

AUSTRALIA–NEW ZEALAND 2+2 CLIMATE AND FINANCE DIALOGUE JOINT STATEMENT - 30 July 2024

The Hon Dr Jim Chalmers MP, Treasurer (Australia); the Hon Chris Bowen MP, Minister for Climate Change and Energy (Australia); the Hon Nicola Willis, Minister of Finance and Minister for the Public Service (New Zealand); and the Hon Simon Watts, Minister of Climate Change and Minister of Revenue (New Zealand) met in Brisbane on 30 July 2024 for the second annual Australia - New Zealand Climate and Finance Ministers' 2+2 Dialogue.

1. Ministers acknowledge that a rapid and effective global response to climate change is needed in this critical decade.
2. Australia and New Zealand also recognise that climate change is the single greatest existential threat to the livelihoods, security and wellbeing of the peoples of the Pacific. We remain committed to working together with Pacific partners to ensure the resilience and prosperity of the region.
3. The global energy transformation presents significant economic opportunities for Australia and New Zealand, not just risks. The transition to reliable, renewable energy to underpin climate-resilient economies represents a once in a generation opportunity for Australia and New Zealand in the global economy. Both Governments are committed to positioning Australia and New Zealand, and the Indo-Pacific region, to benefit from this shift. Stronger economic and investment ties are essential for our respective transitions. Remaining aligned, and capitalising on these opportunities together, will increase the benefit to both states.

Progress since the inaugural 2+2 Dialogue

4. Since the inaugural 2+2 Dialogue on 8 June 2023, important bilateral cooperation has progressed, including:
 - establishing a Net Zero Government Working Group to support decarbonising public services, climate-related disclosures and sustainable procurement
 - co-ordinating efforts to stimulate production and supply of electric and zero emission vehicles
 - progressing development of trans-Tasman aligned sustainable finance architecture to enhance interoperability and support businesses operating across the economic region, and
 - joint work on adaptation challenges, resilience policies, indicators and monitoring frameworks.
5. At the 2024 2+2 Dialogue, Ministers agreed to:
 - conduct a review into regulatory barriers to the net zero transformation, with an initial focus on regulatory interactions with standards for batteries and electric vehicle charging. Professor Flavio Menezes will provide independent strategic

advice to both governments to support a best-practice implementation and trans-Tasman alignment

- convene sector-based roundtables with representatives from the maritime sector including exporters, shipping lines, ports and other stakeholders to identify the conditions required for trans-Tasman green shipping corridors and the opportunity to strengthen supply chain resilience
- investigate the conditions required to develop a regional sustainable aviation fuel (SAF) industry and exploration of opportunities for the regional production of SAF
- invite New Zealand aviation companies and representatives to join the Jet Zero Council, established by Minister Catherine King, to strengthen trans-Tasman expert advice on decarbonising aviation
- New Zealand joining Australia in the Climate Club to support industry decarbonisation across the Tasman and strengthen the Indo-Pacific's voice in this important forum
- engage collaboratively in the development of a Guarantee of Origin scheme for green hydrogen, sustainable fuels, and green metals, to promote trans-Tasman regulatory alignment in the design of net zero product certification schemes
- through the Sustainable Finance Working Group, facilitate alignment of sustainable finance taxonomy policy where appropriate and discuss emerging sustainable finance priorities, such as transition planning and investment product labelling
- further deepen collaboration to deliver outcomes under the Paris Agreement, and
- invest in long-term emissions reduction opportunities for the agricultural sector, including through enhanced measurement, engagement and innovation.

6. Ministers also noted the revitalisation of the Australia-New Zealand Single Economic Market (SEM) announced by Prime Ministers in December 2023. Trans-Tasman alignment of domestic measures for the transition to net zero economies will contribute to the SEM agenda's aim to "identify innovative, low-cost actions to reduce discrimination and costs arising from different, conflicting or duplicate regulations or institutions in either country" .

Amplifying climate leadership through enhanced domestic cooperation

7. Both states have committed to design policies with an eye to attracting investment and setting the enabling conditions for new industries to grow, within a wider policy plan to deliver net zero and emissions reduction targets.

8. For Australia, this effort will be guided by the Government's significant investment in its Future Made in Australia (FMIA) plan. This \$22.7 billion investment over ten years positions Australia to maximise the economic and industrial benefits of the international move to net zero and make Australia an indispensable part of the global net zero economy. The Government is making substantial investments to establish Australia as a renewable energy superpower, maximising the opportunities of cheaper, cleaner, more reliable energy and supporting the international transformation to net zero.

