



**Document 1 Options to lodge CAB-138 - A review of the New Zealand Emissions Trading Scheme**

Date Submitted:	15 September 2022	Tracking #: BRF-2200	
Security Level	Policy and Privacy In-Confidence	MfE Priority:	Urgent

	<b>Action sought:</b>	<b>Response by:</b>
Hon James SHAW, Minister of Climate Change	Agree to preferred option for lodgement of ETS review Cabinet paper	15 September 2022

Actions for Minister's Office Staff	<b>Return</b> the signed report to MfE.
Number of appendices and attachments #4	N/A

**Key contacts**

Position	Name	Cell phone	1st contact
Principal Author	Hemi Smiler		
Responsible Manager	N/A		
Director	Hemi Smiler	9(2)(a)	✓

# A review of the New Zealand Emissions Trading Scheme – Options for Lodgement

## Key Messages

1. Climate DCEs met on 14 September 2022 to discuss the scope of the ETS review. At this meeting, MPI, Treasury and MBIE officials discussed the joint comment they had provided for inclusion in *CAB-138 A review of the New Zealand Emissions Trading Scheme*.
2. MFE officials met with Minister of Climate Change after this meeting to discuss the key outcomes of this discussion and agreed to provide advice on options to support a pathway forward for the ETS review.
3. The purpose of this brief is to:
  - a. summarise what was agreed by DCEs as a potential pathway forward for the ETS review, namely sequencing the work while still delivering on the Climate Change Commission's advice and timing;
  - b. provide options to support this pathway; and
  - c. seek direction from the Minister of Climate Change on a preferred option to lodge the Cabinet paper.

### *Climate DCEs met to discuss feedback on the ETS review Cabinet paper*

4. On 14 September 2022, Climate DCEs convened as part of a regular occurrence of meetings to discuss key policy proposals across the climate change policy agenda.
5. One of the items discussed was the ETS review Cabinet paper which is due to be lodged at 10am on the 15th of September [BRF-2172 refers].
6. This item was prompted by joint agency comments in the Cabinet paper by MBIE, Treasury, and MPI which proposed a potential pathway forward for the ETS review that sequences the work. In particular, the comments noted the following:
  - a. The Ministry of Business Innovation and Employment, the Treasury and the Ministry for Primary Industries support a review that seeks to provide certainty of Aotearoa's desired balance of net and gross emissions reductions, and the role of the NZ ETS in achieving this, in line with Cabinet direction to date.
  - b. Decisions on the desired balance, and the speed at which any change from the current balance occurs, could have material fiscal, economic, social and environmental impacts, and therefore reflect a major decision point for New Zealand's overall strategy for transitioning to a high wage and low-emissions economy.
  - c. Robust analysis and advice are needed to fully understand trade-offs and to support Cabinet in making informed decisions. Officials from the three agencies recommend the review focus initially on what balance is desirable, before turning to options for how the balance Ministers prefer can best be achieved.

- d. These officials also noted that the timeframe for the review is likely to carry significant risk that proposals could be underdeveloped, given the proposed scope and the need to engage with Māori and other key stakeholders.

*Climate DCEs endorsed outcomes and a pathway forward on the ETS review*

7. Climate DCEs discussed the agency comments in the Cabinet paper at the meeting and proposed a potential pathway forward that sequences the work while still delivering on the Climate Change Commission's advice and timeframes.
8. Key areas of agreement by Climate DCEs on the pathway forward were:
  - a. There is an issue with current ETS settings and Climate DCEs committed to working together to review these settings.
  - b. Robust data and evidence, and analysis will be required to fully understand the issues with current ETS settings and will be important to inform a successful review.
  - c. It will be important for the ETS review to consider what the desired balance of gross and net emissions reductions is and the role the ETS plays to support this balance. This will require an understanding of what balance of gross and net emissions reductions the current ETS settings will drive under the status quo scenario.
  - d. The review should be sequenced to deliver legislative change in the CCRA by 31 December 2024 in line with the Climate Change Commission's recommendation 11 to strengthen market incentives to drive low-emissions choices outlined in *Ināia tonu nei: a low emissions future for Aotearoa*.
  - e. A proposed sequence was discussed for the ETS review which would request Cabinet decisions as follows:
    - i. Cabinet agrees to the scope of the ETS review in September 22.
    - ii. Cabinet agrees to the desired balance of gross and net emissions in December 22.
    - iii. Cabinet agrees to options to consult on a re-designed ETS to drive a desired balance of gross and net in March 23.
    - iv. Cabinet agrees to a re-designed ETS in June 23.
    - v. Legislative reform process to amend the CCRA to redesign the ETS commences from Jul 23.
    - vi. CCRA amendment Bill passed no later than December 24.
  - f. This sequence was viewed as important to ensure there was sufficient time to develop the analysis to support the review and support decisions by Cabinet.

*There are options available to support a pathway forward for the ETS review*

9. The ETS review Cabinet paper was initially due to be lodged at 10am on 15 September. However your office has requested late lodgement of this paper for the afternoon on 16 September.

10. We believe you have two options to support a pathway forward for the ETS review:

- a. **Option one:** lodge the paper as planned and discuss agency comments with your colleagues at the Cabinet committee, with the potential to table modified recommendations in the committee as required;

OR

- b. **Option two:** lodge a revised paper on Friday which gives effect to the proposed potential pathway forward for the ETS review endorsed by Climate DCEs that sequences the work. This would require you to review and sign out, on Friday morning, a final paper for lodging.

11. The key recommendations that may require an alternate recommendation are [CAB-138 refers]:

- a. Rec 24: **Agree** the review will be carried out by an inter-agency team of officials, beginning September 2022, and concluding in December 2022
- b. Rec 30: **Invite** the Minister of Climate Change, in consultation with the Minister of Energy and Resources and the Minister of Forestry, to report back to Cabinet in December 2022 providing final advice and recommendations on:
  - i. how to balance gross and net emissions reductions incentivised by the NZ ETS; and
  - ii. proposals to achieve a balance of emissions reductions that prioritises gross reductions
- c. Rec 31: **Invite** the Minister of Climate Change, in consultation with the Minister of Energy and Resources and the Minister of Forestry, to seek through the final Cabinet report back decisions on:
  - i. a balance of emissions reductions in the NZ ETS that prioritises gross emissions reductions, while maintaining levels of net emissions reductions in line with the Commission's analysis and advice on emissions budgets
  - ii. a package of proposals to strengthen NZ ETS incentives for gross emissions reductions; and
  - iii. agreement to publicly consult on this package in early 2023.

12. Draft alternate recommendations that could be used regardless of your preferred option are:

- a. Rec 24: **Agree** the review will be carried out by an inter-agency team of officials, beginning September 2022, and concluding in June 2023, with interim steps including:
  - i. a report back in December proposing the desired balance of gross and net emissions reductions incentivised by the NZ ETS;

- ii. a report back in March of 2023 proposing how to balance gross and net emissions reductions incentivised by the NZ ETS, a package of proposals to strengthen the NZ ETS incentives for gross emissions reductions and agreement to publicly consult on this package in early 2023; and
- b. Rec 30: **Invite** the Minister of Climate Change, in consultation with the Minister of Energy and Resources and the Minister of Forestry, to report back to Cabinet in December 2022 with recommendations on:
  - i. what balance of gross and net emissions reductions is expected to be driven by the current design and settings of the NZ ETS, and the economic, environmental, and distributional impacts of this balance;
  - ii. what balance of gross and net emissions reductions is desired to be driven by the NZ ETS and the impacts of any change.
- c. Rec 31: **Invite** the Minister of Climate Change, in consultation with the Minister of Energy and Resources and the Minister of Forestry, to seek through Cabinet report back in March of 2023 decisions on:
  - i. how to balance gross and net emissions reductions incentivised by the NZ ETS to achieve the desired balance incentivised by the NZ ETS;
  - ii. a package of proposals to strengthen NZ ETS incentives for gross emissions reductions; and
  - iii. agreement to publicly consult on this package.

*CRMG is planned for 28 September and may provide another opportunity to discuss any outcomes from DEV*

13. You outlined that a key consideration for decisions in the ETS review was alignment and sequencing with other decisions that are occurring in related work programmes. The key work programmes that have an impact on the ETS review and that the ETS review will impact are:
- a. He Waka Eke Noa;
  - b. National Environmental Standards – Plantation Forestry;
  - c. ETS Permanent Forestry Category;
  - d. Nationally Determined Contribution Strategy; and
  - e. International Carbon Market Strategy.

14. We can provide you a system view of these decisions including how they are related, when they are expected and how we will manage engagement and communication with key stakeholders that you can share and test with your colleagues at CRMG.

## Recommendations

We recommend that you:

- a. **Note** the key areas of agreement by Climate DCEs on 14 September 2022
- b. **Note** the options available to progress CAB-138 A review of the New Zealand Emissions Trading Scheme.

c. **Agree to either:**

- i. **Option one:** lodge the paper as planned and discuss agency comments with your colleagues at Cabinet committee, with the potential to table modified recommendations in the committee as required.

Yes/No

OR

- ii. **Option two:** lodge a revised paper on Friday which gives effect to the proposed potential pathway forward for the ETS review endorsed by Climate DCEs that sequences the work, noting that this will require your final review on Friday morning.

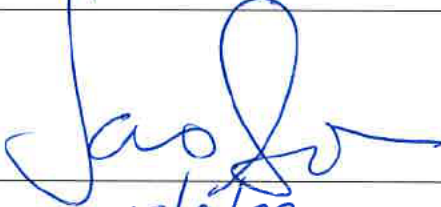
Yes/No

- d. **Note** key recommendations that may require alternate recs and draft alternate recs.
- e. **Provide feedback** and discuss with officials alternate recs for consideration by Cabinet.

