Ministry for Cities, Environment, Regions & Transport

Climate Change Response Amendment Bill

Supporting the Efficiency of Aotearoa New Zealand's Climate Change Law

The Government is introducing a bill to amend Aotearoa New Zealand's key climate change law, the Climate Change Response Act 2002 (CCRA).

The Climate Change Response Amendment Bill (the Bill) introduces a number of changes to reduce duplicative or complex requirements in the CCRA.

At a glance: The Climate Change Response Amendment Bill

This Bill amends the CCRA. The CCRA is the legislation that sets out a range of legal requirements to help New Zealand transition to a low-emissions economy and prepare for the impacts of climate change. The Government announced the changes to the CCRA covered by this Bill in 2025.

The Bill makes changes to several different aspects of the CCRA. This includes:

- introducing a **new requirement for local councils to undertake adaptation planning**
- supporting the **effective functioning of the New Zealand Emissions Trading Scheme (ETS),** including **making changes needed to enable the introduction of new eligible activities** and **strengthening secondary market governance**
- **amending complex or duplicative requirements in the CCRA.**

The Government is not changing the fundamental mechanisms of the CCRA. The core elements of the Zero Carbon Framework established under the CCRA remain in place.

The Government is still required to meet New Zealand's 2050 target, with appropriate checks and balances for climate policy including the independent advice of He Pou a Rangi Climate Change Commission (the Commission).

This publication is one of a series of factsheets on the Bill. For more information, please see our other factsheets:

- Climate Change Adaptation Planning
- Information for New Zealand Emissions Trading Scheme Compliance and Market Participants.

The Zero Carbon Framework

In 2019 the Government amended the CCRA to create the Zero Carbon Framework, designed to support the development and implementation of climate change policies to achieve our long-term emissions reduction targets and address adaptation risks.

The Zero Carbon Framework established the Climate Change Commission, which provides independent advice to the Government and fulfils a monitoring function in some instances.

Core elements of the Zero Carbon Framework for mitigation include:

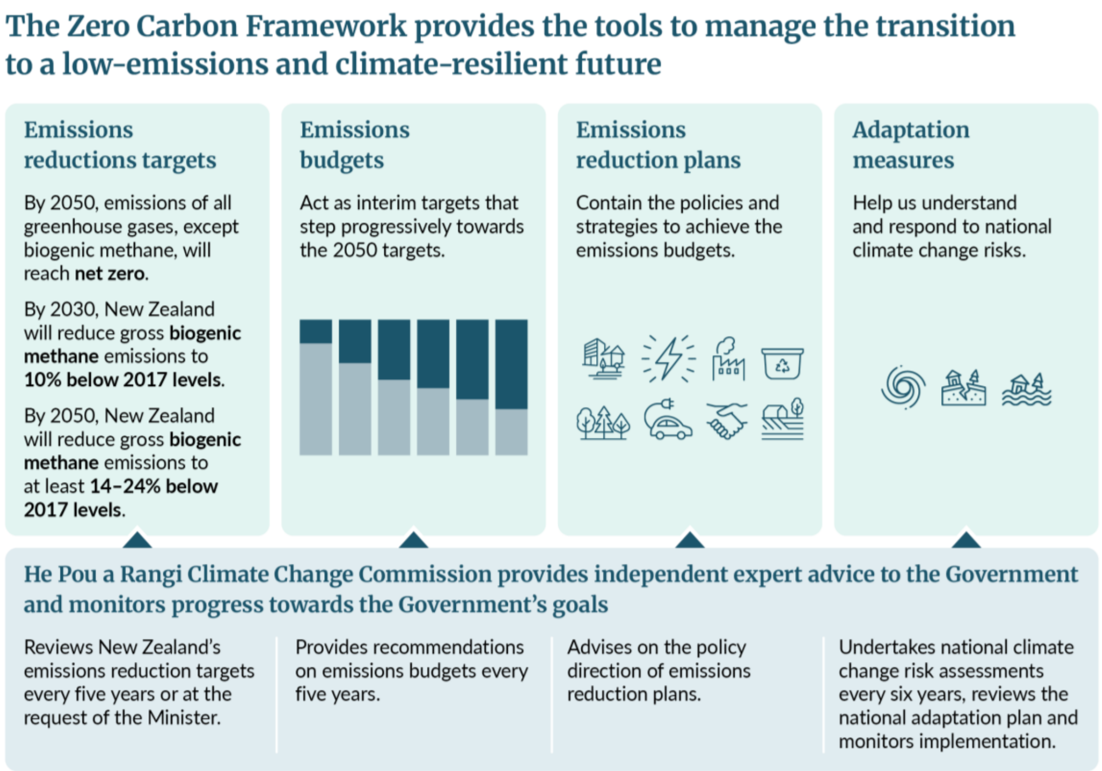
- **the 2050 target:** this is the level of emissions reductions New Zealand intends to achieve by 2050. It is a split-gas target, meaning that we intend to reach different levels of reductions for biogenic methane and all other gases
- **emissions budgets**: an emissions budget is a total quantity of emissions that is allowed to be released during a multi-year period. They act as stepping-stones, or interim targets, to reaching our 2050 target
- **emissions reduction plans (ERPs):** for each emissions budget, there must be an ERP, which sets out the Government's policies and strategies for meeting it
- **monitoring progress on emissions reduction:** the Commission provides independent monitoring and reporting on the Government's progress towards meeting the 2050 target and emissions budgets.

