

# Departmental Disclosure Statement

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## Climate Change Response (2050 Target and Other Matters) Amendment Bill

The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry for the Environment and the Ministry for Primary Industries.

The Ministry for the Environment and the Ministry for Primary Industries certifies that, to the best of their knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

8 December 2025

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## Part One: General Policy Statement

The Climate Change Response (2050 target and Other Matters) Amendment Bill 2025 (the **Bill**) amends several components of the Climate Change Response Act 2002 (the **Act**), including to update the biogenic methane component of the 2050 emissions reduction target (the **2050 target**).

The Bill comes as a result of:

- the Methane Review Panel's review of the biogenic methane target and science (**Methane Science and Target Review**), which provided an evidence-based report on what a methane target (or range) consistent with the principle of 'no additional warming' would look like for New Zealand, from a 2017 base year; and
- The Climate Change Commission's (the **Commission**) legislatively required review of the 2050 target (including the methane target).

The Bill amends the biogenic methane component of the 2050 target (the **methane target**), and several other sections of the Act.

The Bill proposes the following key changes:

- amending the 2050 methane target to 14% to 24% reduction from 2017 levels
- legislating an additional review of the 2050 biogenic methane target in 2040, which must assess the target's relevance and recommend a target for biogenic methane emissions in 2050.
- requiring that the implications for food production be considered by the Commission and the Minister of Climate Change (the **Minister**) as a matter relevant to advising on, and setting, emissions budgets.
- extending the date in the Act by which the fourth emissions budget (for the period 2036 to 2040) must be set by 24 months, to 31 December 2027 as well as other relevant transitional measures.
- removing the requirement that New Zealand Emissions Trading Scheme (**NZ ETS**) unit settings and price control regulations must accord with New Zealand's nationally determined contributions.

### Methane target

The Bill proposes to amend the methane target, providing farmers and exporters with a clear pathway to reduce emissions while maintaining productivity. The change will replace the 2050 biogenic methane target range of a 24% to 47% reduction from 2017 levels with a 14% to 24% reduction from 2017 levels. Other components of the 2050 target will remain in place.

The Methane Science and Target Review found that a 14% to 24% reduction in biogenic methane emissions is consistent with stabilising the warming contribution of New Zealand's biogenic methane emissions at 2017 levels in 2050 in low- to mid-range global emissions scenarios (that is, between 1.5°C and 2.7°C). The mid-range scenario was considered most aligned with the world's current trajectory of emissions reductions.

Ministers' decisions about the proposed target were informed by the findings of the Methane Science and Target Review, the Commission's advice, and advice from officials. The advice considered the contribution of the target to global efforts to limit warming to 1.5°C, alignment with the Government's economic agenda and feasibility of implementation. The proposed target strikes a balance between those objectives and maintains an appropriate contribution to international climate change commitments.

Under the Paris Agreement, New Zealand's international climate change targets are called Nationally Determined Contributions (NDCs). The domestic 2050 target is distinct from but supports achieving the NDCs. To date, New Zealand has set NDC1 for the period 2021-2030, and NDC2 for the period 2031-2035. Both remain unchanged.

### **Legislating review of methane target in 2040**

The Bill introduces an additional review of the methane target in 2040. This review must assess whether the methane target is relevant and recommend a target for the reduction of biogenic methane emissions below 2017 levels. The review must consider:

- The latest science on the warming impact of biogenic methane emissions and what is required to achieve no additional warming from New Zealand's biogenic methane emissions;
- New Zealand's progress in reducing its biogenic methane emissions;
- New Zealand's trading partners' progress in reducing their biogenic methane emissions;
- The progress made and actions taken internationally to reduce biogenic methane emissions in order to meet emissions reduction targets under international treaties and agreements, such as the Paris Agreement;
- Whether the recommended target for the reduction of biogenic methane emissions should be a single percentage target; and
- Any other matters specified by the responsible Minister(s).

The Bill proposes a milestone year of 2040 for the review. This is halfway between the 2 components of the methane target, and should provide time to make changes if necessary. Any future change to the target would need to be agreed to, and implemented by, Parliament through an amendment to the Act.

### **Legislating consideration of food production**

The Bill proposes to require implications, or potential implications, for food production to be considered by the Commission and the Minister as a matter relevant to advising on, and determining, emissions budgets.

The Bill proposes this change to give greater prominence to consideration of implications, or potential implications, for food production in decision-making about emissions budgets. This would sit alongside existing considerations under the Act, such as the implications, or potential implications, of land-use change for communities. In that context "food production" encompasses domestic food production for both consumption and export.

### **Setting of fourth emissions budget and revisions to existing emissions budgets deferred**

The Bill proposes to extend the deadline to set the fourth emissions budget. Emissions budgets act as stepping stones towards the 2050 target by setting legally binding limits on emissions for 5-year budget periods. The budget levels are set in response to advice from the Commission, as required under the Act.

