

Chapter 3

He Pou a Rangi – Tōna Aronga Matua

The role of the Climate Change Commission

- ¹ The Climate Change Commission's (the Commission) role is to provide independent, evidence-based advice on the actions the Government needs to take to address climate change and transition to a low emissions and climate-resilient Aotearoa. The Commission was created by amendments to the *Climate Change Response Act 2002* (the Act), passed in 2019.
- ² These amendments created a new framework for the Government's domestic climate change policies. This framework is designed to support Aotearoa to join global efforts to address climate change and to provide more certainty and stability around climate action.
- ³ Key elements of this framework include:
 - Long-term emissions reduction targets for 2050
 - A system of emissions budgets to step Aotearoa towards the 2050 emissions reductions targets (2050 targets)
 - National Climate Change Risks Assessments and National Adaptation Plans
 - A Climate Change Commission to give independent, expert advice on reducing emissions and adapting to climate change, and to monitor the Government's progress towards meeting emissions reduction and adaptation goals.

3.1 The Commission provides impartial advice

- 4 The Commission is an independent Crown entity set up to provide impartial advice to the Government, based on evidence and expert judgement. Our independence is key. It means we can provide impartial advice at arm's-length to Ministers and hold successive governments to account for action to achieve long-term climate change goals.
- 5 Our focus on the long term means we have an important role helping to insulate climate change policy in Aotearoa from short-term political pressures. Our advice will support greater stability and predictability. It will also improve transparency of, and accountability on, climate action. Better transparency around climate action allows more effective public scrutiny of government approaches, giving the public the opportunity to hold governments to account through elections.
- 6 The Act requires the Commission to draw from the best available evidence and analysis in carrying out our role. In developing our advice, we have drawn on a wide range of research and analysis from both in Aotearoa and overseas.
- 7 The Act also requires the Commission to give effect to the Crown-Māori relationship, te ao Māori, and specific effects on Iwi/Māori in all the advice it gives to the Government
- 8 Our roles under the Act are varied, and we are required to perform a wide range of tasks and deliver over different timeframes. Our responsibilities under the Act, and the timeframes for delivering on them, are summarised in Figure 3.1 below.

