



PROACTIVE RELEASE COVERSHEET

Ministers	Hon Simon Watts Hon Todd McClay	Portfolio	Climate Change Agriculture
Name of package	Methane Science and Targets Review	Date to be published	

List of documents that have been proactively released

Date	Title	Author
21 March 2024	Briefing: BRF-4449/Sub24-0037 – Approval to lodge: Announcing the methane science and target review	Ministry for the Environment & Ministry for Primary Industries
21 March 2024	Cabinet Paper: Announcing the methane science and target review	Ministry for the Environment & Ministry for Primary Industries
27 March 2024	ECO-24-MIN-0042 – Cabinet Economic Policy Committee Minute of Decision	Cabinet Office
2 April 2024	CAB-24-MIN-0109 – Cabinet Minute of Decision	Cabinet Office
23 May 2024	Briefing: Approval to lodge: Initiating the methane science and target review	Ministry for the Environment & Ministry for Primary Industries
23 May 2024	Cabinet Paper: Initiating the methane science and target review	Ministry for the Environment & Ministry for Primary Industries
29 May 2024	ECO-24-MIN-0096 – Cabinet Economic Policy Committee Minute of Decision	Cabinet Office
4 June 2024	CAB-24-MIN-0195 – Cabinet Minute of Decision	Cabinet Office
13 June 2024	Cabinet Paper: Methane Science and Target Review Panel: Appointment	Ministry for the Environment & Ministry for Primary Industries
18 June 2024	APH-24-MIN-0111 – Cabinet Appointments and Honours Committee Minute of Decision	Cabinet Office
21 June 2024	CAB-24-MIN-0215 – Cabinet Minute of Decision	Cabinet Office

Information redacted**YES**

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982 (the OIA). Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

Some information has been withheld under the following sections of the OIA:

- 9(2)(a) to protect the privacy of natural persons
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty.

Out of scope

In Confidence

Office of the Minister of Agriculture
Office of the Minister of Climate Change

Chair, Cabinet Economic Policy Committee

Announcing the Methane Science and Target Review

Proposal

- 1 We propose to publicly announce a review of the methane science and biogenic methane target for consistency with no additional warming from agricultural methane emissions.

Relation to Government priorities

- 2 This supports the National - ACT coalition agreement commitment to “maintain a split-gas approach to methane and carbon dioxide through to 2050 and review the methane science and targets in 2024 for consistency with no additional warming from agricultural methane emissions”.

Background

- 3 In 2019, the Climate Change Response Act 2002 (CCRA) was amended to set New Zealand’s domestic climate change targets for 2050. These targets are split by greenhouse gas type, with a separate target for biogenic methane¹ reduction and a net zero goal for all other greenhouse gases.
- 4 The legislated target requires that “emissions of biogenic methane in a calendar year” are:
 - 4.1 ten percent less than 2017 emissions by the year beginning 1 January 2030; and
 - 4.2 24 to 47 percent less than 2017 emissions by the calendar year on 1 January 2050 and for each subsequent year.²
- 5 This year the Climate Change Commission (the Commission) is undertaking a review of the 2050 targets (including biogenic methane targets as required by the CCRA).
- 6 The Commission will:
 - 6.1 launch public consultation on its review of the 2050 target on 8 April 2024; and
 - 6.2 provide its final advice to the Minister of Climate Change by 31 December 2024.

¹ Under the CCRA, biogenic methane is defined as all methane greenhouse gases produced from the agriculture and waste sectors (as reported in the New Zealand Greenhouse Gas Inventory). The agriculture sector produces approximately 91 percent of gross annual biogenic methane emissions in New Zealand. The remaining 9 percent is from the waste sector.

² The 2050 target was set to reflect the Intergovernmental Panel on Climate Change’s special report which found that in scenarios limiting warming to 1.5 degrees with limited or no overshoot, the central range of reductions in global agricultural methane emissions is 24-47 percent below 2010 levels. A range was set, to reflect the uncertainty on actual reduction required from a short-lived gas to meet the 1.5 degrees temperature goal.

- 7 Due to the Commission's independence, we do not know to what extent no-additional warming and review of the methane science will feature in its draft advice. The CCRA also requires that the Commission can only recommend a change to the 2050 target if a significant change has occurred, or is likely to occur, in particular areas that relate to climate change for example global action.³
- 8 This is why it is important that we initiate an independent review of the methane science and target for consistency with no additional warming. Our trade partners, the international community and New Zealanders expect the agriculture sector to contribute to our climate change targets. However, we need to ensure that:
 - 8.1 the agriculture sector's contribution to our climate change targets is fair and appropriate compared to other parts of the economy; and
 - 8.2 any domestic efforts to bring down emissions support our farmers to continue to lead in producing carbon-efficient products and does not lead to higher emissions in other parts of the world.
- 9 The Government will need to respond to the Commission's review of the 2050 target next year. This review we are undertaking will inform that response.
- 10 The biogenic methane targets are part of a series of interrelated emissions budgets and targets. Any future decisions on the biogenic methane components of the 2050 target are likely to have implications for the wider economy and broader Ministerial portfolios.

