



Ministry for Primary Industries
Manatū Ahu Matua



To: Hon Todd McClay, Minister of Agriculture
 Hon Simon Watts, Minister of Climate Change

From: Julie Collins, Deputy Director-General, Policy & Trade,
 Ministry for Primary Industries
 Sam Buckle, Deputy Secretary, Climate Change Mitigation and Resource Efficiency,
 Ministry for the Environment

Progressing the Methane Science and Target Review

Date	10 April 2024	Reference	Ministry for Primary Industries (MPI): B24-0276 Ministry for the Environment (MfE): BRF-4562
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Decision required	Date decision required by
YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	12 April 2024

Purpose

- This briefing seeks agreement to the:
 - scope of the methane science and targets review (the Review);
 - proposed process for appointing the independent Review Panel (the Panel), including internal agency processes to support your decisions to short-list potential panel members; and
 - draft Terms of Reference (attached at **Appendix One**).
- To inform drafting of the Cabinet paper and following your direction, officials could engage with potential Panel members to start screening for availability and interest in being on the Panel. Doing so at this stage in the process will enable us to provide you with a draft Cabinet paper at the end of April to seek your final approval for candidates. These candidates will then be put forward to the Cabinet Appointments and Honours Committee (APH) to approve the Panel members and initiate the Review.

Background

1. On 2 April [CAB-24-MIN-0109 refers], you informed Cabinet of your approach to undertake the Review and establish the Panel to:
 - a) review the methane science; and
 - b) provide evidence-based advice on what the 2050 biogenic methane target should be to ensure no additional warming from biogenic methane.

2. The Review is an item in the Coalition Government's 100-day Action Plan for New Zealand from April to 30 June 2024 as Action 13: *Commence an independent review of the methane science and targets for consistency with no additional warming from agricultural methane emissions.*

The scope of the methane science and target review

3. On 7 March, you agreed the scope of the review is for the Panel to undertake 'A review of biogenic methane science and targets for consistency with no additional warming, including advice on what the targets should be to ensure no additional warming for biogenic methane' [MPI B24-0154; MfE BRF-278 refers].
4. We have developed a draft Terms of Reference (ToR) for your feedback, attached as **Appendix One**, in line with this scope. The ToR proposed the following components in scope of the review:
 - a) a review of the methane science, including:
 - i. an up-to-date explanation and summary of methane science and the warming impact of methane; and
 - ii. an up-to-date explanation and summary of the warming impact from biogenic methane from New Zealand's agricultural sector; and
 - b) provide evidence-based advice on what the New Zealand 2050 biogenic methane target should be to ensure no additional warming from biogenic methane, including the main output:
 - i. an estimate of the ranges of biogenic methane emissions reductions in New Zealand that would be required to ensure no additional warming, through consideration of different approaches and scenarios.
5. Determining the baseline year is a key consideration when assessing what a target consistent with no additional warming should be. The baseline year chosen is not a scientific concept but could have a significant impact on the final target advice. You have options on how to determine the baseline year including specifying in the ToR for the Panel to provide advice on the baseline year (or assess a range of baseline years) or seeking officials' advice on the baseline year to include in the Panel's ToR.
6. In order to inform and support that output, we also propose you consider the following supporting components (these components are highlighted and square bracketed in the draft ToR):
 - a) background on New Zealand's climate change targets and legislation;
 - b) background on New Zealand's agricultural sector and its greenhouse gas emissions;
 - c) background on different approaches to target setting including a review of previous literature, with a focus on target setting in relation to future warming scenarios (including no additional warming). Undertaking this work could help the public further understand the concept of no additional warming; and
 - d) an explanation of the role of greenhouse gas metrics in relation to setting the biogenic methane target.

7. In order for the Panel's finding and report to lead to the above outputs, we have also included other considerations that could be included in the Review. These are detailed at paragraph six in the draft ToR.
8. The following issues are proposed to be out of scope of the review:
 - a) making any conclusions or recommendations that go beyond performing the scientific review and providing the evidence-based advice required by these terms of reference (for example, the advice will not cover implications of a new proposed target on the broader climate strategy); and
 - b) reviewing any other aspects of the 2050 Target as set out in s5Q of the Climate Change Response Act 2002 (CCRA).¹

Proposed selection criteria for panel members

9. When assessing proposed panellists, the following proposed selection criteria apply:
 - a) knowledge – qualification, technical/policy knowledge and sector knowledge/context;
 - b) skills / capabilities – credibility and experience within the agriculture sector, strategic/cultural/mātauranga Māori perspective; and
 - c) expertise – networks and affiliations, and contribution to science panels and/or papers. We will also coordinate a clear selection criterion for you to use when appointing the final panel members.
10. We have identified relevant expertise required to support a robust and credible approach to this Review. We consider the required expertise is in:
 - 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;
 - c) understanding of New Zealand's agricultural sector; and
 - d) understanding of New Zealand's climate change targets and budgets under the CCRA.

Proposed list of panel members

11. MPI and MfE officials have collated a list of potential Chairs and relevant potential Panel members using the selection criteria above, attached at **Appendix Two**. The appendix also sets out the knowledge, skill sets/capabilities, and expertise of each expert, with a column for you to note your feedback. In the case there are not enough people on this list available, we have also prepared a backup list that we can share with you.
12. Given the scope and output required, we recommend the Panel be made up of three to five Panel members and a Chair, each with the individual expertise, knowledge, and skills outlined above. We recommend that the Panel is composed of people with balanced views, which we have tried to reflect in the shortlist attached.