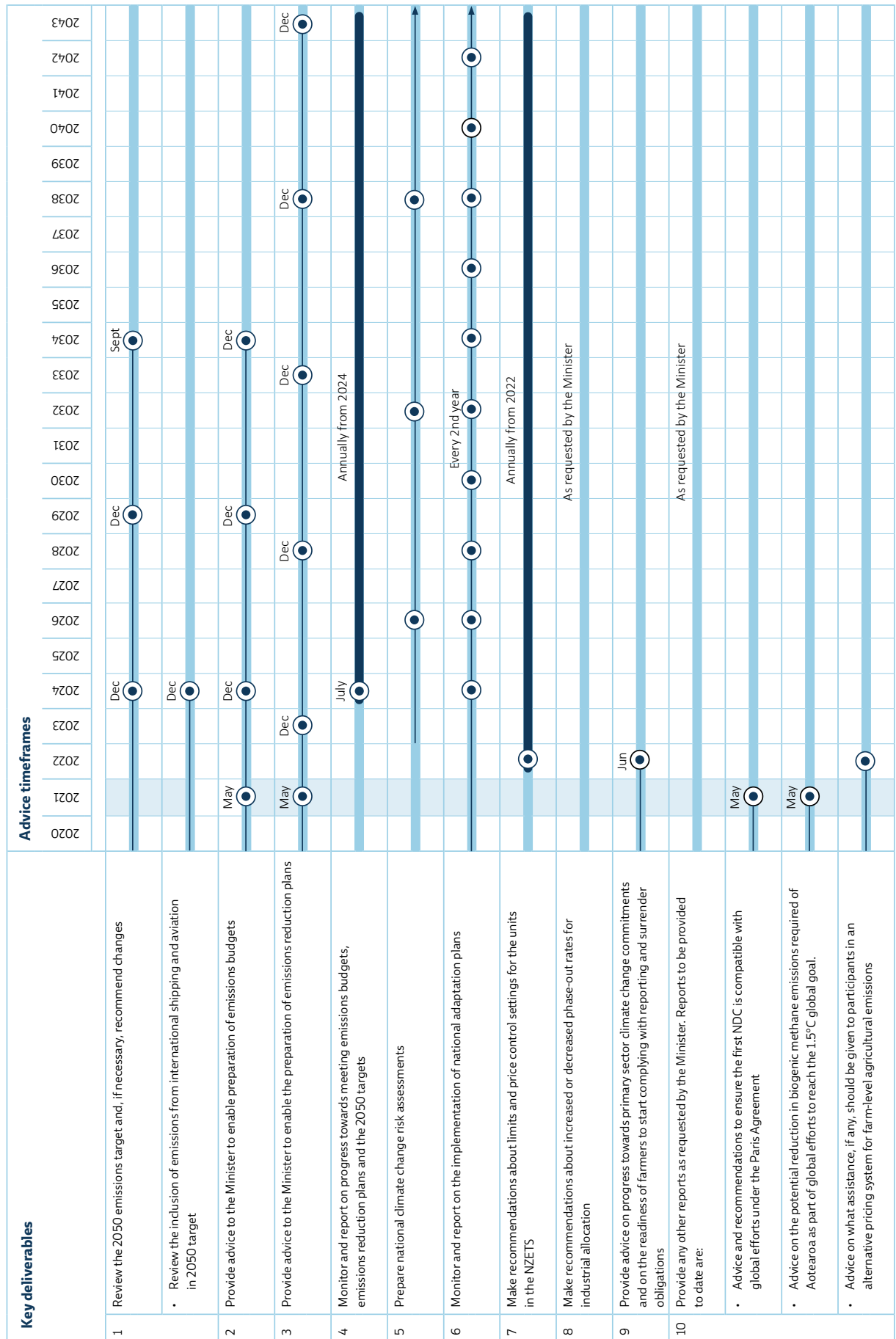


Figure 3.1: Our responsibilities under the Act, and the timeframes for delivery on them

3.2 The Commission is part of a broader policy landscape

- ⁹ The Commission is an Independent Crown Entity, with an advisory role within the wider system for climate change policy in Aotearoa (Figure 3.2).
- ¹⁰ The democratically elected Government holds the power to make decisions about our country's response to climate change. These decisions will be based on its own priorities and will be informed by the Commission's advice, as well as advice from officials in Policy agencies, such as Ministries. Government action on climate change will be subject to the important checks and balances of the parliamentary process.
- ¹¹ The Commission has an ongoing role to monitor progress towards emissions budgets and targets. As part of this, we will assess the adequacy of government action and share our conclusions publicly.