Yes/No

### Signature

Hemi Smiler Director Climate Change Mitigation	
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Hon James SHAW, Minister of Climate Change	
	15/9/22



# Post-consultation update: Review of the NZ ETS and redesign of the permanent forest category

Date submitted: 11 September 2023

Tracking number: MfE – BRF-3806, MPI – B23-0597, MBIE – 2324-0642

Security level: Policy and Privacy

MfE priority: Not Urgent

Actions sought from Ministers		
Name and position	Action sought	Response by
To Hon Dr Megan WOODS <b>Minister of Energy and Resources</b>  Hon David PARKER <b>Minister for the Environment</b>  Hon Peeni HENARE <b>Minister of Forestry</b>  Hon James SHAW <b>Minister of Climate Change</b>	Review the content of this briefing.	When convenient

Actions for Minister's office staff
Return the signed briefing to agencies

Appendices and attachments
1. Sector and stakeholder discussions 2. Regional hui 3. Submissions by interest group

Key contacts at Ministry for the Environment			
Position	Name	Cell phone	First contact
Principal Author	Stuart Malthus		
Responsible Manager	James Coombes	9(2)(a)	✓
Director	Melody Guy		
Key contacts at Ministry for Primary Industries			
Position	Name	Cell phone	First contact

Principal Author	Isabella Zohrab		
Responsible Manager	Sam Phillips	9(2)(a)	✓
Director	Charlotte Denny		
<b>Key contacts at Ministry of Business, Innovation and Employment</b>			
<b>Position</b>	<b>Name</b>	<b>Cell phone</b>	<b>First contact</b>
Principal Author	Nick Gillard		
Director	Jamie Kerr	9(2)(a)	✓

#### Minister's comments

## Post-consultation update: Review of the NZ ETS and redesign of the permanent forest category

### Key messages

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1. This briefing updates you on the key themes that have emerged from consultation events on the *Te Arotake Mahere Hokohoko Tukunga | Review of the New Zealand Emissions Trading Scheme* and *A redesigned NZ ETS permanent forest category* discussion documents and outlines next steps.
2. Consultation on both policy workstreams ran for eight weeks from 19 June to 11 August, with submissions accepted until 25 August if submitters requested an extension.
3. Advice on next steps, including an analysis of submissions and consultation feedback, will be provided to the relevant NZ ETS review ministers after the election.<sup>1</sup> We expect to finalise summaries of submissions for both consultations later this year. This will support advice to the incoming Government on next steps for the NZ ETS review and the redesign of the permanent forest category.
4. It is important to embed the NZ ETS review's next steps within the development of the second emissions reduction plan. There is a need to make decisions on the future of the NZ ETS within the context of clearer stated objectives for gross emissions reductions, carbon removals, and the role of emissions price in our transition.

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<sup>1</sup> This process was agreed to at a progress update meeting between Ministers and officials.

5. The incoming Government will have options around the timing and direction of the redesign of the permanent forest category. Final policy decisions could be taken on the redesign of the permanent forest category early in the new term or they could be incorporated into the second emissions reduction plan, alongside the NZ ETS review.

## Recommendations

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We recommend that you:

- a. **note** that public consultation on the NZ ETS review and permanent category redesign ran from 19 June to 11 August
- b. **note** the key themes that have emerged during engagement events on the NZ ETS review and permanent category redesign, summarised on pages 6-9
- c. **note** that officials received 502 submissions on the NZ ETS review and 166 submissions on the permanent category redesign
- d. **note** that further advice on possible next steps for both work programmes will be provided after the election

## Signatures

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Melody Guy  
Director Markets  
**Ministry for the Environment**  
11 September 2023



Charlotte Denny  
Director Natural Resources Policy  
**Ministry for Primary Industries**  
11 September 2023




Jamie Kerr  
Director Climate Change  
**Ministry for Business, Innovation and  
Employment**  
11 September 2023

Hon Dr Megan WOODS  
**Minister of Energy and Resources**  
Date

Hon David PARKER  
**Minister for the Environment**  
Date

Hon Peeni HENARE  
**Minister of Forestry**  
Date

  
Hon James SHAW  
**Minister of Climate Change**  
Date 17/9/23

# Post-consultation update: Review of the NZ ETS and redesign of the permanent forest category

## Purpose

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6. This briefing updates you on the key themes that have emerged from consultations on the *Te Arotake Mahere Hokohoko Tukunga | Review of the New Zealand Emissions Trading Scheme* and *A redesigned NZ ETS permanent forest category* discussion documents and outlines next steps following the election.

## Background

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7. **NZ ETS review:** The Government consulted on whether to change the NZ ETS to prioritise gross emissions reductions whilst maintaining support for carbon removals. The consultation also sought feedback on four high-level options to change the NZ ETS, if the Government decides it does want to change the NZ ETS. If changes are progressed, further engagement will be required on the detailed design of proposals.
8. **Redesign of the NZ ETS permanent forest category:** The Government consulted on options to redesign the permanent forest category to better meet the Government's forestry and climate change objectives, including supporting Māori to realise aspirations for their land. Key questions included which forests and forest models should be allowed to register in the permanent forest category, and whether specific forest management actions should be required.
9. Consultations on both policy workstreams ran for eight weeks from 19 June to 11 August, with submissions accepted until 25 August if submitters requested an extension.
10. Consultation events included:
  - Four webinars in the week of 26 June, two for the general public and two for Māori. In total, there were 386 attendees and high participation (over 280 questions asked).
  - Nine online sector and stakeholder discussions between 4 July and 24 July (see Appendix One).
  - Six regional Māori-focussed hui between 18 July and 3 August. Four were in-person and two online, with additional follow-up hui (see Appendix Two).
  - A general online modelling discussion on 27 July and with Ngā Pou a Tāne (National Māori Forestry Association) on 28 July

- Additional discussions with stakeholder and Treaty partners from 28 July to 16 August, including with Energy and Resources Aotearoa, National Iwi Chairs Forum, Ngā Pou a Tane, and Te Taumata Māori Forest Landowners Collective (Te Taumata)<sup>2</sup>.
11. We received 502 submissions on the NZ ETS review. 205 were from organisations, 198 were from individuals, and 99 were form submissions (10 from the National Iwi Chairs Forum, 83 from Beef + Lamb NZ, and six from Mana Taiao Tairawhiti). There were 119 submissions from the forestry sector and 29 from Māori.
  12. We received 166 submissions on the permanent forest category redesign. 91 were from organisations and 75 were from individuals.
  13. Submissions are broken down by interest group in Appendix Three.

## **Analysis and advice**

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### **Initial summary of feedback from engagement**

14. This section summarises high-level themes from consultation events. It is not an analysis of the policy implications of attendees' views, nor a summary of views expressed in submissions as we have not yet completed this analysis. Advice on submissions will be provided post-election as part of advice on options for progressing this work.
15. Common themes across both consultations included:
  - The importance of regulatory and market certainty. Attendees were concerned that this consultation introduced regulatory uncertainty which reduced the emissions price, undermining existing investments, future investments in emissions reductions, and afforestation. This was of greater concern to many attendees than discussions on the detail of the consultation.
  - Interest in how proposals might affect existing investments, including forests in the NZ ETS and currently held New Zealand Units (NZUs).
  - A desire to access and understand the government's modelling underlying the analysis.
  - Interest in relationships with broader government work programmes. Many attendees considered that clarity on the objectives of New Zealand's climate response is needed before considering change.

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<sup>2</sup> a Māori forestry leaders group convened by Te Taumata

## **NZ ETS review**

16. For the NZ ETS review, it was clear from attendees that there is a need to make decisions on the future of the NZ ETS within the context of clearer stated objectives for gross emissions reductions, carbon removals, and the role of emissions price in our climate transition – much of which is within the scope of the up-coming second emissions reduction plan. A number of attendees expressed their reluctance at providing meaningful feedback on the ETS review's four options until these objectives were first clarified by the Government.
17. Some submitters supported the proposals. For example, some stakeholders were concerned about the impacts of unconstrained afforestation on rural communities. Others, such as environmental Non-Governmental Organisations, thought it was important to progress the NZ ETS review to help New Zealand to achieve sustainable emissions removals beyond 2050.
18. The most vocal feedback expressed strong concern about the proposals. Although many people agreed we need to incentivise gross emissions reductions, they did not want changes to the NZ ETS.
  - Some felt the review was anti-forestry. For example, foresters raised concerns that they were being penalised while agricultural emissions remain outside the NZ ETS.
  - Others noted that their gross emissions are hard to abate (including use of fossil fuels on-farm and heavy transport) and driving up the price will increase their costs, as they have no options to reduce their gross emissions.
  - Others felt that any problems with the NZ ETS arose when the Government chose not to accept the Climate Change Commission's recommended auction settings at the end of 2022.
19. Energy and transport stakeholders noted that increasing NZ ETS prices without adequate alternative solutions or support to transition, particularly for small businesses, risks emissions leakage and domestic New Zealand operators not being able to compete against overseas competitors.

## **Redesign of the permanent forest category**

20. Conversations about the redesign of the permanent forest category were often overshadowed by the focus on the NZ ETS review, although the permanent forest category remained the more significant discussion for some attendees. In some instances, attendees highlighted that it was not worth discussing the permanent forest category in detail until the role of forestry in the NZ ETS was decided through the NZ ETS review.
21. When it was discussed:
  - Some attendees reflected on the 2022 consultation, including that the category should not have opened to exotic species.