Core elements of the Zero Carbon Framework for adaptation include:

- **national climate change risk assessments** (NCCRAs) that outline the most significant adaptation risks and opportunities
- **national adaptation plans** (NAPs) that set out the actions to address the risks outlined in a NCCRA
- **progress reports on each NAP** in which the Commission reports on the implementation and effectiveness of a NAP.

The CCRA also governs the ETS. The Minister sets unit limits and price control for the ETS, while the Commission provides advice on the ETS settings to the Government.

Figure 1: The Zero Carbon Framework



What does the Bill change?

The Bill is making changes that stem from a review of the Climate Change Response Act in 2025 looking at how to make the Act more efficient to implement (see figure 2).

ERPs and NAPs

- Removing duplication across the Commission's deliverables. The Bill removes the requirement for the Commission to provide advice to the Government on the direction of an emissions reduction plan. This reflects that the Commission has alternative avenues for giving similar advice through its five-yearly emissions budget advice and annual emissions reduction monitoring report.
- Simplifying the required content of emissions reduction plans to:
  - policies and strategies for meeting the relevant emissions budget
  - a strategy to mitigate the impact on iwi and Māori
  - other policies and strategies that the Minister decides are necessary.
- Clarifying and streamlining the process to amend an emissions reduction plan to support regular updates to reflect policy changes.
- Clarifying the process for amending national adaptation plans, so the national adaptation plan can be amended at any time, provided the Minister considers the implications of the changes for addressing the most significant risks in the NCCRA and any impacts on iwi and Māori.

Timing and sequencing of statutory deliverables

Amending the timing and frequency of Commission advice and reports, and Government decisions and responses to:

- create a more logical sequence
- spread work more evenly
- avoid potential duplication.

For further information about the timing of these changes, see the Ministry for Cities, Environment, Regions and Transport's website.

Consultation requirements

The Bill removes duplicative consultation requirements to ensure consultation by the Commission and the Government is pitched appropriately.

Currently, the Government and the Commission both undertake public consultation when setting emissions budgets. The Bill requires the Commission to engage with experts, provides flexibility to the Commission for broader public engagement and removes complex public consultation requirements for the Minister.

The public will still have the opportunity to provide feedback on proposed ETS settings and proposed emissions reduction plans through Government consultation.