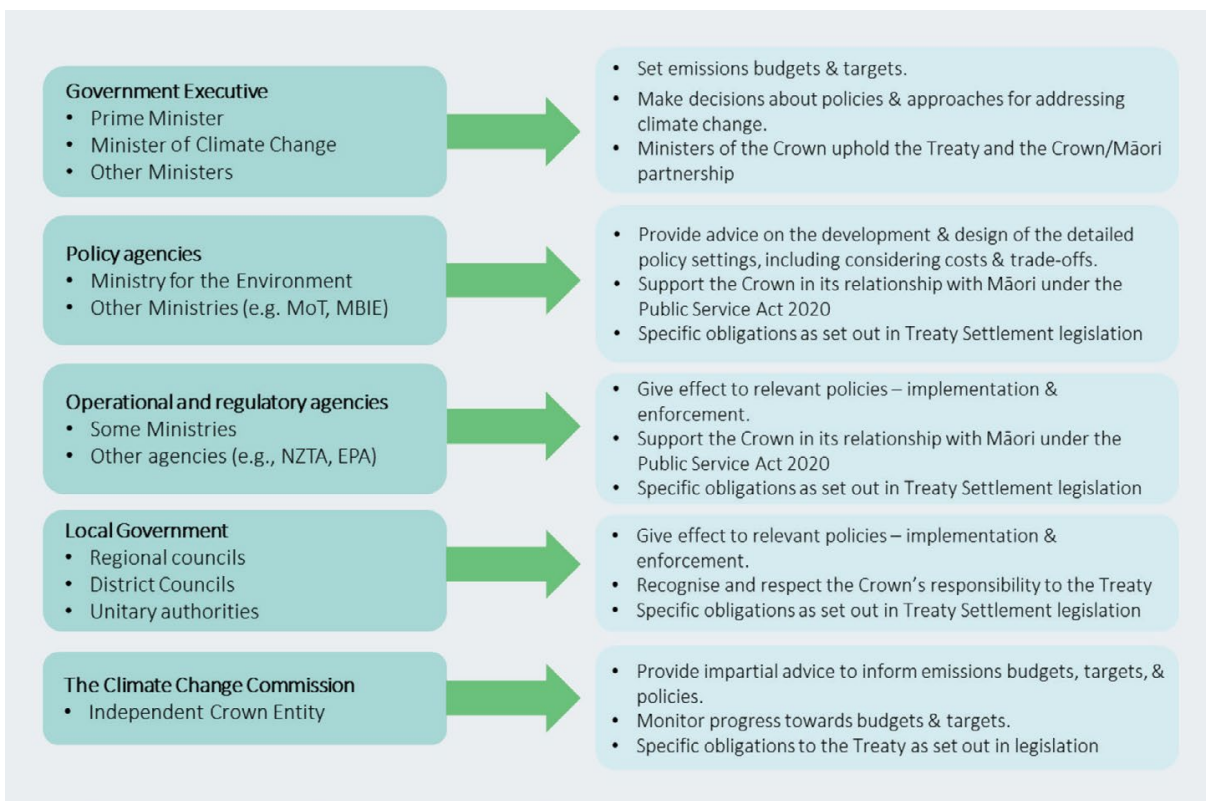


Figure 3.2: Summary of different roles in relation to climate policy

3.2.1 Our role on emissions budgets

- ¹² An emissions budget is the total amount of all greenhouse gases that Aotearoa can emit over a certain period. Emissions budgets must step emissions down to meet the targets in the Act.
- ¹³ The Commission is responsible for advising on the level of emissions budgets, as well as several other matters related to the nature of emissions budgets. Once we hand our advice to the Minister of Climate Change, it is up to the Government to act.
- ¹⁴ Emissions budgets will be set by the Government, and if its budgets differ from our advice it will need to explain the reason for these differences.

3.2.2 Our role on the emissions reduction plan

- ¹⁵ Each emissions budget must be accompanied by an emissions reduction plan, setting out policies and strategies for meeting the budget. The Government is responsible for drafting and implementing the emissions reduction plan. In this way, the Government of the day remains accountable to the electorate for the policy choices it makes.
- ¹⁶ We provide high-level advice about the direction of policy needed to meet emissions budgets. This advice must be considered by the Government when it prepares its emissions reduction plan.
- ¹⁷ It will be government agencies that develop detailed policy advice and implement specific policies. This means it will be government agencies that do the detailed policy design, including examining the trade-offs, risks and benefits associated with different policies and approaches.

3.3 This document contains impartial advice on eight matters

- ¹⁸ Under the Act, there are six specific matters that we must include in our first package of advice to the Government. These centre around recommending emissions budgets that step emissions down to meet our 2050 targets. They include details around what those budgets should look like, and how we think they could be met.
- ¹⁹ We have also been asked by the Minister of Climate Change to provide advice on two additional issues: the eventual reductions needed in biogenic methane emissions, and on the country's Nationally Determined Contribution (NDC). Table 3.1 below outlines where these different pieces of advice can be found in the report.

Table 3.1: Pieces of advice contained in this report

Advice	Where you can find it
The recommended quantity of emissions permitted in each emissions budget period	Chapter 5
The proportions of an emissions budget that will be met by domestic emissions reductions and domestic removals, and the amount by which emissions of each greenhouse gas should be reduced to meet emissions budgets and targets	Chapter 5
The appropriate limit on offshore mitigation that may be used to meet an emissions budget, and an explanation of the circumstances that justify the use of offshore mitigation	Chapter 5
The rules that will apply for measuring progress towards meeting emissions budgets and the 2050 target	Chapter 10
How the emissions budgets, and ultimately the 2050 target, may realistically be met, including by pricing and policy methods	Chapters 5-7, Chapter 11
The direction of the policy required in the emissions reduction plan for that emissions budget period	Chapters 12 - 20
The compatibility of the country's NDC with global efforts to limit warming to 1.5°C	Chapters 21 -22
Eventual reductions needed in biogenic methane emissions	Chapter 23

²⁰ Providing the analysis and advice contained in this document represents a significant amount of work. However, this is only our first package of advice. We have a long-term role and have an important role in the future monitoring progress and providing advice on future emissions budgets and emissions reduction plans.