- Attendees reflected on the impact of recent severe weather events on rural landscapes and looked to the redesign of the permanent forest category as an opportunity to improve future outcomes.
- There was interest in greater indigenous afforestation but caveated with questions around costs, management, and lower rates of carbon sequestration.
- There were mixed views about the viability of transition forests. Some attendees raised concerns over their long-term management and how the transition would be funded. Others supported the testing of many different transition forest models.

### **Engagement with iwi/Māori**

22. There were diverse views about whether the NZ ETS needed to be changed, and if so what degree of change might be required.
23. There was broad agreement that both gross and net emission reductions are required within our climate transition. Attendees also conveyed that Aotearoa New Zealand requires significant afforestation to offset our emissions and to domestically meet our Nationally Determined Contribution, and the current NZ ETS settings had been supporting this particularly on marginal Māori owned land, so a strong preference was to use other non-NZ ETS levers to drive gross reductions.
24. Attendees noted that changes to the NZ ETS would significantly devalue Māori assets, particularly for communally owned Māori land that is only suitable for forestry not other productive land uses.
25. Concerns were raised about the significant impact of NZ ETS review proposals on Māori landowners and communities, including the impacts of rising NZ ETS costs on Māori households. Attendees questioned the NZ ETS modelling and enquired about seeing further analysis of the impacts on Māori as the review proceeds to the next stage.
26. Some attendees opposed proposals to redesign the permanent forest category and considered Māori landowners should be able to choose what they plant on their land.
27. Often attendees were interested in discussing local issues. For example, in Nelson and Gisborne attendees were interested in how indigenous forestry on pre-1990 land should be incentivised and managed. Gisborne attendees also asked for viable options for forests that cannot be harvested due to environmental impacts.
28. Treaty partners requested more engagement, partnership, and co-design across both work programmes, including on bigger-picture strategic questions.

29. We received 29 submissions from Māori on the NZ ETS review and 18 on the permanent forest category<sup>3</sup>.

## **Te Tiriti analysis is ongoing**

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30. Te Tiriti o Waitangi analysis is ongoing for both the NZ ETS review and the redesign of the permanent category.
31. As described above, Treaty partners have requested partnership and co-design across the NZ ETS review and the redesign of the permanent forest category, in particular early engagement on strategic system-wide questions which will form part of the second emissions reduction plan. As Māori have interests across the whole system they are well-placed to consider such questions.
32. This presents an opportunity to involve Treaty partners in the NZ ETS review and the second emissions reduction plan development. Officials are considering how best to involve Treaty partners in the development of the second emissions reduction plan. This could include collaborating on the data and modelling needed to inform the second emissions reduction plan.
33. This could build on engagement to date with a collaborative group of Māori representative bodies such as the National Iwi Chairs Forum, Ngā Pou a Tane, the Federation of Māori Authorities, and Te Tumu Paeroa.

## **Other considerations**

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### **Risks and mitigations**

34. Throughout consultation many stakeholders and Treaty partners raised concerns about the availability of the modelling. MfE and MPI published modelling information on the agencies' websites, and MfE and MPI officials provided a modelling workshop to explain and answer questions about the modelling on 27 July.

### **Legal issues – legally privileged**

9(2)(h)



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<sup>3</sup> These submissions came from a variety of sources including pan-Māori organisations, iwi trusts, individuals, and consultancies.

9(2)(h)

36. In Te Taumata's submission, they reiterated their concerns with the process and content of the NZ ETS review. They provided a summary of their submission to be presented verbatim to ETS review Ministers which will be included in future advice following analysis of all submissions.

37. 9(2)(h)

## Next steps

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38. Decisions on next steps are a matter for the incoming Government. Advice on submissions analysis will be provided after the election. We expect to finalise summaries of submissions for both consultations later this year. This will support advice to the incoming Government on determining next steps for the NZ ETS review (in accordance with s160 CCRA<sup>4</sup>) and the redesign of the permanent forest category.
39. Officials consider that embedding the NZ ETS review within the development of the second emissions reduction plan will be critical to strategically sequence the next steps. The NZ ETS review was based on the directions and actions of the first emissions reduction plan, in particular prioritising gross emissions reductions and using price to drive those reductions. This direction will be extended or revisited through the second emissions reduction plan. This was reinforced by feedback from consultation events (e.g., paras 16 and 23).
40. The incoming Government will have options around the timing and direction of the redesign of the permanent forest category. Final policy decisions could be taken on the redesign of the permanent forest category early in the new term or they could be incorporated into the second emissions reduction plan. However, the outcomes of the NZ ETS review will need to be considered as some of the options proposed could significantly alter the price incentives for permanent forestry.
41. Officials are considering how best to involve Treaty partners in the development of the NZ ETS proposals and the second emissions reduction plan. This could build on engagement to date with Māori representative bodies such as the National Iwi Chairs Forum, Ngā Pou a Tane, the Federation of Māori Authorities, Te Taumata and Te Tumu Paeroa.

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<sup>4</sup> Section 160 of the Climate Change Response Act 2002 sets out requirements for a review of the operation of the NZ ETS.

## **Appendix One: Sector and stakeholder discussions**

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<b><i>Sector/stakeholder</i></b>	<b><i>Date</i></b>	<b><i>Number of attendees</i></b>
Primary production	4 July	6
Youth	5 July	12
Federated Farmers	6 July	3
Consultants and Carbon Traders	6 July	7
Energy, Energy Intensive and Trade Exposed industries, and Transport	11 July	21
Forestry	12 July	39
eNGO	19 July	8
Dairy companies	21 July	7
Te Tumu Paeroa	24 July	6

## Appendix Two: Regional hui

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<i>Region</i>	<i>Date</i>	<i>Number of attendees</i>
Wellington	18 July	1
Rotorua	20 July	15
Paihia (online)	26 July	2
Christchurch (online)	28 July	7
Nelson	1 August	6
Gisborne	3 August	13

## Appendix Three: Submissions by interest group

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The table below breaks down submissions by interest groups.

<i>Interest group</i>	<i>NZ ETS review submissions</i>	<i>Permanent category redesign submissions</i>
Forestry	119	61
Business	99	0
Farming	73	28
Farm forestry	56	26
Community organisation/environmental group/registered charity	90	34
Academic/research institute/subject matter expert	40	15
Other	38	8
Iwi/hapū/Māori	29	18
Local government	21	17
Industry body	17	2
Not applicable	13	0
No response/unknown	22	26

Some submitters identified with multiple interest groups, so the total number of submissions across all interest groups will be greater than the total number of submissions. We are continuing to contact those who submitted by email to confirm their demographic information. The total number of submissions is also subject to change as duplicate submissions are identified, and joint submissions across the NZ ETS review and permanent category redesign are identified and shared across workstreams.

[IN-CONFIDENCE]

Inter-Agency Directors' Emission Trading Scheme Meeting			
Agenda – Friday 17 February 2023			
Date	Time	Location	Attendees
17 February 2023	2.00-2.45 pm	Microsoft Teams Meeting	<p><b>Attendees:</b> Melody Guy (MfE); Charlotte Denny (MPI); Jamie Kerr (MBIE); James Coombes (MfE); Olivia Sullivan (MPI); Sian Roguski (MBIE)</p> <p><b>In support of the meeting:</b> Richard Pannett (MfE); Frankie McGirr (MfE)</p> <p><b>Apologies:</b> None received</p>
#	Time	Item	Lead
1.	15 mins	<p><b>1) Confirm understanding of Minister direction.</b></p> <p><b>What is our collective understanding of what was agreed by Ministers?</b></p> <p><b>Any further clarifications we need from Ministers in the first meeting?</b></p> <p><b>Scope of work – 10 Key Questions</b></p> <ul style="list-style-type: none"> <li>• Rec 7 – eight questions</li> <li>• Rec 8 – two questions</li> </ul> <p><b>Supporting paper:</b> ETS Review CAB-22-MIN-0412</p>	All
2.	10 mins	<p><b>2) Setting ourselves up for success</b></p> <p><b>Outline timeframe options</b></p> <p><b>How do we organise ourselves to proceed at pace?</b></p> <p><b>How do we resolve differences of view without affecting pace? What are any outstanding differences of view?</b></p> <p><b>Setting ourselves up:</b></p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Leadership of the whole, how to establish a joined writing team</li> <li>• Chapter outline and who leads what</li> </ul>	Melody Guy, all
3.	10 mins	<p><b>3) First Minister update</b></p> <ul style="list-style-type: none"> <li>• ETS review – public announcement date</li> <li>• Overall story line and narrative</li> <li>• Draft Discussion Document skeleton and the key messages from each chapter</li> <li>• Project timeline options including key milestones and decision points for Ministers</li> <li>• Project report including RAG status</li> <li>• Scope - how broad is the policy landscape covered</li> </ul>	Melody Guy, all

[IN-CONFIDENCE]

[IN-CONFIDENCE]

	<ul style="list-style-type: none"> <li>• Confirming key assessment criteria for options</li> <li>• Look and feel of the document - glossy, length etc</li> </ul> <p><b>Supporting paper:</b> ETS Review <i>draft</i> Discussion Document skeleton</p>
<p>Next Meeting</p>	<p>Meetings will occur twice weekly for the next 2 months.</p> <p>Next meeting to be scheduled.</p>

[IN-CONFIDENCE]

[IN-CONFIDENCE]

### 2023 Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
01-1	17/02/2023				

## Document 12

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Friday 17 February 2023, 1.30 -2.30pm
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy, MG (MfE); Charlotte Denny, CD (MPI); Jamie Kerr, JK (MBIE); James Coombes, JC (MfE); Olivia Sullivan, OS (MPI);  <i>In support of the meeting:</i> Richard Pannett, RP (MfE)
<b>Apologies:</b>	Noted that Sian Roguski (MBIE) will not be attending due to secondment. JK to advise new member.

