



# A Zero Carbon Act for New Zealand: *Revisting Stepping stones to Paris and beyond*

## Frequently Asked Questions

### What is this report about?

This report contains detailed advice to Parliament on plans for a UK-style Zero Carbon Act and independent Climate Commission. It follows on from the *Stepping stones to Paris and beyond: Climate change, progress, and predictability report* released by the previous Commissioner, Dr Jan Wright, in July last year.

### Why did the Commissioner decide to undertake this investigation?

The Government has committed to enacting a Zero Carbon Act and establishing an independent Climate Commission. The Commissioner considered that more detailed advice could assist the enactment of a law designed to underwrite policy consistency and predictability over multiple electoral cycles.

### What were the report's main findings?

The report confirms that the UK model provides a sound basis for creating an independent Climate Commission, but stresses that it must be designed with the particular circumstances of the New Zealand context in mind.

### What are the key elements of a UK-style Climate Act?

There are four key elements to a UK-style Climate Act:

1. A clearly defined target or targets in the Act.
2. An independent expert body to provide objective analysis and advice.
3. Carbon budgets, enacted by Parliament, as 'stepping stones' to targets and set about 15 years in advance to provide investors, businesses and individuals with a predictable future emissions pathway.
4. A transparent process requiring the Government to respond to the advice of the Climate Commission and bring forward policies to meet budgets and targets.

### Will the UK model work in New Zealand?

While there are many constitutional similarities between our two countries, there are also significant differences in our economies and their emissions profiles. Provided these are taken into account, there is no reason that the UK model cannot be tailored and made to work in New Zealand.

### Should the different greenhouse gases be dealt with separately?

The Commissioner believes that setting separate targets for the different greenhouse gases is an option that should be considered by the new Climate Commission. However, he has stressed that the question of targets should not be confused with the policy measures – such as the ETS – imposed to reach those targets.

### **What does this mean for greenhouse gas emissions from agriculture?**

Greenhouse gases from agriculture – methane and nitrous oxide – make up about half of New Zealand’s emissions profile. Just as carbon dioxide emissions from New Zealand are increasing, so too are the emissions of methane and nitrous oxide. This cannot continue. All sectors will need to play their part to reverse these upward trends.

### **Would the Zero Carbon Act replace the Emissions Trading Scheme?**

No. A Zero Carbon Act, based on the UK Climate Change Act, should be designed to put in place a process for meeting carbon budgets and targets. Such a process should require the Government to spell out the policy measures and settings it will adopt to meet those budgets. The Emissions Trading Scheme is one example of a policy tool at the Government’s disposal, another is the Electric Vehicle Policy.

### **Should the proposed Climate Commission set carbon budgets?**

The Commissioner has recommended that the Climate Commission should play an advisory role in proposing carbon budgets. It is important for the Government to legislate for the carbon budgets and implement the policies that will be needed to meet those budgets. Like fiscal budgets, decisions on carbon budgets will have social and economic impacts and therefore require political accountability. The same is true for policy actions. These decisions should not be left to an unelected body.

### **Should adaptation be included in the Zero Carbon Act?**

The Commissioner has recommended that adaptation should be included in the Zero Carbon Act. This should include a process for carrying out regular national-level risk assessments and national adaptation strategy planning. However, whether the proposed Climate Commission should have a role in these is an open question.