



**Hon James Shaw**  
Minister of Climate Change

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## Foundations laid for strong climate action

- \$300 million to accelerate investment in low-carbon technology
- \$67.4 million to implement the Carbon Neutral Government Programme, including a significant boost of \$19.5 million to the successful State Sector Decarbonisation Fund, and \$41.8 million for leasing low-emissions vehicles
- \$19.7 million to support the Government's policy response to the Climate Change Commission's final advice
- Commitment to recycle future Emissions Trading Scheme (ETS) revenue to achieve more emissions reductions from Budget 2022

Budget 2021 provides the foundation for lasting climate action and will support the deployment of low-carbon technologies and the creation of new jobs and opportunities that will also support the economic recovery.

"Our Government has committed to building a low-carbon future for Aotearoa New Zealand and today's Budget takes us a step closer towards delivering on that promise," Minister of Climate Change James Shaw said.

The Climate Change Commission will soon provide final advice to the Government on the steps that need to be taken to build a net-zero carbon future for Aotearoa New Zealand by 2050. Once the Government receives that advice it will publish a plan setting out how it will cut emissions over the next 15 years.

The Minister of Finance Grant Robertson has also stated his intention to hypothecate, or recycle the revenue from the Emissions Trading Scheme for the implementation of the forthcoming Emissions Reduction Plan, which must be published before the end of the year.

"Such a chance is only possible because of the changes this Government has made to the ETS – and it will be a game-changer that is forecast to provide approximately more than \$3 billion of investment over the next five years to help meet our emissions reductions goals," James Shaw said.

"Every part of Government will need to come to the table and commit to urgent action to bring down emissions. Budget 2021 puts us in a good position to make that happen.

“This Budget will enable us to develop a clear, ambitious plan for long-term emissions reductions that will, in turn, create more of the jobs and opportunities for prosperity that can be driven by the transition to a low-carbon future.”

Budget 2021 also backs technology and innovation to help deliver a low emissions economy.

“Quadrupling the size of Green Investment Finance Ltd will help to accelerate the use of low-emissions technologies across the economy.

Green Investment Finance Ltd was created to accelerate the transition to a low-carbon future by stimulating private investment in activity that reduces Aotearoa New Zealand’s domestic emissions. The additional funding will support the uptake of low-carbon technologies, renewable energy, and low-emissions vehicles. Green Investment Finance Ltd’s additional investments in transport alone are expected to save up to 240,000 tonnes of greenhouse gas emissions.

James Shaw added that Budget 2021 also provides additional support for the Government to rollout its plan for a carbon neutral public sector by 2025 with additional support for clean energy projects.

“As I said a few days ago, this means we will lead by example, measuring and reporting emissions across government, upgrading to cleaner sources of energy, cutting emissions from transport, and improving the efficiency of our buildings.

“We are also providing \$41.8 million for the leasing of low-emissions vehicles across the public sector, which will save a further 32,000 tonnes of carbon emissions over ten years.”

Addressing the climate emergency requires a science-led, policy-enabled, technology-driven response. James Shaw said Budget 2021 delivers in each of these areas.

In addition to the climate initiatives announced today by James Shaw, Minister for Energy and Resources Megan Woods has also outlined initiatives in the Budget to reduce emissions in the transport and business sectors.

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