



## PROACTIVE RELEASE COVERSHEET

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

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
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 Climate Change  
Office of the Minister of Agriculture

Chair, Cabinet Economic Policy Committee

**Initiating the Methane Science and Target Review**

**Proposal**

- 1 We propose to initiate a review of the methane science and biogenic methane target for no additional warming.

**Relation to Government priorities**

- 2 Our proposal supports:
  - 2.1. the New Zealand National Party and ACT New Zealand coalition agreement commitment to “maintain a split-gas approach to methane and carbon dioxide through to 2050 and review the methane science and target in 2024 for consistency with no additional warming from agricultural methane emissions”; and
  - 2.2. Action 13 of the Coalition Government’s Action Plan for New Zealand from 1 April to 30 June 2024 to “Commence an independent review of the methane science and target for consistency with no additional warming from agricultural methane emissions”.

**Background**

- 3 On 2 April 2024, we informed Cabinet of our approach to undertake a review of New Zealand’s 2050 biogenic methane science and target for consistency with no additional warming (the Review), including advice on what the target should be to ensure no additional warming for biogenic methane [CAB-24-MIN-0109 refers]<sup>1</sup>.
- 4 We also informed Cabinet that the Review will be conducted by an independent Panel (the Panel) who will:
  - 4.1. review the methane science; and
  - 4.2. provide evidence-based advice on what the 2050 biogenic methane target should be to ensure no additional warming from biogenic methane.

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<sup>1</sup> In 2019, the Climate Change Response Act 2002 (CCRA) was amended to set New Zealand’s domestic climate change target for 2050. New Zealand has a separate target for biogenic methane, which includes:

- a) ten percent less than 2017 emissions by the year beginning 1 January 2030; and
- b) 24 to 47 percent less than 2017 emissions by the calendar year on 1 January 2050 and for each subsequent year.

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- 5 On 8 April 2024, the Climate Change Commission (The Commission) commenced public consultation on their first review of the 2050 emissions target. The Commission aims to provide the Government with final advice by 31 December 2024. The Government will need to respond to the Commission's review within 12 months.
- 6 While the Review will focus on the science of the warming effects of methane, it will help us to make informed future decisions on agriculture climate change policy that meet our objectives. Our objectives include to:
  - 6.1. provide clear direction to the agriculture sector and certainty on the agriculture sector's role in meeting our 2050 climate change targets, particularly as our current 2050 biogenic methane target provides less certainty due to its wide range;
  - 6.2. ensure that the agriculture sector's contribution to our climate change target is fair and appropriate compared to other parts of the economy; and
  - 6.3. ensure that any domestic efforts to reduce emissions support our farmers to continue to lead in producing emissions-efficient products and does not lead to higher emissions in other parts of the world.
- 7 The biogenic methane target is part of a series of interrelated emissions budgets and targets<sup>2</sup>. This includes Target 9 of the Government's Targets to be delivered by 2030 – reduced net greenhouse gas emissions.<sup>3</sup> Any future decisions on the biogenic methane components of the 2050 target are likely to have implications for the wider economy and other Ministerial portfolios.

## Analysis

### *Terms of Reference for the Review and selection of the Panel*

- 8 We seek agreement to the draft Terms of Reference (ToR) (**Appendix One**) that includes details on the Review's scope, context, working approach and operational requirements for the Panel.
- 9 The Panel will provide a report to Ministers that summarises the most up-to-date science regarding methane and its warming impact. It will be tailored to recognise New Zealand's methane emissions profile. It will provide additional information that can support our response to the Climate Change Commission's recommendations. The Report will be shared publicly.
- 10 A Panel of three to five scientific experts in relevant fields, with an independent chair, will be set up to carry out the review between July and November 2024. The Panel will consult the existing literature and engage with experts and interested parties as part of their process.

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<sup>2</sup> New Zealand's emissions budgets and its international target under the Paris Agreement (Nationally Determined Contribution - NDC) are all gas/all sector targets. Reducing the contribution from a particular greenhouse gas from one sector would require an increase in emissions reductions in other sectors to meet the NDC.