The latest advice the Commission provided to the Government on setting the fourth emissions budget and revising existing budgets was prepared by reference to the 2050 methane target as at December 2024. Therefore, the Bill proposes to extend the date in the Act by which the fourth emissions budget (for the period 2036 to 2040) must be set by 24 months from 31 December 2025 to 31 December 2027 and to require the newly updated target to be considered by the Commission in updated advice.

### **Changes to accordance requirements for NZ ETS settings**

The Bill proposes to remove the requirement for NZ ETS settings to accord with our nationally determined contributions (NDCs) under the Paris Agreement to support the proper functioning of the NZ ETS and because it is more appropriate that the test for the NZ ETS, which is a domestic policy instrument, be focused on alignment with domestic budgets and targets.

The Bill proposes this change as the NDC accordance requirement risks undermining the proper functioning of the NZ ETS. Specifically, this change will reduce the risk of negative impacts that could occur if a future NZ ETS settings decision could not accord with an NDC because of uncertainty in securing sufficient offshore mitigation. Additionally, the requirement is disconnected from the design and capabilities of the NZ ETS and the nature of nationally determined contributions under the Paris Agreement, because the NZ ETS is purely a domestic instrument and currently has no ability to account for, or contribute to, the offshore mitigation component of an NDC.

## Part Two: Background Material and Policy Information

### Published reviews or evaluations

<b>2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?</b>	<b>YES</b>
<ul style="list-style-type: none"> <li>• Methane science and target review, Professor Nicola M Shadbolt, Professor David Frame, Professor William Collins, Associate Professor Laura Revell, Dr Sara Mikaloff-Fletcher (December 2024) is available here - <a href="https://environment.govt.nz/assets/publications/Methane-science-and-target-review.pdf">https://environment.govt.nz/assets/publications/Methane-science-and-target-review.pdf</a></li> <li>• Final report: Review of the 2050 emissions target including whether emissions from international shipping and aviation should be included, Climate Change Commission (November 2024) is available here - <a href="https://www.climatecommission.govt.nz/our-work/advice-to-government-topic/review-of-the-2050-emissions-target/2024-review-of-the-2050-emissions-target/final-report">https://www.climatecommission.govt.nz/our-work/advice-to-government-topic/review-of-the-2050-emissions-target/2024-review-of-the-2050-emissions-target/final-report</a></li> </ul>	

### Relevant international treaties

<b>2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?</b>	<b>NO</b>
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### Regulatory impact analysis

<b>2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?</b>	<b>YES</b>
<p>A Regulatory Impact Statement (RIS) “<i>Updating the 2050 domestic climate change emissions target</i>” was prepared by the Ministry for the Environment and Ministry for Primary Industries in September 2025. Some content in the RIS is redacted under the Official Information Act (1982) provisions including to maintain legal privilege, protect the confidentiality of advice to Ministers, maintain free and frank expression of opinions and to not prejudice New Zealand’s international relations. <a href="https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/ccr-amendment-bill">https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/ccr-amendment-bill</a></p> <p>A Regulatory Impact Statement (RIS) “<i>Proposal to remove NDC accordancy requirement for NZ ETS settings</i>” was prepared by the Ministry for the Environment in August 2025. Some content in the RIS is redacted under the Official Information Act (1982) provisions including to maintain legal privilege. <a href="https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/policy-decisions-for-a-climate-change-response-amendment-bill/">https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/policy-decisions-for-a-climate-change-response-amendment-bill/</a></p>	

<b>2.3.1. If so, did the Ministry for Regulation provide an independent opinion on the quality of any of these regulatory impact statements?</b>	<b>YES</b>
<p>The RIS “<i>Updating the 2050 domestic climate change emissions target</i>” was assessed by a panel from the Ministry for the Environment, Ministry for Primary Industries, Ministry for Regulation – the RIS met the quality assurance criteria on 27 August 2025.</p> <p>The RIS “<i>Proposal to remove NDC accordancy requirement for NZ ETS settings</i>” was assessed by a panel from the Ministry for the Environment – the RIS partially met the quality assurance criteria on 21 July 2025.</p>	

<b>2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?</b>	<b>YES</b>
Two proposed amendments, relating to recognising food production and the 2040 review of the biogenic methane target were not covered by the RIS. Cabinet delegated authority to the Minister of Agriculture and the Minister of Climate Change to agree on proposals for these two specific issues. Ministers received advice on the impact of these proposals.	

### Extent of impact analysis available

<b>2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?</b>	<b>NO</b>
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<b>2.5. For the policy to be given effect by this Bill, is there analysis available on:</b>	
<b>(a) the size of the potential costs and benefits?</b>	<b>YES</b>
<b>(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?</b>	<b>YES</b>
Pages 60 – 65 of the RIS “ <i>Updating the 2050 domestic climate change emissions target</i> ” includes a cost-benefit analysis of the proposed amendment to the biogenic methane target, including information on affected groups.	
Page 8 of the RIS “ <i>Proposal to remove NDC accordance requirement for NZ ETS settings</i> ” includes a high-level cost-benefit analysis of the proposed removal of the NDC accordance requirement.	

