

Submission from Straterra

To the Ministry for the Environment

2035 International climate change target – the second Nationally Determined Contribution

December 2024

Introduction

1. Straterra is the industry association representing the New Zealand minerals and mining sector. Our membership is comprised of mining companies, explorers, researchers, service providers, and support companies.
2. We welcome the opportunity to make this brief submission on the [2035 International climate change target – the second Nationally Determined Contribution \(NDC2\)](#).

Key points

3. It is disingenuous to present targets internationally that are more ambitious than the domestic ones which are what New Zealand is working to achieve.
4. New Zealand's second Nationally Determined Contribution (NDC2) should be consistent with the legislated net zero target.
5. The fact that the NDC2 covers 2031-35, the same period as our third domestic emissions budget, provides an opportunity for it to be configured so that the two are aligned.

Submission

Net Zero emissions by 2050

6. New Zealand has ambitious emissions targets which are legislated for under the Climate Change Response Act (CCRA), namely:
 - Net zero emissions of all greenhouse gas (GHG) emissions other than biogenic methane by 2050
 - 24 to 47 per cent reduction below 2017 biogenic methane emissions by 2050, including 10 per cent reduction below 2017 biogenic methane emissions by 2030.
7. The target of net-zero emissions by 2050 is supported by emissions budgets which are 'stepping stones' towards the 2050 domestic targets.
8. Straterra supports this approach. New Zealand needs to play its part in global commitments to meet emissions targets.

Nationally Determined Contributions

9. The Nationally Determined Contributions are a separate international commitment under the Paris Agreement.
10. New Zealand's existing Nationally Determined Contribution target (NDC1) is to reduce net GHG emissions to 50 per cent below gross 2005 levels by 2030. This was set in 2021, when emissions were roughly the same as they were in 2005, illustrating the extent of the ambition over the ensuing nine-year period. We consider this target was misguided and poorly thought through when it was committed to.
11. Under the Paris Agreement, NDCs must represent each country's highest possible ambition. But from the outset New Zealand's NDC1 was regarded, almost universally, as being unachievable without the government spending a vast sum of money on the purchase of offshore units. The government's liability as a result of this commitment expressed at today's carbon price would be many billions of dollars.
12. We fully support the ability for businesses and government to purchase carbon credits on international markets, but the setting of emissions targets must not rely on such purchases, as is the case with NDC1.

NDC2

13. The Government is in the process of determining its second Nationally Determined Contribution (NDC2) for the period 2031–35.
14. Under the Paris Agreement each successive NDC is expected to demonstrate progression in ambition from the previous one, which puts New Zealand in an awkward position.

New Zealand's reputation

15. It has been said that New Zealand's international reputation is at stake if we do not meet the NDC1 target. We argue New Zealand's reputation was damaged at the time the target was set given it was clearly unachievable.
16. New Zealand needs an ambitious but realistic NDC2 target to avoid reputational risk.

National circumstances

17. As is well understood, under the Paris Agreement countries are able to take into account "different national circumstances" when submitting their NDCs.
18. New Zealand has unique national circumstances which are widely accepted:
 - Renewable electricity already makes up a large proportion of our total electricity generation (the third highest in the OECD) meaning we do not have as much potential as other countries to make large reductions in CO2 emissions from electricity
 - Around half New Zealand's net emissions are from livestock. Given there are no accessible technologies to reduce these to any significant degree and no other developed country has anything like this proportion of agriculture emissions, we have a tougher job than most to reduce biomethane.
19. These national circumstances give New Zealand the scope under the Paris Agreement to submit a revised, meaningful NDC2 which is both ambitious and achievable.

New NDC2 targets

20. It is disingenuous to present targets internationally that are more ambitious than the domestic ones which are what New Zealand is working to achieve. Separate, competing emissions targets are not helpful or workable.
21. New Zealand's net zero target and the emissions budgets that underpin them are already ambitious by international standards, and most importantly they are credible – unlike NDC1.

Recommendation

22. We believe New Zealand's Nationally Determined Contribution should be consistent with its legislated net zero target which drives our domestic policies and emissions budgets.
23. The fact that the NDC2 covers 2031–35, the same period as our third domestic emissions budget, provides an opportunity for it to be configured so that the two are aligned.
24. The NDC2 should equate to it in terms of level of ambition and certainly not exceed it as a target.