Item	Supporting papers	Lead	Actions
<b>1. Confirm understanding of Minister direction.</b>	ETS Review CAB-22-MIN-0412	Melody	disc
<ul style="list-style-type: none"> <li>MG noted that direction from Ministers on Thursday (16/02) re scope and timeline was clear (as outlined in ETS Review CAB-22-MIN-0412, see supporting document)</li> <li>Group discussed need for clarity about items for first Ministers' meeting.</li> <li>CD queried what was meant by 'Scope - how broad is the policy landscape covered'. MG commented that this meant other initiatives and their relationship with the Review (and how the Review addresses this) e.g. Voluntary Carbon Markets. To be included in wider policy narrative at first Ministers meeting (see item 3)</li> <li>JK noted that understanding is first Ministers' meeting is Monday 20<sup>th</sup> February. <i>Confirmed post meeting that first meeting will be 5pm, 20th February. No papers expected.</i></li> <li>CD suggested having a Directors only discussion as part of this meeting. Directors agreed.</li> </ul> <p>(OS, JC, RP left meeting)</p>			
<b>Directors' discussion</b>			

Item	Supporting papers	Lead	Actions
2. Setting ourselves up for success			
<ul style="list-style-type: none"> <li>• Directors agreed MfE is lead agency with MBIE and MPI supporting from their portfolios to input into the Review.</li> <li>• Governance: DCE will be involved with specific engagement to be determined</li> <li>• Directors committed to ensuring choices/trade-offs are identified early to ministers. Free and frank advice will be provided.</li> <li>• Agreed that issues will be resolved at this Inter-Agency Director's meeting.</li> <li>• CD raised whether core agencies (e.g., Treasury) should be directly part of the project. MG noted preference for MfE, MBIE, MPI to focus on the work and others will review later. Treasury to review RIS (which is the Discussion Document) per standard process</li> <li>• Noted that will require immediate feedback from Ministers if following a weekly cycle of: Minister receives paper on Thursday, Ministers meeting Monday, provide feedback, lodge paper.</li> <li>• Discussed the need to ensure Ministers are informed of related initiatives, where they are up to in their process, how they relate to ETS review.</li> </ul>			
3. First Minister update		All	
<p>Agreed the following items for first Ministers meeting (20/02/23):</p> <ul style="list-style-type: none"> <li>• Overall story line and narrative (broader policy landscape)</li> <li>• ETS review – identify public announcement date.</li> <li>• Draft Discussion Document skeleton and the key messages from each chapter</li> <li>• Depending on meeting time: may provide Project timeline options including key milestones and decision points for Ministers. These include: <ul style="list-style-type: none"> <li>○ What is the minimum period for consultation?</li> <li>○ Is end of June the deadline or can this extend to the start of July 14 the redline or end of June</li> <li>○ Willingness to miss wider ministerial consultation outside themselves.</li> </ul> </li> </ul>			<p>OS and JC to look at structure of discussion doc and land the purpose of each Chapter and link to the 10 questions being answered.</p> <p>OS and JC to discuss which agencies lead each Chapter noting MfE is co-ordinating overall.</p> <p>OS and JC to develop narrative for the Review and wider policy landscape.</p> <p>JK to advise new member for Inter Agency ETS Review Meeting (replacing Sian Roguski).</p>
<p>Next meeting</p> <ul style="list-style-type: none"> <li>• ETS Review PM organising meetings for next week.</li> <li>• Directors agreed that second meeting each week will be a stand-up with no set agenda. No minutes. Actions tracked.</li> </ul>			

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Inter-Agency Directors' Emission Trading Scheme Meeting			
Agenda – Thursday 23 February 2023			
Date	Time	Location	Attendees
23 February 2023	12.30 - 1 pm	Microsoft Teams Meeting	<b>Attendees:</b> Melody Guy (MfE); Charlotte Denny (MPI); Jamie Kerr (MBIE); James Soligo (MBIE); James Coombes (MfE); Olivia Sullivan (MPI); <b>In support of the meeting:</b> Richard Pannett (MfE) <b>Apologies:</b> None received
#	Time	Item	Lead
1.	2 mins	<b>Actions from previous meeting</b>	Melody Guy
2.	5 mins	<b>Managers' Update</b>	James Coombes Olivia Sullivan James Soligo
3.	10 mins	<b>Confirming Scope/Interdependencies with other work Programs</b>	All
4.	5 mins	<b>Project RAG Status Report – first review</b> <ul style="list-style-type: none"> <li>Feedback on format and content</li> </ul> Supporting document to be distributed prior to the meeting	All
5.	5 mins	<b>Agenda for next Ministers' Meeting</b>	AIID
6.		<b>Any Other Business</b>	
Next Meeting		2 <sup>nd</sup> March (3.30 – 4.00pm)  (Stand-up/Check-in: 28 <sup>th</sup> Feb, 3:45 – 4:00)	

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## Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
01-1	17/02/2023	Item 1: Welcome	Advise new member for Inter Agency ETS Review Meeting (replacing Sian Roguski).	Jamie Kerr	Open
01-2	17/02/2023	Item 3: First Ministers Meeting	Look at structure of discussion doc and land the purpose of each Chapter and link to the 10 questions being answered.	James Coombes Olivia Sullivan	Open
01-3	17/02/2023	Item 3: First Ministers Meeting	Discuss which agencies lead each Chapter noting MfE is co-ordinating overall.	James Coombes Olivia Sullivan	Open
01-4	17/02/2023	Item 3: First Ministers Meeting	Develop narrative for the Review and wider policy landscape	James Coombes Olivia Sullivan	Open

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Inter-Agency Directors' Emission Trading Scheme Meeting			
Agenda – Wednesday 1 <sup>st</sup> March 2023			
Date	Time	Location	Attendees
1 <sup>st</sup> March 2023	4.00 – 4.45 pm	Microsoft Teams Meeting	<p><b>Attendees:</b> Melody Guy (MfE); Charlotte Denny (MPI); Jamie Kerr (MBIE); James Soligo (MBIE); James Coombes (MfE); Olivia Sullivan (MPI);</p> <p><b>In support of the meeting:</b> Richard Pannett (MfE), Tim Denne (MfE), Phillip Mellor (MfE)</p> <p><b>Apologies:</b> None received</p>
#	Time	Item	Lead
1.	2 mins	<b>Actions from previous meeting</b>	Melody Guy
2.	10 mins	<b>Updates</b> <ul style="list-style-type: none"> <li>• Directors</li> <li>• Managers</li> </ul>	All
3.	5 mins	<b>Project RAG Status</b> <ul style="list-style-type: none"> <li>• To 3rd March</li> </ul>	All
4.	10 mins	<b>Proposed Agenda for next Ministers' Meeting (6<sup>th</sup> March)</b> <ul style="list-style-type: none"> <li>• ETS Review Options: Summary Slides</li> <li>• Discussion Document: Chapter 1 (Framework and Context)</li> <li>• <i>Others to be identified</i></li> </ul>	All
5.	15 mins	<b>Presentation</b> <ul style="list-style-type: none"> <li>• <b>ETS Supply &amp; Demand Models: <i>Update and suitability for ETS Review</i></b></li> </ul> <p>Presentation will go ahead subject to time and completion of other agenda items. Presentation slides to be shared.</p>	Tim Denne
6.	2 mins	<b>Any Other Business</b>	All
Next Meeting	8 <sup>th</sup> March (4.00 – 4.45pm)		

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### Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
02-01	23/02/2023	Item 4: Project RAG Status Report – first Review	Amend Project RAG Status Report in line with Directors' feedback	Richard Pannett	Complete
02-02	23/02/2023	Agenda for next Ministers' meeting (28/02/23)	Circulate agenda and Project RAG Status report to Ministers on Friday, 24/02/23.	Richard Pannett (actioned by JC)	Complete
01-03	17/02/2023	Item 3: First Ministers Meeting	Discuss which agencies lead each Chapter noting MfE is co-ordinating overall.	James Coombes Olivia Sullivan	In Progress
01-04	17/02/2023	Item 3: First Ministers Meeting	Develop narrative for the Review and wider policy landscape	James Coombes Olivia Sullivan	In Progress
01-01	17/02/2023	Item 1: Welcome	Advise new member for Inter Agency ETS Review Meeting (replacing Sian Roguski).	Jamie Kerr	Closed
01-02	17/02/2023	Item 3: First Ministers Meeting	Look at structure of discussion doc and land the purpose of each Chapter and link to the 10 questions being answered.	James Coombes Olivia Sullivan	Closed

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## Document 15

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Wednesday 1 <sup>st</sup> March 2023, 4.00 -4.45pm
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy, MG (MfE); Charlotte Denny, CD (MPI); Jamie Kerr, JK (MBIE); James Coombes, JC (MfE); Olivia Sullivan, OS (MPI), James Soligo, SD (MBIE)  <i>In support of the meeting:</i> Richard Pannett, RP (MfE)
<b>Apologies:</b>	None