<sup>3</sup> Target 9 of the Government's targets to be delivered by 2030 is based on emissions budgets 1 and 2, which were set as stepping stones to the 2050 target.

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- 11 The Panel will not make any conclusions or recommendations that go beyond performing the scientific review and providing the evidence-base on what a target should be to ensure no additional warming. For example, the report will not cover advice on what the implications of a biogenic methane target consistent with no additional warming would be on New Zealand's broader climate policies and other domestic targets and budgets.
- 12 We propose to seek further feedback from short-listed candidates on the ToR following this paper.<sup>4</sup> This will allow them to provide input on the ToR before they undertake the Review.
- 13 The draft ToR does not identify a baseline year from which the government seeks to achieve a state of no additional warming from biogenic methane. A baseline year is necessary for the Panel to calculate the level of emissions reductions required to achieve a state of "no additional warming".
- 14 We propose that we (the Ministers of Climate Change and Agriculture), alongside our Associate Climate Change and Agriculture Ministers, have delegated authority to finalise the ToR, including the baseline year for no additional warming target. This will follow feedback from short-listed candidates, in consultation with relevant Ministers. We will ensure that the ToR are finalised by 24 June.
- 15 We propose that the Panel members and chair are considered by the Cabinet Appointment and Honours (APH) Committee on 18 June and approved by Cabinet on 24 June. We have outlined the nomination and appointment process we have undertaken to date for the Panel members and chair in Appendix Two.

### *Relationship to the Climate Change Commission's advice and other government policy*

- 16 Determining an appropriate domestic target for New Zealand is not solely a question of science but a judgement for the Government based on a range of considerations including equity, responsibility, cost, and economy wide opportunities for emissions reductions.
- 17 Following the Review, and after the Commission provides its final recommendations to the Government, officials will provide advice on the findings of both processes, including the full set of considerations relevant to setting domestic targets.<sup>5</sup>

### *International considerations*

- 18 At COP28 countries recognised that global efforts to tackle climate change are not on track to limit warming to the 1.5-degree target in the Paris Agreement.

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<sup>4</sup> Note, interested Panel Candidates have signed a confidentiality agreement prior to receiving information on the Review. Candidates received a draft copy of the ToR as part of the selection process.

<sup>5</sup> For example, what is a fair and appropriate contribution of the agriculture sector towards New Zealand's climate efforts.

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Fellow signatories to the Global Methane Pledge<sup>6</sup> are likely to pay close attention to any changes to New Zealand's biogenic methane target.

### Cost-of-living, Population and Human Rights Implications

- 19 We are not proposing any policy changes. Cost-of-living, population and Human Rights implications can be assessed as part of any future policy work following the Panel's findings.

### Legislative implications

- 20 Any future decisions on amending the biogenic methane target would require amendments to the CCRA (and interrelated emissions budgets and targets, including Target 9) and will have implications for the wider economy and broader Ministerial portfolios.

### Financial Implications

- 20 No new funding will be sought for the Review Panel. Panel remuneration will be through the Ministry for the Environment (MfE) and the Ministry for Primary Industries (MPI) departmental Financial Year 24/25 funding. Work by the Panel will be undertaken remotely with minimal additional expenses, such as travel and accommodation, forecast. Panel secretariat support will be provided by existing agency resources.

### Impact Analysis

- 21 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, as required.

### Use of external resources

- 22 No external resources have been used to support work to begin the Review and establishing a Panel.

### Consultation

- 23 The following agencies were consulted on the Cabinet paper – Office for Māori Crown Relations - Te Arawhiti, Ministry of Business, Innovation and Employment, Te Puni Kōkiri, The Treasury, Ministry of Transport, Public Service Commission, the Department of Conservation, Ministry of Foreign Affairs and Trade, and the Department of the Prime Minister and Cabinet.