²¹ There are some important things that are not included in this first package of advice, but which we received a lot of feedback on during public consultation. For example, some submitters called for the Commission to recommend changes to the 2050 emissions reduction targets.

²² However, the Act does not permit us to do this unless there has been a significant change in circumstances that would justify changing these targets since they were set in November 2019.

²³ Although these are not areas covered in this document, they are important areas we will look at in future advice.

3.3.1 We have considered a range of matters in developing our advice

- ²⁴ The Act requires us to consider a range of matters in carrying out our analysis and developing our advice. These are listed in Table 3.2, along with the main chapters where they are addressed – noting that some matters are also touched on, to a lesser extent, in other chapters.
- ²⁵ The matters outlined in section 5M of the Act apply, where relevant, to all the Commission’s work – including any advice requested by the Minister.
- ²⁶ Section 5ZC of the Act outlines considerations specific to emissions budgets. This section must also be applied to the Commission’s advice on the direction of policy for the emissions reduction plan. In some cases, consideration of these matters for emissions budgets flows through to inform advice on policy direction generally. In other cases, we have considered these matters specifically in relation to particular policy issues.
- ²⁷ The list of considerations is long. Our advice cannot be based on a single matter or perspective, it must consider and/or have regard to the whole range of matters contained in the Act, where they are relevant. This has required us to make judgements. How we have gone about making those judgements is outlined in *Chapter 5: Recommended emissions budgets*.

Table 3.2: Matters we are required to consider or have regard to in developing our advice

What we are required to consider	Main areas where you can find it
Section 5M: Matters the Commission must consider, where relevant	
Current available scientific knowledge	<i>Advice Part One: Chapter 9 and throughout</i> <i>Advice Part Two: throughout</i> <i>2021 Supporting Evidence: Chapter 1 and throughout.</i> <i>Technical Report: Climate science considerations of global mitigation pathways and implications for Aotearoa.</i>
Existing technology and anticipated technological developments, including the costs and benefits of early adoption of these in New Zealand	<i>Advice Part One: Chapters 6- 8 and throughout</i> <i>Advice Part Two: Chapters 13-19 and throughout</i> <i>2021 Supporting Evidence: Chapters 5-9 and throughout</i>
Likely economic effects	<i>Advice Part One: Chapter 8</i> <i>Advice Part Two: Chapter 20</i> <i>Advice Part Three: Chapter 22</i> <i>Supporting Evidence: Chapters 15 -16</i>
Social, cultural, environmental, and ecological circumstances, including differences between sectors and regions	<i>Advice Part One: Chapter 8</i> <i>Advice Part Two: Chapters 19-20 and throughout</i> <i>2021 Supporting Evidence: Chapters 16-17</i>
Distribution of benefits, costs, and risks between generations	<i>Advice Part One: Chapter 8</i> <i>Advice Part Two: Chapters 19-20</i> <i>2021 Supporting Evidence: Chapters 15 and 16</i>

The Crown-Māori relationship, te ao Māori, and specific effects on Iwi/Māori	<i>Advice Part One:</i> Chapter 8 and throughout <i>Advice Part Two:</i> Chapter 19 and throughout <i>2021 Supporting Evidence:</i> Chapter 10 and Chapters 15-16
Responses to climate change taken or planned by parties to the Paris Agreement or to the Convention	<i>Advice Part One:</i> Chapter 9 <i>Advice Part Three:</i> Chapters 21-23 <i>2021 Supporting Evidence:</i> Chapter 2
Section 5ZC: Matters relevant to advising on, and setting, emissions budgets (note: this section must also be applied when advising on the emissions reduction plan).	
When preparing advice for the Minister the Commission must:	
5ZC(2)(a): have particular regard to how the emissions budget and 2050 target may realistically be met, including consideration of:	
The key opportunities for emissions reductions and removals in Aotearoa	<i>Advice Part One:</i> Chapters 6-7 <i>Advice Part Two:</i> Chapters 13-19 <i>2021 Supporting Evidence:</i> Chapters 4-9
The principal risks and uncertainties associated with emissions reductions and removals	<i>Advice Part One:</i> Chapters 5-7 <i>Advice Part Two:</i> Throughout <i>2021 Supporting Evidence:</i> Chapters 4-9
5ZC(2)(b): have regard to:	
The emissions and removals of greenhouse gases projected for the emissions budget period	<i>Advice Part One:</i> Chapter 6 <i>2021 Supporting Evidence:</i> Chapter 11
A broad range of domestic and international scientific advice	<i>Advice Part One:</i> Chapter 9 and throughout <i>Advice Part Two:</i> Throughout <i>2021 Supporting Evidence:</i> Chapter 1 and throughout <i>Technical Report:</i> Climate science considerations of global mitigation pathways and implications for Aotearoa
Existing technology and anticipated technological developments, including the costs and benefits of early adoption of these in Aotearoa	<i>Advice Part One:</i> Chapters 6-8 and throughout <i>Advice Part Two:</i> Chapters 13-19 and throughout <i>2021 Supporting Evidence:</i> throughout
The need for emissions budgets that are ambitious but likely to be technically and economically achievable	<i>Advice Part One:</i> Chapters 5 -8 <i>2021 Supporting Evidence:</i> Chapters 4-9, Chapters 11-12 and Chapters 15-16