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
See Action table			
<b>2. Updates</b>	<i>ETS Review Project Weekly RAG Status as at 030323.ppt</i>		All
<p>Directors</p> <ul style="list-style-type: none"> <li>Agreed the discussion document must be clear about what is not being considered in the Review, to avoid unintended market outcomes or volatility. Discussion document review must consider this aspect.</li> <li>Agreed the importance of discussion across agency communication teams ahead of the announcement to ensure clear communication and preparedness for expected questions</li> <li>Agreed the importance of meeting with Ministers mid next week to discuss full discussion document, rather than 6<sup>th</sup> March.</li> </ul> <p>Managers</p> <ul style="list-style-type: none"> <li>Advised that discussion and collaboration across agencies was going very well. That the discussion document was progressing with good detail with current step to bring up a level and ensure consistency and clarity. Agreed Chapter 1 (Context) is critical for wider context</li> </ul>			<p>Ensure communication teams across agencies are discussing and preparing consistent plans, including schedule of calls.</p> <p>Move the Ministers meeting from 6<sup>th</sup> March to mid next week (8<sup>th</sup>/9<sup>th</sup>/10<sup>th</sup>) if possible.</p>
<b>3. Project RAG Status</b>			All
<ul style="list-style-type: none"> <li>Directors agreed status for the project overall and individual indicators</li> <li>Directors noted need for two options for text for Scope Indicator in RAG status – for meeting on 6<sup>th</sup> March <b>or</b> later meeting 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup></li> </ul>			Amend Project RAG Status Report (as at 3 <sup>rd</sup> March) in line with Directors' feedback

Item	Supporting papers	Lead	Actions
<b>4. Agenda for next Ministers' meeting (6<sup>th</sup> March)</b>			
<p>Directors agreed on the following agenda items (for 6<sup>th</sup> March) if the meeting cannot be moved to mid next week.</p> <ol style="list-style-type: none"> <li>1. Project RAG Status (to 3<sup>rd</sup> March)</li> <li>2. ETS Review Options: Summary Slides</li> <li>3. Discussion Document: Chapter 1 (Framework and Context)</li> </ol> <p>If the meeting can be moved to mid next week</p> <ol style="list-style-type: none"> <li>1. Project RAG Status (to 3<sup>rd</sup> March)</li> <li>2. ETS Review Discussion Document</li> </ol> <p><i>Note: It was determined following the Directors meeting that the Ministers meeting could not be moved from the 6<sup>th</sup> March.</i></p>			<p>Develop summary slides for ETS Review Identified options.</p>
<b>5. Presentation: ETS Supply &amp; Demand Models: <i>Update and suitability for ETS Review</i></b>		All	
<p>Item did not go ahead. Following discussion with Managers, Directors agreed there was comfort in the evidence (supply/demand models) and suitability for the Review and that a presentation was not required.</p>			
<b>6. Other Business</b>		All	
None			
Next meeting: 7 <sup>th</sup> March, 9.00 – 9.30am			

## Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
03-01	01/03/23	Item 2: Updates	Ensure communication teams across agencies are discussing and preparing consistent plans, including schedule of calls.	James Soligo Richard Pannett	Closed
03-02	01/03/23	Item 2: Updates	Move the Ministers meeting from 6 <sup>th</sup> March to mid next week (8 <sup>th</sup> /9 <sup>th</sup> /10 <sup>th</sup> ) if possible.	James Soligo James Coombes Olivia Sullivan	Closed
03-03	01/03/23	Item 3: Project RAG Status	Amend Project RAG Status Report (as at 3 <sup>rd</sup> March) in line with Directors' feedback	Richard Pannett	Closed
03-04	01/03/23	Item 4: Agenda for next Ministers' meeting (6th March)	Develop summary slides for ETS Review Identified options.	James Coombes James Soligo Olivia Sullivan	Closed
02-01	23/02/2023	Item 4: Project RAG Status Report – first Review	Amend Project RAG Status Report in line with Directors' feedback	Richard Pannett	Closed
02-02	23/02/2023	Agenda for next Ministers' meeting (28/02/23)	Circulate agenda and Project RAG Status report to Ministers on Friday, 24/02/23.	Richard Pannett (actioned by JC)	Closed
01-01	17/02/2023	Item 1: Welcome	Advise new member for Inter Agency ETS Review Meeting (replacing Sian Roguski).	Jamie Kerr	Closed
01-02	17/02/2023	Item 3: First Ministers Meeting	Look at structure of discussion doc and land the purpose of each Chapter and link to the 10 questions being answered.	James Coombes Olivia Sullivan	Closed
01-03	17/02/2023	Item 3: First Ministers Meeting	Discuss which agencies lead each Chapter noting MfE is co-ordinating overall.	James Coombes Olivia Sullivan	Closed
01-04	17/02/2023	Item 3: First Ministers Meeting	Develop narrative for the Review and wider policy landscape	James Coombes Olivia Sullivan	Closed

## Document 16

## ETS Review: Minister Progress Update #3 - Agenda

<b>Date and time:</b>	Monday 6 March 2023, 6.00 - 6:30pm	
<b>Location:</b>	Virtual	
Item	Supporting papers	Lead
1. Opening		MCC/ Officials lead
2. Project Status Update	<i>ETS Review Project RAG Status to 3<sup>rd</sup> March</i>	
<ul style="list-style-type: none"> <li>• Status of project overall. Review of indicators requiring attention.</li> </ul>		
3. Discussion Document	<i>ETS Review Options Summary</i>	All
<ul style="list-style-type: none"> <li>• ETS Review Options and their key impacts <ul style="list-style-type: none"> <li>○ Discuss key impacts identified through the development of the discussion document for each ETS Review option agreed with Ministers to proceed.</li> <li>○ Describe overall story line and narrative</li> </ul> </li> </ul>		
4. Next meeting		
13 <sup>th</sup> March, 5.30 – 6.00pm		

# Emissions Trading Scheme Review

## Chapter 7: Options overview, and Opening Narrative

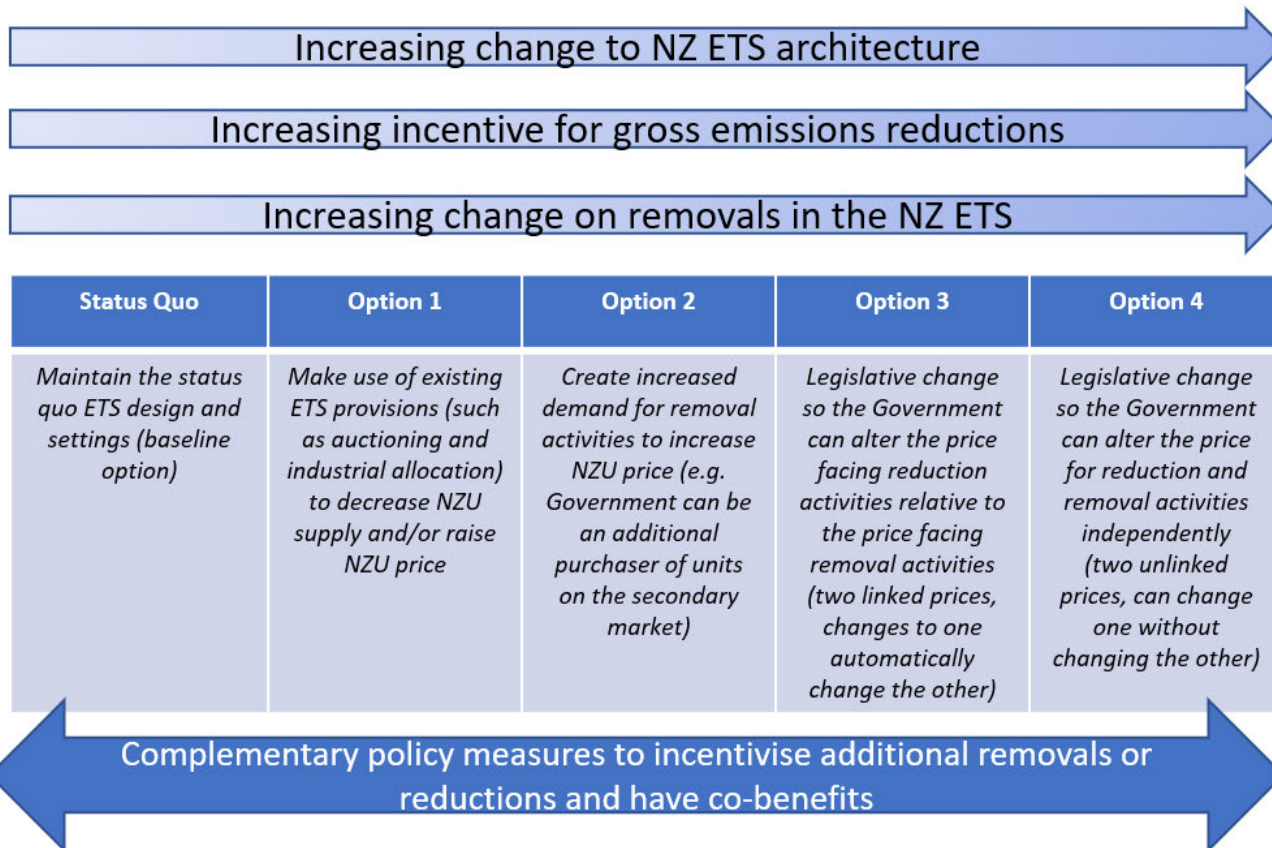


# NZ ETS Review Discussion Document

## Chapter 7 – Options analysis

- Following slides outline the range of options which will be presented in the Discussion Document – Chapter 7
- They reflect previous decisions by Ministers to rule out:
  - The status quo
  - Only focusing on driving gross emissions reductions
- Option descriptions have been kept intentionally high-level, but more specific examples of each will also be provided in the Discussion Document
- This approach will preserve space for further options development and analysis, while also enabling participants in the consultation to engage with, and provide evidence of, the practical impacts of different options
- An example of the initial, high-level analysis of each option is also provided – the baseline for this analysis is the status quo i.e. the expected impact of the NZ ETS under current policy settings

