1 - the pace of change

- Our emissions budgets will chart a course for Aotearoa to meet its 2050 targets.
- We need to make a decision about how fast Aotearoa should transition over the next three 5-year emissions budgets.
- We have proposed emissions budgets that are technically and economically achievable, as well as ambitious.
- We must reduce emissions with pace while allowing the country to continue to grow.
- The transition to a low emissions society needs to be well-signalled, equitable, and inclusive.
- This will help us to maximise the opportunities, minimise disruption and inequalities, and create an enduring result.
- It is essential that the transition is fair and equitable for people and the environment.
- Acting too hastily will result in abrupt and disruptive changes.
- Delaying action risks sharper and more disruptive transition contributing to more severe climate change.
- Planning ahead so infrastructure can be replaced on a natural cycle will help businesses keep up with the transition.

1 - the pace of change continued

The table below shows the emissions budget levels out to 2035. It shows that we are taking gradual, but bold steps to reaching our 2050 targets.

	2018	Emissions budget 1 (2022 – 2025)	Emissions budget 2 (2026 – 2030)	Emissions budget 3 (2031 – 2035)
All gases, net (AR4)		271 Mt CO_2e	286 Mt CO_2e	223 Mt CO_2e
Annual average	69.2 Mt CO_2e	67.7 Mt CO_2e/yr	57.3 Mt CO_2e/yr	44.6 Mt CO_2e/yr
Average reductions on 2018 levels		2%	17%	36%

Do you agree that the emissions budgets we have proposed would put Aotearoa on course to meet the 2050 emissions targets?

2 - future generations

- Climate change is an issue that affects both present and future generations of New Zealanders.
- We propose a path that avoids pushing the cost of meeting the 2050 emissions targets to future generations.
- This means taking actions now to decarbonise the economy and reduce gross emissions.
- Our approach prioritises actions that reduce gross emissions within our borders.
- Relying heavily on forestry will make maintaining net zero long-lived greenhouse gas emissions after 2050 difficult.
- It would delay action, lead to higher cumulative emissions and make the job ahead of us more difficult.
- Our approach aligns closely with a long-term intergenerational view and tiakitanga and manaakitanga.

Do you agree we have struck a fair balance between requiring the current generation to take action, and leaving future generations to do more work to meet the 2050 target and beyond?

3 - our contribution

- The CCR Act 2002 requires emissions budgets be set for the global goal of limiting warming to within 1.5°C.
- At the same time, emissions budgets must be ambitious but achievable and have a focus on domestic actions.
- Aotearoa has signed up to the Paris Agreement and the submission of its Nationally Determined Contribution (NDC).
- Aotearoa has committed to net emissions of 30% below 2005 levels by 2030, after accounting for removals by forestry.
- To meet the NDC, we can reduce our own emissions, plant trees, or support other countries to reduce their emissions.
- The Commission was asked if the first NDC is compatible with limiting global warming to 1.5°C.
- The Commission found that net emissions of 30% from 2005 emissions levels is not compatible with global efforts.
- If Aotearoa is to play its part, the NDC would need reductions of much more than 35% below 2005 levels by 2030.
- **See Chapter 4: Contributing to the global to 1.5°C goal and Chapter 8: The global 1.5°C goal and NDC for Aotearoa for more information.**

3 – our contribution continued

NDC recommendation 1

Compatibility of the NDC with contributing to a global effort towards keeping warming to 1.5°C

We advise that the first NDC is not compatible with Aotearoa making a contribution to global efforts under the Paris Agreement to limit warming to 1.5°C above pre-industrial levels.

NDC recommendation 2

Changes to the NDC to make it compatible with contributing to a global effort towards keeping warming to 1.5°C

a. **We recommend that to make the NDC more likely to be compatible with contributing to global efforts under the Paris Agreement to limit warming to 1.5°C above pre-industrial levels, the contribution Aotearoa makes over the NDC period should reflect a reduction to net emissions of much more than 35% below 2005 gross levels by 2030, with the likelihood of compatibility increasing as the NDC is strengthened further.**

b. **How much the NDC is strengthened beyond 35% should reflect the tolerance for climate and reputational risk and economic impact, and principles for effort sharing, which require political decisions.**

Do you agree with the changes we have suggested to make the NDC compatible with the 1.5°C goal?

4 - role and type of forests

- Reducing emissions from long-lived gases is needed to meet our 2050 targets.
- By 2050, carbon removals by forests should only be used when there are no ways to avoid creating emissions.
- Aotearoa needs a carbon sink to offset residual long-lived gas emissions without ongoing land use conversion.
- This means growing new native forests on less productive land to offset the remaining long-lived gas emissions.
- New native forests sequester carbon and benefits via erosion control, soil health, water quality and biodiversity.
- Pine trees could support a future bioeconomy, as bioenergy to replace fossil fuels and as timber for building.
- Existing forests, small blocks of trees, soils and wetlands can all store more carbon.
- There are concerns that afforestation could have negative impacts on rural communities.
- There is a risk that forests could be used to offset emissions rather than making gross emissions reductions.
- This would make it difficult for Aotearoa to maintain net zero long-lived greenhouse gas emissions beyond 2050.
- This is factored into our emissions budgets analysis in line with our principle to focus on decarbonising the economy.

Do you agree with our approach to meet the 2050 target that prioritises growing new native forests to provide a long-term store of carbon?

5 - policy priorities to reduce emissions

- The Government must develop an emissions reduction plan outlining how it will meet the emissions budgets.
- This includes actions to deliver the first emissions budget, and subsequent emissions budgets and the 2050 targets.
- Policies to reduce emissions should also focus on creating a thriving and climate-resilient Aotearoa.
- We need a comprehensive and mutually reinforcing policies to achieve the deep emissions reductions required.
- Such a package should include three different types of intervention to enable change:
- **Action to address barriers**, such as regulation; Education and support, to help reduce emissions.
- **Emissions pricing and market incentives** to influence investments and choices. (The NZ ETS, taxation or subsidies.)
- **Investments to spur innovation and system transformation**, such as in technology or infrastructure.

What are the most urgent policy interventions needed to help meet our emissions budgets? (Select all that apply)
□ Action to address barriers □ Pricing to influence investments and choices
□ Investment to spur innovation and system transformation □ None of them

6 - technology and behaviour change

- The path we have proposed will need a mix of changing behaviours and adopting new technologies.
- Some changes will be needed to individual, business and organisational behaviours to help meet the budgets.
- Changes to the way we travel – reducing private car use and increasing walking, cycling and public transport.
- Changes to the behaviour of businesses to adopt more energy efficient practices.
- In recommending the first three budgets we have been cautious about how large a change we can expect.
- There is also uncertainty around how fast technology will develop in the next 15 years
- We want to ensure that our emissions budgets can be met under a range of different possible circumstances.
- We have proposed emissions budgets which are achievable using technologies that are available to use today
- And by relying on changes behaviours which we think could reasonably occur over the next 15 years.

Do you think our proposed emissions budgets and path to 2035 are both ambitious and achievable considering the potential for future behaviour and technology changes in the next 15 years?