The results of public consultation on an emissions budget	<i>Advice Part One:</i> Chapter 2 and throughout <i>Advice Part Two:</i> Throughout <i>2021 Supporting Evidence:</i> Consultation front-piece for each part
The likely impact of actions taken to achieve an emissions budget and the 2050 targets, including on the ability to adapt to climate change	<i>Advice Part One:</i> Chapter 8 <i>Advice Part Two:</i> Chapters 19-20 and throughout <i>2021 Supporting Evidence:</i> Chapters 15-17
The distribution of those impacts across the regions and communities of Aotearoa, and from generation to generation	<i>Advice Part One:</i> Chapter 8 <i>Advice Part Two:</i> Chapters 19-20 and throughout <i>2021 Supporting Evidence:</i> Chapters 15-16
Economic circumstances and the likely impact of the Minister's decision on taxation, public spending, and public borrowing	<i>Advice Part One:</i> Chapter 8 <i>Advice Part Two:</i> Throughout <i>2021 Supporting Evidence:</i> Chapter 15
The implications, or potential implications, of land-use change for communities	<i>Advice Part One:</i> Chapter 8 <i>Advice Part Two:</i> Chapter 13 and Chapters 18-20 <i>2021 Supporting Evidence:</i> Chapter 16
Responses to climate change taken or planned by parties to the Paris Agreement or to the Convention	<i>Advice Part One:</i> Chapter 9 <i>2021 Supporting Evidence:</i> Chapter 2
The relevant obligations under international agreements for Aotearoa	<i>Advice Part One:</i> Chapter 9 <i>Supporting Evidence:</i> Chapter 13

²⁸ We have captured these considerations at a high level in the framework in Figure 3.3. This makes explicit the lens we have approached our work through, highlights the key components of the system that we consider in our analysis, and the dimensions across which we consider distributional impacts. See *Chapter 11: Approach to developing advice on policy direction* and *Chapter 12: Policy direction to create an enabling environment for change* for more about our approach to developing our policy advice, and Te Tiriti o Waitangi/The Treaty of Waitangi considerations.



Figure 3.3: The Commission's framework

²⁹ We also included values in our framework to help us to think about the impact of our recommendations on collective wellbeing. We have drawn from He Ara Waiora and tikanga Māori to apply values, which we believe resonate with New Zealanders. In applying these values, we have used the following guidance:

- **Manaakitanga** – approaching our work with a deep ethic of care towards the people and systems involved.
- **Tikanga** – ensuring the right decision makers are involved, and the right decision-making process is implemented.
- To support **Whanaungatanga**, we must be mindful of the relationship between all things, our connections to each other and how we connect to our whenua.
- **Kotahitanga** – taking an inclusive approach and working collaboratively with other agencies/ organisations, to have access to the best information, and to do the best work we can, collectively.

3.4 We have gone through a robust and inclusive process to develop our advice

³⁰ Overall, our approach has been to engage and consult as widely as possible as we have developed our advice. This is central to our role as an independent advisor. It has also been critical to developing our understanding of different views, and for considering the needs, perspectives and concerns of individuals, businesses, industry, communities and others.