### Communications

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<sup>6</sup> This United States of America and European Union-led initiative has 155 signatories including New Zealand. Participants joining the Pledge agree to take voluntary actions to contribute to a collective effort to reduce global methane emissions at least 30 percent from 2020 levels by 2030. This is a global, not a national, reduction target.

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- 24 We propose to announce the commencement of the Review, alongside Associate Agriculture Ministers, following APH approval of the Panel Members. We expect this announcement will happen before 30 June 2024.

### **Proactive Release**

- 25 Following Cabinet's consideration, we will consider the release of this paper on the MfE website subject to appropriate redactions under the Official Information Act 1982.

## Recommendations

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

1. **Note** that on 2 April, the Ministers of Agriculture and Climate Change informed Cabinet of their approach to undertake a methane science and target review (the Review) and establish an independent Review Panel (the Panel) to [CAB-24-MIN-0109 refers]:
  - 1.1 review the methane science; and
  - 1.2 provide evidence-based advice on what the 2050 biogenic methane target should be to ensure no additional warming from biogenic methane.
2. **Note** that Action 13 of the Government's Action Plan for New Zealand from 1 April to 30 June commits to "commence an independent review of the methane science and target for consistency with no additional warming from agricultural methane emissions".
3. **Agree** to the draft Terms of Reference (**Appendix One**), which details the scope, context, working approach, and operational requirements of the Panel.
4. **Note** the short listed candidates will provide further feedback on the Terms of Reference.
5. **Note** officials will provide advice on the baseline to inform the final Terms of Reference.
6. **Agree** that the Ministers of Climate Change and Agriculture, and the Associate Agriculture and Climate Change Ministers, have delegated authority to finalise the terms of reference, including the baseline year (not inconsistent with prior Cabinet decisions and in consultation with relevant Ministers) following any feedback from short-listed candidates, by no later than 24 June.
5. **Note** the Minister of Climate Change and the Minister of Agriculture are currently engaging with Ministerial colleagues on the list of Panel candidates.
6. **Note** that, following Ministerial consultation, the Minister of Climate Change and the Minister of Agriculture will seek approval of the Panel membership from the Cabinet Appointments and Honours Committee on the 18 June and by Cabinet on the 24 June 2024.
7. **Agree** that this Review will commence from 30 June 2024.

[Authorised for Lodgement]

Hon Todd McClay  
Minister of Agriculture

Hon Simon Watts  
Minister of Climate Change











## Appendix Two: Appointment process for the potential Panel members

- 1 Given the scope and output we seek from the Panel throughout the Review, we have determined the Panel should be made up of three to five Panel members including a chair.
- 2 To support a robust and independent process, officials identified individuals from New Zealand and overseas that would support a range of the following expertise and knowledge:
  - a) climate science – including climate modelling and the warming impact of short and long-lived greenhouse gases;
  - b) New Zealand’s greenhouse gas emissions, particularly biogenic methane from the agricultural sector;
  - c) understanding of New Zealand’s climate change targets and budgets under the Climate Change Response Act.
- 3 Officials then narrowed down the potential candidates based on the following selection criteria:
  - a) knowledge – qualification, technical/policy knowledge and sector knowledge/context;
  - b) skills / capabilities – credibility and experience within the science, strategic/cultural/mātauranga Māori perspective; and
  - c) expertise – networks and affiliations, and contribution to science panels and/or papers.
- 4 The list of potential candidates was then approved by Ministers for contact by officials to determine expressions of interest and availability.
- 5 Coalition partners and other relevant Ministers were consulted on the list of candidates as per the National, ACT and New Zealand First Coalition Government: Consultation and Operating Arrangements.
- 6 To assist with the management of the Panel, we will also propose including an independent chair with governance experience and the ability to ensure balanced views are brought forward from across the Panellists.
- 7 The final Panel membership and chair will be decided by Ministers and confirmed at the Cabinet Appointments and Honour Committee before 30 June 2024.