# NZ ETS Review Discussion Document - revised Options



**Note:**

- Original options 1 (status quo) and 7 (only focus on gross reductions) removed as ruled out by Ministers
- Option 4 is a combination of the original options 5 and 6
- For reference: see Appendix for original spectrum of options

# NZ ETS Review Discussion Document

## Options

### Option 1\*: Make use of existing NZ ETS provisions to decrease NZU supply and/or raise NZU price

- The CCRA legislative framework for the NZ ETS includes a number of existing levers which could be used to further incentivise gross emissions reductions
- Examples include:
  - More aggressively phasing down industrial allocation
  - Decreasing auction volumes
  - Increasing the reserve price/CCR trigger price
- Option 1 will likely increase prices both at auction and for units traded on the secondary market in the short term, which could incentivise participants to reduce gross emissions
- Over the medium/long-term, however, oversupply of NZUs from exotic afforestation is likely to dampen any increased incentive for NZ ETS participants to reduce gross emissions

\*This is the original option 2 outlined in the November spectrum of options.

# NZ ETS Review Discussion Document Options

## Option 2\*: Legislation to create greater demand for removal activities to increase NZU price

- This option involves legislative change to create additional buyers for removal NZUs, beyond NZ ETS mandatory participants seeking to meet surrender obligations
- Examples include:
  - Enabling the Crown to purchase NZUs allocated to removal activities on the secondary market
  - Enabling NZUs allocated to removal activities to be sold to international carbon markets
- Either of the examples above would increase demand for NZUs overall. We expect the price would increase, which could strengthen the incentive for NZ ETS mandatory participants to reduce gross emissions
- An increasing NZU price is also likely to increase the incentive for removal activities

\*original option 3 outlined in the November spectrum of options.

# NZ ETS Review Discussion Document Options

**Option 3\*:** Changes to reduce the price allocated for removal activities relative to those purchased at auction, to prioritise gross emissions reductions

- This option involves interventions which create a different price for NZUs allocated from removal activities vs those sold at auction
- This could be by increasing the value of NZUs sold at auction (relative to the NZU price for removals), and/or by decreasing the number or value of NZUs allocated from removal activities
- Examples include:
  - Limiting the proportion of a mandatory participant's surrender obligation which can be met with NZUs allocated from removal activities (i.e. only 50% of surrendered units can be from NZ ETS forestry)
  - Allocating removal activities a reduced number of NZUs relative to the actual amount of CO2 they have sequestered (i.e. a forester receives only 1 NZU for every 2 tonnes of removals). This could apply differently across different types of forestry.
- These examples increase the incentive for gross emissions reductions, but without additional interventions outside the NZ ETS will reduce the incentive for removals

\*original option 4 outlined in the November spectrum of options.

# NZ ETS Review Discussion Document Options

## **Option 4\*:** Legislative changes to enable the Crown to alter the price for reduction and removal activities independently of one another

- Under this option, NZ ETS participants would no longer be able to use removals as part of their surrender obligations
- Removals would instead be purchased by the Crown, either within the existing architecture of the NZ ETS or via a separate removal market mechanism
- The Crown would use removals against its emissions budgets and NDC and could, if needed, release some into the NZ ETS market via its auction settings
- It's also possible that other entities could purchase the removals, but only for purposes other than meeting surrender obligations in the NZ ETS
- This option provides the highest Government control over the level of gross emissions reductions and removals that occur domestically

\*original option 5 and 6 outlined in the November spectrum of options.

## **Appendix – Original spectrum of options (Nov 2022)**

*There are a spectrum of options*



Guiding objective	'Least cost mitigation'	'Investors should be encouraged to prioritise gross emissions'	'The Crown should have options to step in to lift carbon prices'	'The market structure should actively influence the balance of gross and forestry'	'The Crown should influence the balance of gross and forestry removals within NZ ETS'	'The Crown should influence the balance of gross within ETS, and drive forestry removals outside the NZ ETS'	'We should do all that we can to reduce gross emissions today'
			Options 3 – 5 would require creating new NZ ETS levers, allowing the Government to influence forestry supply or demand – but keep forestry within the NZ ETS				
Policy framework	1) Status quo / historical	2) Enhanced status quo – use existing NZ ETS provisions to strengthen incentives for decarbonisation	3) Legislation enables ability to strengthen NZ ETS incentives for gross reductions	4) Legislative changes to NZ ETS settings to affect balance	5) Legislative changes to reshape forestry's role as part of the NZ ETS	6) Forestry is removed from the NZ ETS	7) Only focus on driving gross emissions reductions
Illustrative examples	No policy interventions taken	<i>The Crown:</i> <ul style="list-style-type: none"> <li>reduces NZ ETS auction volumes,</li> <li>Aggressively phases-out industrial allocation</li> </ul>	<i>Legislative change is taken to allow:</i> <ul style="list-style-type: none"> <li>the Crown to buy removal units from the NZ ETS</li> <li>Allow foresters to export NZUs</li> </ul>	<i>The NZ ETS is amended so that gross emitters can only use up to a certain proportion of units from forestry (e.g., 70% of their emissions)</i>	<i>From 2025, the Crown is the sole purchaser of removals [monopsony] and buys removals at fixed price. It can decide how many removals it releases to the NZ ETS.</i>	<i>No new forestry NZ ETS registrations from 2025.</i> <i>Forestry is incentivised outside the NZ ETS (e.g., used to offset biogenic methane via voluntary carbon market)</i>	<i>Remove forestry from NZ ETS and do not introduce other incentives for forestry</i>
Balance of gross reductions vs. removals 2025-2050 (illustrative – not modelled)	Currently: Majority forestry removals - Minority gross reductions	Continued levels of forestry removals – but potentially less than the status quo.				Reduced forestry removals	Negligible forestry removals
		An increased share of gross emissions reductions. For example, the Climate Commission demonstration pathway (one of many plausible pathways).				More gross reductions, where available in the economy	More gross reductions

## **Example** – Options multi criteria analysis

# Example: NZ ETS Review DD Options

## Option 1: Make use of existing NZ ETS provisions to decrease NZU supply and/or raise NZU price

Summary	Short term	Medium/long term
Prioritises gross emissions reductions	<input checked="" type="checkbox"/>	↔
Drives emissions removals	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Supports meeting the NDC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Maintains price stability, predictability and market liquidity	<input checked="" type="checkbox"/> Reduce market liquidity	<input checked="" type="checkbox"/>
Manages costs to the economy and households	↔ Increase costs to emitters Decrease cost of achieving NDC 1	↔ Decrease costs to emitters Increase cost of achieving future NDCs
Impacts on Māori Tiriti partners	<input checked="" type="checkbox"/> Māori foresters <input checked="" type="checkbox"/> Ambition <input checked="" type="checkbox"/> Cost increase	↔
Can incentivise different removal activities to support co-benefits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Key:**  = better than the status quo, ↔ = no difference to status quo,  = worse than status quo

## **Draft – Opening narrative**

# NZ ETS Review Discussion Document - Narrative



The challenge of transitioning to low-emissions, climate-resilient New Zealand presents the single greatest opportunity to develop our economy into one that is much more productive, much more sustainable, and much more inclusive than the one we have today.

Under the Paris Agreement, New Zealand has set a Nationally Determined Contribution (NDC) of reducing net emissions by 50 per cent below gross 2005 levels by 2030.

The Government has agreed that Aotearoa New Zealand's first priority will be domestic climate action to help meet New Zealand's climate change targets, including the NDC. This means both:

1. Reducing emissions of greenhouse gases into the atmosphere from sectors such as transport, waste, energy and agriculture (reducing gross emissions)
2. Increasing the amount of carbon dioxide we remove from the atmosphere (reducing net emissions)

Forestry is one of the most effective tools we have at removing carbon dioxide from the atmosphere. Beyond this, forestry also makes a positive contribution to a range of other outcomes, including:

- providing employment in rural communities
- providing economic returns for land that may otherwise be unproductive
- providing erosion control
- enhancing indigenous biodiversity
- providing economic opportunities for landowners, including tangata whenua

We need significant new forestry in the coming years to achieve our climate goals, as well as realise these additional benefits.

As the Government's main emissions pricing tool, it is crucial that the Emissions Trading Scheme (NZ ETS) supports the outcomes above. Following advice from He Pou a Rangi – Climate Change Commission (the Commission), the Government is reviewing the NZ ETS to assess whether, under its current settings, it will do so, and what changes might need to be made.

