focuses not only on policy for delivering on the first emissions budget, but also looks out to future emissions budgets – to 2050 and beyond.

⁵⁴ Government agencies need to work together on climate change action. Currently, the government machinery of Aotearoa is siloed, which presents a challenge.

⁵⁵ For example, while the Ministry for the Environment holds the lead in terms of the overall architecture of climate policy, the policy levers for the different sectors sit with a range of other agencies. For these other agencies, climate change is not their core business, and climate considerations are often crowded out by other priorities.

⁵⁶ There needs to be coordinated action across government departments and agencies. This includes the Ministry for the Environment, Treasury, Ministry for Primary Industries, Ministry of Business, Innovation and Employment, Ministry of Transport, Ministry of Health, Ministry of Housing and Urban Development, Waka Kotahi, Energy Efficiency and Conservation Authority, Ministry of Foreign Affairs and Trade, Te Puni Kōkiri, Department of Conservation, Ministry of Social Development, Inland Revenue, StatsNZ, Department of Internal Affairs, Ministry of Education and the Tertiary Education Commission.

⁵⁷ An important theme emerging from consultation is the need for transparency and clear lines of accountability for delivering on climate outcomes. The roles and expectations of agencies in addressing climate change will need to be clearly set out. Accountability mechanisms for delivery will also need to be defined.

A separate appropriation for climate change can support better outcomes

⁵⁸ There is currently no separate appropriation in the Crown accounts and annual budget for climate change. Rather, climate change sits under the broader Vote Environment appropriation for the Ministry for the Environment.

⁵⁹ Numerous levers for addressing climate change sit outside of the Ministry for the Environment and expenditure on climate change action sits with many other government agencies.

- 60 A separate appropriation for climate change is needed to support the scale of response required from government. Without this, it will be difficult to make sure action across departments and agencies is synchronised and achieving the most effective and efficient outcome.
- 61 Having all expenditure under one appropriation will increase the transparency of how this funding is being used and protect it from being redirected to other areas.
- 62 There is precedent in Aotearoa for integrated work programmes across government agencies, which could be used as a reference in establishing a dedicated cross-agency climate change work programme. An example is the Joint Venture for Family Violence and Sexual Violence. Integrating climate change initiatives across government would be strengthened by consolidating funding for these initiatives within a dedicated Vote Climate Change.
- 63 There was support for this from submitters during consultation. However, some submitters emphasised the importance not only of creating a new appropriation for climate change, but also of ensuring that this work is adequately resourced.
- 64 The point was also made that the onus must be on all decision makers to ensure that emissions budgets and targets are considered in all discussions and decisions on regulatory change.

Climate change considerations need to be mainstreamed

- 65 Another challenge is the lack of 'mainstreaming' of climate change considerations across government policies and procedures.
- 66 Measures such as tax levers and structures, procurement procedures, and cost benefit and regulatory impact analysis are all instruments that can be used to support climate outcomes. Currently this is not done systematically, which can undermine climate change goals.
- 67 Consistent signalling across investments, policy statements, direction to officials, and internal policies and directives is important to ensure that all regulatory and policy frameworks are aligned with low-emissions objectives.
- 68 Different agencies also give different weighting to various concerns in their decision making. To ensure that climate change goals are not undermined, it is important that climate change is considered in the development of all new policies, regulations, and fiscal proposals.
- 69 There was wide support for this goal expressed during consultation, including from some individual, NGO and business submitters. Some submitters expressed a desire to see government go further, and also be required to consider costs of inaction, or to factor in the range of co-benefits into policy and investment decisions.
- 70 A few areas were also highlighted as warranting special focus alongside climate change outcomes, due to important linkages and interactions. Biodiversity, water, education, and health emerged as key themes in this respect.
- 71 In addition, some activities that take place across sectors, such as tourism, food production and distribution, construction, and international education all have a large impact on emissions, but opportunities for reducing emissions are often not well understood due to their cross-cutting nature.
- 72 The responsible government agencies do not have climate change as part of their core business, and do not focus on low-emissions objectives. Emissions reduction potentials and interdependencies among these types of multi-sector activities need to be investigated.

Recommendation 9

Coordinate efforts to address climate change across government

We recommend that the Government commit to:

1. Nominating specific Ministers and agencies with accountability for implementing policies and strategies in the emissions reduction plans in line with emissions budgets.
2. Assessing and meeting funding requirements for implementing each emissions reduction plan in line with emissions budgets.
3. Establishing Vote Climate Change as a specific multi-agency appropriation which consolidates existing and future government funding for core climate change mitigation and adaptation activities.
4. Providing consistent signalling across investments, policy statements, direction to officials, internal policies and directives to ensure that all regulatory and policy frameworks and decisions are aligned with low emissions and climate resilience objectives.

12.3.3 Ensuring inclusive and effective consultation, engagement and public participation

⁷³ Taking action on climate change inevitably involves making choices, judgements, and trade-offs. These include, for example, what future landscapes should look like, and how much to pay to reduce emissions here or overseas.

⁷⁴ In making these decisions, it is helpful to understand a wide range of perspectives. This includes perspectives from industry, businesses, workers, NGOs, community groups, individuals, and others.

⁷⁵ All will play important roles in the transition to a low-emissions Aotearoa and have important perspectives that the Government should seek to understand and consider.

⁷⁶ Emissions reduction targets and budgets are not just for government – they guide a partnership between government and society. Building consensus and understanding at all levels of society will be important.