9. For New Zealand this effort will be guided by the second Emissions Reduction Plan (ERP2) which will be finalised by December 2024. The Government proposes taking a net-based approach to reduce emissions at least cost to New Zealanders, while creating the conditions for investment into the climate response. The plan is a key tool to bring the Government's climate strategy to life. The strategy is based on five key pillars.

- Infrastructure is resilient and communities are well prepared.
- Credible markets support the climate transition.
- Clean energy is abundant and affordable.
- World-leading climate innovation is boosting the economy.
- Nature-based solutions address climate change.

10. New Zealand and Australia are committed to identifying opportunities for deeper trans-Tasman cooperation in key transition sectors.

11. Secure and diversified clean energy supply chains, and robust standards for green and transition goods and services, are critical to decarbonisation and energy security in the Indo-Pacific. Australia and New Zealand are committed to ensuring availability of key materials, components and technologies to facilitate the region's transition to clean energy in a just and inclusive manner, including through the Indo-Pacific Economic Framework (IPEF).

12. Treasurer Chalmers and Minister Bowen outlined Australia's position on guarantees of origin for products and inputs critical to the net-zero transition, including hydrogen, green metals and low carbon liquid fuels. Ministers acknowledged the benefits of aligned certifications and standards in strengthening supply-chains and reducing barriers to trans-Tasman trade.

13. Australia welcomes New Zealand joining the Climate Club, an international initiative supporting industrial decarbonisation pathways. Through the Climate Club the two countries could contribute to global efforts to develop interoperable and comparable policies and approaches to industrial decarbonisation and emissions leakage emissions measurement.

14. Acknowledging that Indigenous Peoples – including Australia's First Nations and New Zealand's Māori peoples – are disproportionately impacted by climate change, both Government's remain committed to responding to this crisis in a true partnership that respects Indigenous communities' deep and intrinsic connections with the environment. Indigenous Peoples' knowledge, sciences and practices are critical to effective climate action and solutions. Ministers agreed Australia and New Zealand can do more together to highlight Indigenous Peoples' unique contribution to the climate response.

Aligning financial flows for an economically successful transition

15. Mobilising all sources of finance for climate action and the right enabling environment is key to transitioning our economies.

16. Australia and New Zealand both acknowledge the need to support development of best practice, interoperable sustainable finance frameworks that are aligned with international standards. Mobilising private capital will be crucial to achieving our net zero goals, and creating well designed and well informed financial markets is central to achieving this.

17. Ministers welcomed efforts internationally and across the region to develop sustainable finance frameworks and noted the important work being undertaken by ASEAN and its members. Ministers also acknowledged the need to prioritise Indo-pacific collaboration to foster regional leadership and alignment of sustainable finance developments.

18. Australia and New Zealand will continue to explore opportunities to harmonise approaches to sustainable finance, starting with Australia and New Zealand's sustainable finance taxonomies. Ministers agreed to deepen engagement on emerging developments of sustainable finance including transition planning and investment product labelling.

19. Australia welcomed New Zealand's announcement that development of New Zealand's taxonomy will commence with the agriculture and forestry sectors to demonstrate New Zealand's leadership on sustainable farming and forestry practices. New Zealand's Centre for Sustainable Finance will lead on the development of New Zealand definitions, working closely with Australia's process currently being led by the Australia Sustainable Finance Institute.

20. New Zealand welcomed the publication of Australia's Sustainable Finance Roadmap and committed to publishing a Sustainable Finance Strategy in 2026 to support greater alignment on sustainable finance to position the region as a robust green finance market.

21. Ministers also discussed the potential benefits to emissions reductions of technologies such as low carbon liquid fuels (including renewable diesel and SAF), and the importance of creating an enabling environment to effectively support future industry. Ministers acknowledged how a future industry could boost energy security and be consistent with domestic policies in transition to net zero.

Enhancing domestic adaptation capacity

22. Australia and New Zealand both acknowledge the ongoing need to increase the capacity of our communities and natural systems to adapt to the impacts of climate change, and to reduce the effects of increasingly frequent and increasingly devastating climatic events.

23. Ministers welcomed the agreement at COP28 of a new Framework for the Global Goal on Adaptation, in line with Article 7.1 of the Paris Agreement. Australia and New Zealand will coordinate bilaterally, and through the Umbrella Group, to support a positive outcome from the UAE-Belém work programme with a view to finalising this global framework by COP30 in 2025.

24. In Australia, ongoing work on the National Climate Adaptation and Risk Program, which includes Australia's first National Climate Risk Assessment and National Adaptation Plan, demonstrates the federal Government's commitment to provide national leadership on climate adaptation. The first Risk Assessment will form the basis of a comprehensive and ongoing resource on Australia's climate risks for all levels of government, business, and the community. The National Adaptation Plan will set the framework for an effective response to these risks.