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Inter-Agency Directors' Emission Trading Scheme Meeting			
Agenda – Thursday 9 <sup>th</sup> March 2023			
Date	Time	Location	Attendees
9 <sup>th</sup> March 2023	10.00 – 10.30 am	Microsoft Teams Meeting	<b>Attendees:</b> Melody Guy (MfE); Charlotte Denny (MPI); Jamie Kerr (MBIE); James Soligo (MBIE); James Coombes (MfE); Olivia Sullivan (MPI); <b>In support of the meeting:</b> Richard Pannett (MfE) <b>Apologies:</b> None received
#	Time	Item	Lead
1.	2 mins	<b>Actions from previous meeting</b>	Melody Guy
2.	10 mins	<b>Updates</b> <ul style="list-style-type: none"> <li>• Directors</li> <li>• Managers</li> </ul>	All
3.	5 mins	<b>Project RAG Status</b> <ul style="list-style-type: none"> <li>• To 10<sup>th</sup> March</li> </ul>	All
4.	10 mins	<b>Proposed Agenda for next Ministers' Meeting (15<sup>th</sup> March, 7.30pm)</b> <ul style="list-style-type: none"> <li>• ETS Review RAG Status (to 10<sup>th</sup> March)</li> </ul>	All
5.	2 mins	<b>Any Other Business</b> <ul style="list-style-type: none"> <li>• Consideration of including a one-page summary for ETS Review to include in information to Ministers (with Discussion Document and Brief)</li> <li>• Setup of National Iwi Chairs Forum (NICF) Group</li> </ul>	All
Next Meeting		15 <sup>th</sup> March (4.00 – 4.45pm)	

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**Actions Register: Inter-agency Directors' ETS Review meeting**

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
SU-01	07/03/23	ETS Review Announcement	Further discussion with MCC Office on reason for the direction given for ETS Review Announcement approach and issues raised by Directors.	James Coombes	Closed
SU-02	07/03/23	Discussion Document	Reduce the number of Discussion Document authors and focus on key areas for amendment discussed at the meeting and MPI feedback previously shared, including: <ul style="list-style-type: none"> <li>- Quantifying impact on energy sector</li> <li>- Be clear about areas which are not currently answerable</li> </ul> Plain English for Options (Chapter 7), including descriptions for Options.	James Coombes Olivia Sullivan	Open
SU-03	07/03/23	Discussion Document	MBIE to add content to section(s) quantifying impact on energy sector	Jamie Kerr James Soligio	Open
SU-04	07/03/23	Discussion Document	Send updated Discussion Document to Ministers' Offices on Thursday, 9 <sup>th</sup> March for weekend bag	James Coombes Olivia Sullivan James Soligio Richard Pannett	Open
SU-05	07/03/23	Discussion Document	Distribute updated Discussion Document to TSY and DoC	James Coombes Richard Pannett	Open
Action #	Meeting Date	Discussion Item	Action	Responsible	Status

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SU-06	07/03/23	Cabinet Paper and Brief update	Update Cabinet Paper and Brief to align with updates to Discussion Document (see SU-02,SU-03,SU-04)	James Coombes	Open
SU-06	07/03/23	Ministers Meeting	Contact MCC office to reschedule Ministers Meeting on 13/03 which has been cancelled	James Coombes	Closed
03-01	01/03/23	Item 2: Updates	Ensure communication teams across agencies are discussing and preparing consistent plans, including schedule of calls.	James Soligo Richard Pannett	Closed
03-02	01/03/23	Item 2: Updates	Move the Ministers meeting from 6 <sup>th</sup> March to mid next week (8 <sup>th</sup> /9 <sup>th</sup> /10 <sup>th</sup> ) if possible.	James Soligo James Coombes Olivia Sullivan	Closed
03-03	01/03/23	Item 3: Project RAG Status	Amend Project RAG Status Report (as at 3 <sup>rd</sup> March) in line with Directors' feedback	Richard Pannett	Closed
03-04	01/03/23	Item 4: Agenda for next Ministers' meeting (6th March)	Develop summary slides for ETS Review Identified options.	James Coombes James Soligo Olivia Sullivan	Closed
02-01	23/02/2023	Item 4: Project RAG Status Report – first Review	Amend Project RAG Status Report in line with Directors' feedback	Richard Pannett	Closed
02-02	23/02/2023	Agenda for next Ministers' meeting (28/02/23)	Circulate agenda and Project RAG Status report to Ministers on Friday, 24/02/23.	Richard Pannett (actioned by JC)	Closed
01-01	17/02/2023	Item 1: Welcome	Advise new member for Inter Agency ETS Review Meeting (replacing Sian Roguski).	Jamie Kerr	Closed

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01-02	17/02/2023	Item 3: First Ministers Meeting	Look at structure of discussion doc and land the purpose of each Chapter and link to the 10 questions being answered.	James Coombes Olivia Sullivan	Closed
01-03	17/02/2023	Item 3: First Ministers Meeting	Discuss which agencies lead each Chapter noting MfE is co-ordinating overall.	James Coombes Olivia Sullivan	Closed
01-04	17/02/2023	Item 3: First Ministers Meeting	Develop narrative for the Review and wider policy landscape	James Coombes Olivia Sullivan	Closed

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## Document 19

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Thursday 9 <sup>th</sup> March 2023, 10.00 – 10.30am
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy, MG (MfE); Charlotte Denny, CD (MPI); Jamie Kerr, JK (MBIE); James Coombes, JC (MfE); Olivia Sullivan, OS (MPI), James Soligo, SD (MBIE)  <i>In support of the meeting:</i> Charlotte Wood (MfE), David Mead (MfE), Richard Pannett, RP (MfE)
<b>Apologies:</b>	None

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
See Action table			
<b>2. Updates</b>			All
Updates provided by Managers and Directors.  Directors <ul style="list-style-type: none"> <li>Agreed that must keep moving at pace and to advise Ministers of areas of Discussion Document which do not have clear information/evidence at this stage and require further work (some of which will be in future stages of the ETS Review project)</li> <li>Agreed that critical input for the Discussion document is addition of energy sector text (along with areas outlined directly in Director review of Version 6)</li> <li>Agreed to remove scoring from options in the Discussion Document at this stage. They will be a core component of future work for the Review (RIS and Cabinet paper in July).</li> <li>Agreed that Discussion Document and brief to go in Ministers' weekend bag with RAG to be included with agenda on Monday (13<sup>th</sup>)</li> </ul>			Arrange time for Directors on Monday (13 <sup>th</sup> ) to finalise agenda for Ministers meeting on 15 <sup>th</sup> .
<b>3. Project RAG Status</b>			All
<ul style="list-style-type: none"> <li>Project status as at 10<sup>th</sup> March</li> <li>Directors agreed overall status is Amber</li> </ul>			Update RAG in line with Directors Review.
<b>4. Proposed Agenda for next Ministers' Meeting (15<sup>th</sup> March, 7.30pm)</b>			

Item	Supporting papers	Lead	Actions
Directors agreed on the following agenda items (for 15 <sup>th</sup> March)  1. Project RAG Status (to 10 <sup>th</sup> March)  Directors agreed to meet on 13 <sup>th</sup> to finalise agenda.			
5.		All	
6. Other Business		All	
6.1 Consideration of including a one-page summary for ETS Review to include in information to Ministers (with Discussion Document and Brief)	Not discussed.		
6.2 Setup of National Iwi Chairs Forum (NICF) Group	Not discussed due to time. To be progressed separately		
Next meetings: <ul style="list-style-type: none"> <li>• 13<sup>th</sup> March, 4.00 – 4.30pm (finalise agenda for Ministers meeting (15<sup>th</sup> March)</li> <li>• 15<sup>th</sup> March, 3.45 – 4.30pm</li> </ul>			

## Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
04-02	09/03/23	Item 3: Project RAG status	Update RAG in line with Directors Review.	Richard Pannett	Open
SU-02	07/03/23	Discussion Document	Reduce the number of Discussion Document authors and focus on key areas for amendment discussed at the meeting and MPI feedback previously shared, including: <ul style="list-style-type: none"> <li>- Quantifying impact on energy sector</li> <li>- Be clear about areas which are not currently answerable</li> </ul> Plain English for Options (Chapter 7), including descriptions for Options.	James Coombes Olivia Sullivan	Open
Action #	Meeting Date	Discussion Item	Action	Responsible	Status
04-01	09/03/23	Item 2: Updates	Arrange time for Directors on Monday (13 <sup>th</sup> ) to finalise agenda for Ministers meeting on 15 <sup>th</sup> .	Richard Pannett	Closed
SU-01	07/03/23	ETS Review Announcement	Further discussion with MCC Office on reason for the direction given for ETS Review Announcement approach and issues raised by Directors.	James Coombes	Closed
SU-03	07/03/23	Discussion Document	MBIE to add content to section(s) quantifying impact on energy sector	Jamie Kerr James Soligio	Closed
SU-04	07/03/23	Discussion Document	Send updated Discussion Document to Ministers' Offices on Thursday, 9 <sup>th</sup> March for weekend bag	James Coombes Olivia Sullivan James Soligio Richard Pannett	Closed
SU-05	07/03/23	Discussion Document	Distribute updated Discussion Document to TSY and DoC	James Coombes Richard Pannett	Closed
SU-06	07/03/23	Cabinet Paper and Brief update	Update Cabinet Paper and Brief to align with updates to Discussion Document (see SU-02,SU-03,SU-04)	James Coombes	Closed
SU-06	07/03/23	Ministers Meeting	Contact MCC office to reschedule Ministers Meeting on 13/03 which has been cancelled	James Coombes	Closed