Other changes

- Creating a regulation-making power so the Minister can set an approach for calculating methodological improvements in relation to revising emissions budgets and tracking progress towards them. The intention is to ensure transparency and consistency in the Commission's advice and monitoring, government emissions projections and government decision-making. To provide an additional layer of accountability and transparency, the Minister must first consult the Commission before finalising the regulations.
- Clarifying that an emissions budget that has begun can be revised to reflect methodological improvements since the emissions budget was set. This can only happen when the Minister responds to the Commission's advice on emissions budgets.
- Creating a power for the Secretary for the Environment to formalise standards for emissions projections. Projections are a key tool for understanding if New Zealand is on track to meet its targets and budgets.
- Reducing the number of board members of the Commission from between five and nine to between five and seven. This would align the number of Commission board members with similar entities.
- Including references to 'efficient and effective':
  - in the purpose of the CCRA
  - when the Commission provides advice on emissions budgets
  - when the Minister sets emissions budgets.
- Removing reference to the 1.5° Celsius temperature limit when setting emissions budgets. This change recognises that Parliament has determined New Zealand's contribution to the 1.5° Celsius goal through the 2050 emissions target. Therefore, emissions budgets must be set with a view to achieving the 2050 target.

Figure 2: Efficiency changes included in the Climate Change Response Amendment Bill*

	What does the Bill change?	What's staying the same?
Timing, sequencing and frequency across the framework	Amends the timing and sequencing of Climate Change Commission advice and reports, and Government decisions and responses. This includes advice and decisions relating to: • the 2050 target and emissions budgets • emissions reduction plans • the Commission's emissions monitoring report • the ETS settings process • the Commission's progress report on the national adaptation plan.	The frequency of: • national climate change risk assessments • the Government's national adaptation plans and emissions reduction plans • the Commission's emissions reduction monitoring report and the Minister's response • the Commission's 2050 target review and the Minister's decision • the Commission's emissions budget advice and the Minister's decision.
Emissions targets and emissions budgets	• No longer requires the Government to consult when setting an emissions budget. The Government could still choose to consult. • Requires the Commission to engage with experts on emissions budget advice and provides flexibility for broader public engagement. • Allows the Minister to set an approach for calculating for methodological improvements in relation to revising emissions budgets and tracking progress towards them. • Clarifies that an emissions budget which has begun can be revised to reflect methodological improvements to New Zealand's Greenhouse Gas Inventory. • Creates an enabling provision for the Secretary for the Environment to set formal standards for emissions projections. These standards will help to support the ongoing consistency, timeliness and robustness of projections.	• The 2050 target. The target requires net zero emissions from long-lived gases by 2050, and a 14–24% reduction below 2017 biogenic methane emissions by 2050, including a 10% reduction below 2017 biogenic methane emissions by 2030. • Emissions budgets must continue to be set with a view to meeting the 2050 target. • The Commission is still required to provide independent advice to the Government to enable the preparation of emissions budgets. • The Commission is still required to review and provide advice to the Government on the 2050 target and emissions budgets. • The Commission is still required to provide emissions monitoring reports, which monitor progress towards the Government's emissions reduction goals.
Emissions reduction plans	• Simplifies the content that must be included in an emissions reduction plan. • Clarifies the process to amend an emissions reduction plan by allowing supporting policies and strategies to be changed with fewer prescriptive consultation requirements. • No longer requires the Commission to provide advice to the Government on the direction of an emissions reduction plan.	• The Government will still prepare and publicly consult on emissions reduction plans to guide emissions reductions during an emissions budget period.
Adaptation	• Clarifies the process for amending national adaptation plans, so the national adaptation plan can be amended at any time. • Reduces the number of progress reports produced by the Commission for a national adaptation plan to one report, provided two years after a national adaptation plan is published.	• The Commission is still required to undertake national climate change risk assessments.
ETS settings	The ETS unit limits and price control settings process is moving from being an annual process to one that occurs every two years. This means that both the Commission's advice and the Minister's decision on ETS settings will occur every two years.	The Minister will still consult on ETS settings decisions.

* **ETS Settings:** In August 2026, the Government announced that it intends to retain annual ETS settings, following feedback from consultation and the Commission. The proposed change to biennial settings is expected to be removed from the Bill as it progresses through Parliament. The Minister will still be required to publicly consult on ETS settings.

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