<b>2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:</b>	
<b>(a) the level of effective compliance or non-compliance with applicable obligations or standards?</b>	<b>NO</b>
<b>(b) the nature and level of regulator effort put into encouraging or securing compliance?</b>	<b>NO</b>
The updated 2050 target in the Bill will be implemented through subsequent decisions under the Climate Change Response Act 2002 in relation to emissions budgets, emissions trading scheme settings and emissions reduction plans. We do not anticipate challenges with regulatory compliance in relation to these decisions.	

## Part Three: Testing of Legislative Content

### Consistency with New Zealand's international obligations

#### **3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?**

Consistency with New Zealand's international obligations was considered as part of policy development and regulatory impact analysis. Officials have consulted with the Ministry of Foreign Affairs and Trade throughout the policy process.

### Consistency with the government's Treaty of Waitangi obligations

#### **3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?**

##### *2050 target proposal*

Regulatory impact analysis for the proposal considered Treaty of Waitangi issues and the impact on Māori. The primary industries (agriculture, forestry and fishing) make up a significant part of the Māori economy, with an estimated asset base of \$39 billion (with an estimated total asset base worth NZ\$126 billion and an estimated contribution). The concentration of collectively held Māori assets in the agriculture and forestry sectors means climate change policies are likely to disproportionately impact Māori. This is due to the higher asset exposure to forestry, higher proportion of ownership of lower-quality land, barriers in obtaining capital due to the inability to use land as collateral, variations in ownership structures, and greater representation in lower-income groups making it harder to absorb rising costs.

Public consultation was not undertaken for the proposed amendments (2050 target, emissions budget four and 2025 ETS settings, 2040 review of the 2050 target and recognition of food production). There has been previous engagement with the iwi/Māori on the Climate Change Response (Zero Carbon) Amendment Act 2019, first and second emissions reduction plans and NZ ETS legislation and the Climate Change Commission's consultation on its review of the 2050 target. Feedback from these has informed analysis on potential impacts on iwi / Māori of the 2050 target- this is outlined in pages 51 – 56 of the RIS "Updating the 2050 domestic climate change emissions target"

##### *NDC accordancy proposal*

Public consultation was not undertaken for removal of the NDC accordancy requirement for NZ ETS settings. However, the decision to remove the NDC accordancy will impact Māori through the impact on ETS settings decisions. There was engagement with iwi/Māori as part of the 2025 ETS settings consultation, which also outlines possible impacts of settings decisions. The following Māori interests are likely to be affected by settings decisions in general:

- income through plantation forestry on Māori land included in the NZ ETS
- costs related to obligations under the NZ ETS when considering land-use change
- business profits and jobs that rely on earnings from NZUs
- higher living costs that affect Māori households and whānau – particularly those who are disproportionately represented in lower-income groups.

The removal of the NDC accordancy is expected to enhance the stability of future ETS settings decisions, making the impacts on Māori more predictable and manageable.

## Consistency with the New Zealand Bill of Rights Act 1990

<b>3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?</b>	<b>YES</b>
The Bill does not limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990.	

## Offences, penalties and court jurisdictions

<b>3.4. Does this Bill create, amend, or remove:</b>	
<b>(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?</b>	<b>NO</b>
<b>(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?</b>	<b>NO</b>

## Privacy issues

<b>3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?</b>	<b>NO</b>
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## External consultation

<b>3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?</b>	<b>NO</b>
Public consultation was not undertaken for the proposed amendments in the Bill. There has been previous engagement with the public and iwi/Māori on the Climate Change Response (Zero Carbon) Amendment Act 2019, first and second emissions reduction plans, NZ ETS legislation and the Climate Change Commission's consultation on its review of the 2050 target. Feedback from these engagements are included in pages 26 – 29 of the <i>“Regulatory Impact Statement: Updating the 2050 domestic climate change emissions target”</i>	
There has been no external consultation on the removal of the NDC accordancy requirement for ETS settings.	

## Other testing of proposals

<b>3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?</b>	<b>NO</b>
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## Part Four: Significant Legislative Features

### Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	NO
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### Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	NO
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### Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	NO
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### Strict liability or reversal of the usual burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	NO
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	NO

### Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	NO
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### Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	NO
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## Powers to make delegated legislation

<b>4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?</b>	<b>NO</b>
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<b>4.8. Does this Bill create or amend any other powers to make delegated legislation?</b>	<b>YES</b>
<p>The removal of the NDC accordance requirement involves amendments to s30GB and s30GC of the CCRA, amending the Minister's delegated power to make regulations that prescribe ETS auction unit limits and price controls. This change means that the Minister is no longer required to be satisfied that the limits and price control settings are in accordance with the nationally determined contributions for New Zealand under the Paris Agreement. The Minister's power to make regulations on ETS auction unit limits and price controls is still constrained by the requirement to accord with New Zealand's emissions budgets and the 2050 target. Other existing safeguards will continue to apply, including the requirement to obtain and consider the advice of the Climate Change Commission and undertake consultation.</p>	

## Any other unusual provisions or features

<b>4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?</b>	<b>NO</b>
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