Analysis

- 11 We have been clear in our commitment to maintain a split-gas approach to our domestic climate change targets, and to review the methane science and targets for consistency with no additional warming from agricultural methane emissions.
- 12 To do this, we intend to undertake a Methane Science and Target Review (Review) and establish an independent Ministerial advisory panel (Panel) to:
 - 12.1 review the methane science; and
 - 12.2 provide evidence-based advice on what our domestic 2050 methane target should be to ensure no additional warming from biogenic methane.
- 13 We propose to undertake a two-step process for announcing the Review and establishing the Panel:
 - 13.1 By 8 April 2024: Publicly announce the Review will be undertaken, and that a Panel will be established; and
 - 13.2 May 2024: Seek Cabinet's approval to initiate the Review and establish the Panel – this will include a clear scope of the Review, the terms of reference, appointees and any other relevant considerations.

³ Section 5T(2)(a) of the CCRA lists the following areas that would require significant change in order for the Commission to recommend a change to the target: (i) Global action; (ii) scientific understanding of climate change; (iii) New Zealand's economic or fiscal circumstances; (iv) New Zealand's obligations under relevant international agreements; (v) technological developments; (vi) distributional impacts; (vii) equity implications (including generational equity); (viii) the principal risks and uncertainties associated with emissions reductions and removals; (ix) social, cultural, environmental, and ecological circumstances.

- 14 We intend to publicly announce the Review by 8 April to align with the release of the Commission's public consultation on its draft advice noted in paragraph 5. Doing this will reiterate to the public and stakeholders that the Government is following through on our commitment to conduct an independent review of our biogenic methane targets for consistency with no additional warming.
- 15 Initiating the Review will also help us build a stronger common understanding on an up-to-date view of the methane science. This is an integral step to building the foundation for reviewing our biogenic methane target. It is therefore important that the Review is independent, has a robust process and has credible members on the Panel to provide confidence in the outputs.
- 16 Following our announcement of the Review, the next steps for approving the initiation of the Review and establishing the Panel are outlined below:

Activity	Timeframe
ECO Cabinet Committee and Cabinet consideration of Methane Science and Targets Review terms of reference and establishment of Panel	May 2024
APH and Cabinet approval of Panel members	May 2024
Initiate the Review	Q2 2024
Expected completion of the Review, including a current view of the methane science and advice on a methane reduction target/s in line with no additional warming.	Q3 2024

Cost-of-living, Financial, Population, Legislative, Implications and Human Rights

- 17 We are not proposing any policy changes. Cost-of-living, financial, population, legislative implications and Human Rights can be assessed as part of any future policy work following the Panel's findings.
- 18 Any future decisions on amending the biogenic methane target will likely require amendments to the CCRA (and interrelated emissions budgets and targets) and will have implications for the wider economy and broader Ministerial portfolios.

Impact Analysis

- 19 We are not proposing any policy changes. A Regulatory Impact Statement and Climate Implications of Policy Assessment will need to be undertaken as part of any future policy work following the Panel's findings.

Use of external Resources

- 20 No external resources were used in developing this proposal.

Consultation

- 21 The following agencies were briefly consulted on the Cabinet paper - Te Arawhiti, Ministry of Business, Innovation and Employment, Te Puni Kōkiri, The Treasury,

Department of the Prime Minister and Cabinet, Ministry of Transport, Public Service Commission and the Ministry of Foreign Affairs and Trade.

Communications

- 22 We propose to publicly announce this Review by 8 April 2024. The decision will be announced via a joint Ministerial media release.
- 23 We will likely need to manage communications around our intentions of this review process when the announcement is made. We will ensure appropriate communications are provided to manage this risk, including risks to priority relationships and foreign and trade policy objectives.
- 24 The Review's terms of reference will need to ensure the process is transparent and accessible given the high public interest in this topic.

Proactive Release

- 25 Following Cabinet's consideration, we will consider the release of this paper on the Ministry for Primary Industries website in whole or in part, subject to appropriate redactions under the Official Information Act 1982.

Recommendations

The Minister of Agriculture and Minister of Climate Change recommend that the Committee:

- 1 **Note** the National - ACT coalition agreement includes a commitment to “*Maintain a split-gas approach to methane and carbon dioxide through to 2050 and review the methane science and targets in 2024 for consistency with no additional warming from agricultural methane emissions*”.
- 2 **Note** that the Minister of Agriculture and Minister of Climate Change propose to undertake a Methane Science and Target Review (Review) and establish an independent Ministerial advisory panel (Panel) to:
 - 2.1 review the methane science; and
 - 2.2 provide evidence-based advice on what the 2050 biogenic methane target should be to ensure no additional warming from biogenic methane.
- 3 **Note** the Minister of Agriculture and Minister of Climate Change will progress a two-step process for announcing the Review, and then establishing the Panel and initiating the Review:
 - 3.1 by 8 April 2024: Publicly announce the Review will be progressed, and an independent Panel will be established; and
 - 3.2 May 2024: Seek Cabinet’s approval to initiate the Review and establish the Panel – this will include a clear scope of the Review, the terms of reference, appointees and any other relevant considerations.
- 4 **Note** that as the biogenic methane targets are part of a series of interrelated emissions budgets and targets, any future decisions on the biogenic methane components of the 2050 target are likely to have implications for the wider economy and broader Ministerial portfolios.

Authorised for lodgement

Hon Todd McClay
Minister of Agriculture

Hon Simon Watts
Minister of Climate Change