25. In New Zealand, work is underway to develop an enduring and fair adaptation framework to prepare for the impacts of climate change, and provide clarity on how costs will be shared. The framework will fulfil actions in the wider, all of Government 6-year National Adaptation Plan published in 2022. The independent Climate Change Commission is due to report on the implementation and effectiveness of the plan in August 2024. The Government will publish their response to this by February 2025.

26. Australia and New Zealand also recognise that climate change and biodiversity loss are inseparable and interdependent challenges which should be addressed collectively to achieve holistic, and mutually beneficial outcomes. The global net zero and nature positive aspirations are complementary.

Working with the Pacific to address climate change

27. Australia and New Zealand acknowledge the Pacific's long-standing leadership in finding innovative solutions and driving action on climate change. They are committed to working with Pacific partners to address this existential threat, in line with the 2050 strategy for the Blue Pacific Continent.

28. Where there are synergies, Australian and New Zealand bilateral support for, and joint engagement with, the Pacific should be coordinated and aligned. It must be directed towards Pacific needs and priorities, including adaptation to climate change, stronger energy security, climate-resilient infrastructure, better access to climate finance, and support to capture the economic opportunities of the transition.

29. Ministers committed to further coordinate efforts to amplify Pacific voices in international climate and energy discussions wherever there are synergies. It is vital that Australian and New Zealand back Pacific-led advocacy and help draw global attention to the unique challenges faced by this region.

Cooperation to keep 1.5° in reach

30. Both collective and individual action is needed to keep the 1.5° temperature goal in reach. All states must contribute. Australia and New Zealand are committed to full and effective implementation of the Paris Agreement and to driving ambition and action through the Conference of Parties to the UNFCCC (COP).

31. Ministers reaffirmed all the outcomes of COP28 and the first Global Stocktake, including (but not only) its pledges to: triple global renewable energy capacity and double

global energy efficiency improvements by 2030; accelerate the phase-down of unabated coal power; transition away from fossil fuels in energy systems, so as to achieve net zero by 2050, in keeping with the science, and come forward with next Nationally Determined Contributions (NDCs) with ambitious but achievable emissions reductions targets covering all gases, sectors and categories. Australia and New Zealand will cooperate to deliver on these commitments.

32. In the lead up to COP29, Ministers also discussed the importance of the New Collective Quantified Goal (NCQG) on climate finance delivering a transformation in global efforts to align financial flows with climate outcomes and in collectively responding to the needs of climate vulnerable developing countries. Ministers emphasised the need for the international support target in the NCQG to be contributed by all countries with the capacity to contribute, including developed countries and other advanced economies. Ministers affirmed that a broad contributor base will maximise impact and improve the scale of support available for those who need it most. Ministers agreed that the goal should also include a global investment target, drawing from all sources and instruments, including private capital, to stimulate the global investment necessary to deliver on the goals of the Paris Agreement. Ministers committed to working with their counterparts to deliver a goal which sends a clear signal to global financial actors and which helps to scale up investment in developing countries. Ministers emphasised the need for the NCQG to also help to improve access to finance and climate finance flows towards the Pacific and other SIDS.

33. In line with the February 2023 Pacific Island Forum Leaders' Statement, New Zealand welcomes Australia's bid to host COP31 in 2026 in partnership with the Pacific and agrees to advocate for the bid. If Australia's bid to host COP31 is successful, we will continue collaboration with New Zealand on supporting a meaningful COP31, that delivers globally and regionally significant outcomes.

Enduring climate collaboration across the Tasman

34. Australia and New Zealand are already engaged in regular information sharing regarding offshore renewable energy, including on sharing lessons from their respective legislative frameworks. These valuable exchanges should continue as the offshore renewable industries grow in both jurisdictions.

35. Ministers also endorsed critical work underway to forge enduring trans-Tasman cooperation in the net zero transition. The two countries are committing to exploring the conditions for green shipping corridors— directly between Australia, New Zealand and the Pacific, and in multilateral discussions. In the Agriculture portfolio, Australia and New Zealand are working to identify potential areas of collaboration to accelerate livestock emissions reduction. Important work is underway on: comparison and validation of methane measurement; inventory; rumen adaptation; and genetics. The 2+2 Ministers welcomed all of these efforts and undertook to encourage their relevant counterparts to deepen this collaboration.

36. New Zealand looks forward to hosting the next 2+2 Dialogue in 2025.