- 31 The feedback and perspectives we have received during our consultation have been enormously valuable. We received more than 15,000 submissions during consultation from a wide range of individual New Zealanders, community groups, non-governmental organisations, businesses, industry groups, public agencies, local governments, and others.
- 32 We also engaged widely with Iwi/Māori across the motu through consultation hui and submission feedback, including our 100 Coastie Voices campaign. We applied a range of methods to reach out and connect with Iwi/Māori to gather a broad range of insights for our advice, including engaging with Māori thought leaders, developing case studies with representatives of Māori-collectives, and assessing Iwi Management Plans. See *Chapter 19: Policy direction for an equitable transition for Iwi/Māori*. See also *Chapter 10: Perspectives from Tangata Whenua: Considering emissions reductions and removals Te Ao Māori view from 2021 Supporting Evidence* for more information.
- 33 We have also gathered and analysed data and weighed up evidence from a wide range of credible sources. We have used both quantitative and qualitative tools to guide our analysis, and have tested the quality of our evidence, and refined it along the way.
- 34 The specific approach we have taken to develop the different parts of this advice has been described in each of the relevant parts of this report.

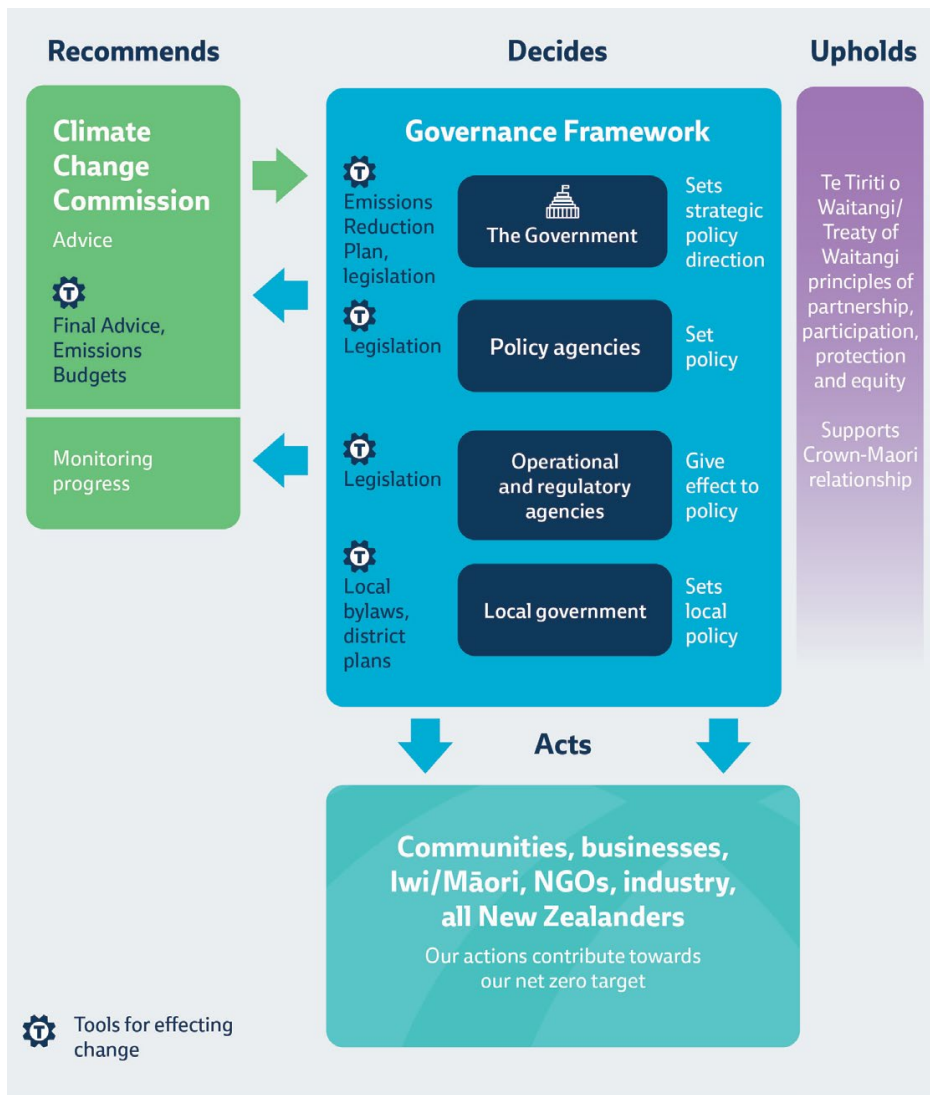


Figure 3.4: The Commission's role in advising government