¹ Section 5Q of the CCRA sets out the domestic target for 2050. The 2050 target requires that net accounting emissions of greenhouse gases in a calendar year, other than biogenic methane, are zero by the calendar year beginning on 1 January 2050 and for each subsequent year.

13. To assist with the management of the Panel, we recommend you appoint an independent Chairperson with governance experience and the ability to ensure balanced views are brought forward from across the panellists. The Chairperson will be responsible for all governance aspects of the group, chairing the meetings, reporting back to you and managing any potential or perceived conflicts of interest. The Chair should be experienced and knowledgeable about climate science and policy and at the same time independent of any potential or perceived conflicts of interest themselves.
14. We are interested to understand your thoughts on these individuals, and whether you or your Ministerial colleagues have nominations or recommendations for Chair or Panel members. When you have provided feedback on the list of potential panellists, we will contact the relevant individuals and test availability.
15. Officials have not tested availability or agreement with any of these potential Panel members yet. Therefore, it is important to note that there is a chance preferred Panel members may not be able to commit to panel appointment given other commitments and the timeframe required. Our next step, following your approval to do so, would be to start contacting these individuals due to the timeframes we are working within.

Draft Terms of Reference

16. We are also seeking your direction on the following issues to support the draft Terms of Reference:
 - a) approach of working – Targeted engagement: There could be value in the Panel engaging with the Parliamentary Commissioner for the Environment (PCE), and the Climate Change Commission (CCC) to support development of the Panel's advice. Both the PCE and CCC have done / are doing significant work to inform New Zealand's 2050 targets and engaging with the PCE and/or the CCC may provide the Panel important context and information to support its review;
 - b) fees – The Cabinet Fees Framework for Ministerial appointments suggests that Panel members could be paid within up to \$952 daily, and up to \$1,265 daily for the Chairperson. It is possible some candidates may require remuneration above this range. This would mean you will need to seek an exemption from the Minister for Public Service or Cabinet. We will provide you with updated fees requirements after we have had informal early discussions with potential candidates. Our update will also include whether we think an exemption will need to be sought; and
 - c) secretariat – The draft Terms of Reference refers to officials providing secretariat support for the Panel.


Proposed appointment process for the methane science and target review panel

17. When appointing a Ministerial Advisory Group, standard process includes separate and sequential Cabinet policy committee consideration and then APH Committee processes. This process would normally take several months. We have proposed an option in line with standard process below.

18. Commencing the Review and establishing the Panel by the end of 30 June to align with the Coalition Government's Action Plan for New Zealand requires Cabinet decisions at ECO Committee on 29 May, and Cabinet APH decisions confirmed by Cabinet on 24 June.
19. Seeking policy decisions to the approach at Cabinet ECO Committee and seeking approval of Panel members at Cabinet APH committee will support a robust and best practice approach to establishing the Panel.
20. If you wish to bring this timeline forward and announce or commence the review in mid-June there is an option to do this. However, meeting this timeframe would require a trade-off of taking an oral item to Cabinet (in lieu of seeking policy decisions at ECO Committee).
21. Along with your Ministerial colleagues, we also enable sufficient consultation with other agencies, noting that typically a Ministerial advisory group process seeks nominations from other agencies which would take an additional two to three weeks.²

Next steps

22. We will progress a policy Cabinet paper to be considered at ECO in May. Your direction on scope, draft Terms of Reference and processes for appointing the Panel will inform our future advice and this Cabinet paper.

23. 9(2)(f)(iv)
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² According to Public Service Commission advice agencies to engage include Ministry for Women, Te Puni Kōkiri: Te Pae Ārahi, Ministry for Pacific Peoples, Ministry for Ethnic Communities and Office for Disability Issues.

Recommendations

24. It is recommended that you:

Scope of the Review

- a) **Agree** to provide feedback to officials on the scope of the review;

YES / NO

Selection of Panel members

- b) **Note** you may wish to nominate specific experts and/or potential Chairs, or seek nominations from your Ministerial colleagues to put forward as potential Panel members;

NOTED

- c) **Agree** to provide your feedback on the attached list of potential nominees for officials to begin testing availability;

YES / NO

Draft terms of reference

- d) **Agree** to provide feedback to officials on the draft terms of reference (**Appendix One**), including:
- i. what is included in the scope of the review (highlighted in yellow);
 - ii. approach of working and whether the Panel should engage with the Parliamentary Commissioner for the Environment and the Climate Change Commission; and
 - iii. fees and the possibility of seeking an exemption if going above the Cabinet Fees Framework ranges;

YES / NO

Appointment process for the Methane Science and Target Review Panel

- e) **Agree** to undertake both a policy and appointments Cabinet process to commence the Review by 30 June 2024;

YES / NO

- f) **Note** that if you wish to commence or announce the Review earlier than 30 June 2024 there are options available.

NOTED

9(2)(a)



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Minister of Agriculture

/ / 2024



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Ministry for the Environment

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Appendix One: Draft Terms of Reference

This appendix is refused under section 18(d) as the Terms of Reference are already publicly available.

Appendix Two: Agency compiled shortlist of potential panelists

This appendix is withheld in full under to section 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.