⁷⁷ Many representative groups have knowledge and capacity to engage with and influence government. They are able to access leaders and shape conversations. Their perspectives in the transition, and the actions they take to reduce emissions, will be crucial.

⁷⁸ However, a collective and coordinated response will require the views and perspectives of people from all parts of society, not just the highly engaged.

⁷⁹ It is important that a wide range of voices have the opportunities and resources to input into judgements and decisions on how Aotearoa addresses climate change. Government needs to engage with audiences in ways that are suitable, culturally appropriate and support people to meaningfully contribute.

⁸⁰ At the same time, this needs to be balanced with the potential for over-consultation. This is already becoming an issue with the response to climate change as it increases in prominence. It is also a particular issue for Iwi/Māori. The risk is that back-to-back consultations will lead to engagement and consultation fatigue. This concern was reiterated during consultation, including by some Iwi/Māori and local government submitters.

- 81 Some NGO and individual submitters also expressed concern that a mechanism for public engagement could slow down progress on climate change. Ensuring a wide range of voices are heard and understood as climate policy is developed is important, but it will also be important to make sure that diverging perspectives or lack of consensus do not cause delay.
- 82 Some submissions emphasised the importance of making sure that any mechanism for consultation, engagement and public participation is truly representative of Aotearoa. This means ensuring that representation reflects the full diversity of our society across ethnicity, age, gender and ability.
- 83 Aotearoa also needs to ensure consultation is a genuine collaboration between government and the public, rather than a tick box exercise.
- 84 There are a number of tools that could be used to address these issues. In the past, the Government operated an online consultation hub for all policies relating to climate change to give stakeholders a clear view of upcoming and closed consultations. This provided a source of information for stakeholders, allowing them to plan, allocate time and develop a high-level view of a collaborative government.
- 85 In our engagement, some stakeholders suggested establishing an ongoing public forum or citizens' assembly for climate change. A citizens' assembly would allow the Government or Parliament to work with a group of citizens to source views on the direction Aotearoa should take to reduce emissions and address climate change.
- 86 Such a mechanism would ensure a genuine public process, rather than a stakeholder process that could become dominated by particular business or industry interests – which already have other avenues for engaging with government.
- 87 During consultation, the point also came through that public input into decision making should happen alongside education. This includes education on the science of climate change, its potential impacts, the impacts of policies for reducing emissions, as well as education on actions individuals, households and communities can take to reduce emissions. The importance of public education is discussed further in *Chapter 13: Policy direction that cuts across sectors*.
- 88 Public participation in discussion of how Aotearoa addresses climate change provides a different perspective from the evidence-based analysis that we put forward.
- 89 Taking action on climate change inevitably involves making judgements and trade-offs. New Zealanders should be intimately involved in making such judgements. The focus of a public forum should be on conversation and mutual learning, and the process should be deliberative.

Recommendation 10

Ensure inclusive and effective consultation, engagement and public participation

We recommend that the Government commit to:

1. Evolving more effective mechanisms to incorporate the views of the public when determining how to prioritise climate actions and policies to meet emissions budgets, to create more inclusive policy development.

12.3.4 Working in partnership with business

- ⁹⁰ Emissions budgets also need to guide the development of a partnership between government and business. The investment decisions and choices that businesses make will be critical for driving the transition to a low-emissions economy.
- ⁹¹ As noted by business and industry submitters, achieving the budgets will require a huge effort across Aotearoa and will need cooperation in every part of the economy.
- ⁹² Emissions budgets and targets will not be met unless businesses right across Aotearoa commit significant capital, undertake research and development, and change processes and ways of doing things. Businesses will need to take risks and support their workers through significant change.
- ⁹³ Many businesses are already showing leadership and driving important change, even before emissions budgets and the emissions reduction plan have been put in place. For example, some businesses have committed to measuring and reporting emissions created through their activities (including across supply chains), and to reducing those emissions. Some businesses are already investing significant capital in innovation and efficiency.
- ⁹⁴ A number of industrial emitters have also signalled their commitment to reducing emissions. For example, some manufacturers have set emissions reduction goals, committed to no new coal-fired boilers, and invested in technologies to reduce energy use while improving productivity.
- ⁹⁵ The Government must work closely with business and industry as it develops the policies and approaches for reducing emissions. In doing so, government can leverage private sector leadership to accelerate the transition to a thriving, climate-resilient and low-emissions Aotearoa.
- ⁹⁶ In our advice on policy direction we have highlighted the importance of this collaboration within many of our recommendations. For example, we highlight the need for collaboration with business in the preparation of sector strategies and plans.

12.4 Manage impacts for an equitable transition

- ⁹⁷ A fair, inclusive and equitable transition involves making sure that the benefits of climate action are shared across society, and that the negative impacts do not disproportionately fall on those least able to adjust.
- ⁹⁸ It means making sure New Zealanders are involved in the transition by working collaboratively and inclusively, in line with kotahitanga and tikanga. It will be important not to create or exacerbate existing inequities, and to support people most impacted and least able to adjust.
- ⁹⁹ The Commission has made some recommendations in *Chapter 19: Policy direction for an equitable transition for Iwi/Māori* and *Chapter 20: Policy direction for a fair, inclusive and equitable transition*. These recommendations focus on showing the Government can support an equitable, inclusive and well-planned climate transition. This includes the development of an Equitable Transitions Strategy.