03-01	01/03/23	Item 2: Updates	Ensure communication teams across agencies are discussing and preparing consistent plans, including schedule of calls.	James Soligo Richard Pannett	Closed
03-02	01/03/23	Item 2: Updates	Move the Ministers meeting from 6 <sup>th</sup> March to mid next week (8 <sup>th</sup> /9 <sup>th</sup> /10 <sup>th</sup> ) if possible.	James Soligo James Coombes Olivia Sullivan	Closed
03-03	01/03/23	Item 3: Project RAG Status	Amend Project RAG Status Report (as at 3 <sup>rd</sup> March) in line with Directors' feedback	Richard Pannett	Closed
03-04	01/03/23	Item 4: Agenda for next Ministers' meeting (6th March)	Develop summary slides for ETS Review Identified options.	James Coombes James Soligo Olivia Sullivan	Closed
02-01	23/02/2023	Item 4: Project RAG Status Report – first Review	Amend Project RAG Status Report in line with Directors' feedback	Richard Pannett	Closed
02-02	23/02/2023	Agenda for next Ministers' meeting (28/02/23)	Circulate agenda and Project RAG Status report to Ministers on Friday, 24/02/23.	Richard Pannett (actioned by JC)	Closed
01-01	17/02/2023	Item 1: Welcome	Advise new member for Inter Agency ETS Review Meeting (replacing Sian Roguski).	Jamie Kerr	Closed
01-02	17/02/2023	Item 3: First Ministers Meeting	Look at structure of discussion doc and land the purpose of each Chapter and link to the 10 questions being answered.	James Coombes Olivia Sullivan	Closed
01-03	17/02/2023	Item 3: First Ministers Meeting	Discuss which agencies lead each Chapter noting MfE is co-ordinating overall.	James Coombes Olivia Sullivan	Closed
01-04	17/02/2023	Item 3: First Ministers Meeting	Develop narrative for the Review and wider policy landscape	James Coombes Olivia Sullivan	Closed

## Document 20

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Monday 13 <sup>th</sup> March 2023, 4.00 – 4.30pm
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy, MG (MfE); Charlotte Denny, CD (MPI); Jamie Kerr, JK (MBIE); James Coombes, JC (MfE); Olivia Sullivan, OS (MPI), James Soligo, SD (MBIE)  <i>In support of the meeting: David Mead (MfE), Richard Pannett, RP (MfE)</i>
<b>Apologies:</b>	None

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
See Action table			
<b>2. Updates</b>			All
Updates provided by Directors, Managers, and David Mead (in respect to RIA Panel and other agency feedback).  Directors <ul style="list-style-type: none"> <li>Agreed RAG rating and updates following advice that ETS Announcement will not occur this week</li> <li>Agreed that language in the Discussion Document to be reviewed to consider whether it is linking too directly to areas which are yet to have detailed analysis (which will come through the consultation submission analysis)</li> </ul>			
<b>3. Proposed Agenda for next Ministers' Meeting (15<sup>th</sup> March, 7.30pm)</b>			
Directors agreed on the following agenda items (for 15 <sup>th</sup> March) <ol style="list-style-type: none"> <li>Project RAG Status (to 13<sup>th</sup> March)</li> <li>ETS Review Discussion Document <ul style="list-style-type: none"> <li>Discussion Document Option 4 – responding to Minister feedback</li> <li>Based on your feedback, what must be included in the Discussion Document before ministerial consultation commences (17<sup>th</sup> March). Versus, what can be refined</li> </ul> </li> </ol>			

Item	Supporting papers	Lead	Actions
after ministerial consultation in preparation for the final discussion document?			
<i>Note: following the meeting Managers to review and finalise agenda</i>			
<b>4. Other Business</b>		All	
Next meeting			
<ul style="list-style-type: none"> <li>• 22<sup>nd</sup> March (4.00 – 4.45pm)</li> </ul>			

## Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
04-01	09/03/23	Item 2: Updates	Arrange time for Directors on Monday (13 <sup>th</sup> ) to finalise agenda for Ministers meeting on 15 <sup>th</sup> .	Richard Pannett	Closed
04-02	09/03/23	Item 3: Project RAG status	Update RAG in line with Directors Review.	Richard Pannett	Closed
SU-02	07/03/23	Discussion Document	Reduce the number of Discussion Document authors and focus on key areas for amendment discussed at the meeting and MPI feedback previously shared, including: <ul style="list-style-type: none"> <li>- Quantifying impact on energy sector</li> <li>- Be clear about areas which are not currently answerable</li> </ul> Plain English for Options (Chapter 7), including descriptions for Options.	James Coombes Olivia Sullivan	Closed
SU-01	07/03/23	ETS Review Announcement	Further discussion with MCC Office on reason for the direction given for ETS Review Announcement approach and issues raised by Directors.	James Coombes	Closed
SU-03	07/03/23	Discussion Document	MBIE to add content to section(s) quantifying impact on energy sector	Jamie Kerr James Soligio	Closed
SU-04	07/03/23	Discussion Document	Send updated Discussion Document to Ministers' Offices on Thursday, 9 <sup>th</sup> March for weekend bag	James Coombes Olivia Sullivan James Soligio Richard Pannett	Closed
SU-05	07/03/23	Discussion Document	Distribute updated Discussion Document to TSY and DoC	James Coombes Richard Pannett	Closed
SU-06	07/03/23	Cabinet Paper and Brief update	Update Cabinet Paper and Brief to align with updates to Discussion Document (see SU-02,SU-03,SU-04)	James Coombes	Closed
SU-06	07/03/23	Ministers Meeting	Contact MCC office to reschedule Ministers Meeting on 13/03 which has been cancelled	James Coombes	Closed
03-01	01/03/23	Item 2: Updates	Ensure communication teams across agencies are discussing	James Soligio Richard Pannett	Closed

			and preparing consistent plans, including schedule of calls.		
03-02	01/03/23	Item 2: Updates	Move the Ministers meeting from 6 <sup>th</sup> March to mid next week (8 <sup>th</sup> /9 <sup>th</sup> /10 <sup>th</sup> ) if possible.	James Soligo James Coombes Olivia Sullivan	Closed
03-03	01/03/23	Item 3: Project RAG Status	Amend Project RAG Status Report (as at 3 <sup>rd</sup> March) in line with Directors' feedback	Richard Pannett	Closed
03-04	01/03/23	Item 4: Agenda for next Ministers' meeting (6th March)	Develop summary slides for ETS Review Identified options.	James Coombes James Soligo Olivia Sullivan	Closed
02-01	23/02/2023	Item 4: Project RAG Status Report – first Review	Amend Project RAG Status Report in line with Directors' feedback	Richard Pannett	Closed
02-02	23/02/2023	Agenda for next Ministers' meeting (28/02/23)	Circulate agenda and Project RAG Status report to Ministers on Friday, 24/02/23.	Richard Pannett (actioned by JC)	Closed
01-01	17/02/2023	Item 1: Welcome	Advise new member for Inter Agency ETS Review Meeting (replacing Sian Roguski).	Jamie Kerr	Closed
01-02	17/02/2023	Item 3: First Ministers Meeting	Look at structure of discussion doc and land the purpose of each Chapter and link to the 10 questions being answered.	James Coombes Olivia Sullivan	Closed
01-03	17/02/2023	Item 3: First Ministers Meeting	Discuss which agencies lead each Chapter noting MfE is co-ordinating overall.	James Coombes Olivia Sullivan	Closed
01-04	17/02/2023	Item 3: First Ministers Meeting	Develop narrative for the Review and wider policy landscape	James Coombes Olivia Sullivan	Closed

## Document 21

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Wednesday 22 <sup>nd</sup> March 2023, 4.00 – 4.45pm
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy, MG (MfE); Charlotte Denny, CD (MPI); Jamie Kerr, JK (MBIE); James Coombes, JC (MfE); Olivia Sullivan, OS (MPI), James Soligo, SD (MBIE); Craig Salmon (MfE)  <i>In support of the meeting:</i> Jen Nolan (MfE); Richard Pannett, RP (MfE)
<b>Apologies:</b>	None

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
No actions from previous meeting			
<b>2. Updates</b>			All
Updates provided by Directors and Managers, noting: <ul style="list-style-type: none"> <li>Incorporation of RIA Panel second review feedback into Discussion Document</li> <li>Feedback from ministerial consultation and agency review</li> </ul>			
<b>3. Engagement and Consultation Approach</b>			
Directors agreed <ul style="list-style-type: none"> <li>The need for managers to discuss and determine an overarching resource plan the next phases of ETS Review, including consultation, and discuss with Directors</li> <li>That wherever possible, consultation activities/events for Permanent Forestry and ETS Review are combined.</li> </ul>			Distribute the 'ETS Review Stakeholder Engagement plan – overview'  Managers to meet and determine an overarching resource plan the next phases of ETS Review. Present back at next meeting (29 <sup>th</sup> March)
<b>4. Assessing the Evidence Base</b>			
Directors agreed			

Item	Supporting papers	Lead	Actions
<ul style="list-style-type: none"> <li>• A cross agency workshop to critically assess the evidence base was an important activity</li> <li>• The need for agencies (through the workshop) to reach an agreed position on the evidence and provide advice on how to address gaps (noting the consultation process will help)</li> <li>• Clear guidance to Ministers on evidence base gaps, how to meet, what can be done in the timeline of the ETS Review</li> <li>• Importance of DCEs to review as soon as possible</li> </ul>			<p>Organise cross-agency evidence base analysis workshop</p> <p>Develop guidance for DCEs regarding current state and gaps in the evidence base to be used to support the ETS Review</p> <p>Share draft of 'Future of Work Tripartite Forum Research - Insights into emissions-intensive, trade-exposed businesses' when available</p>
<b>5. Proposed Agenda for next Ministers' Meeting (29<sup>th</sup> March, 4.15pm)</b>			
<p>Directors proposed, subject to agreement, the following agenda items (for 29<sup>th</sup> March).</p> <ul style="list-style-type: none"> <li>• Project RAG Status (to 24<sup>th</sup> March)</li> <li>• Discussion Document <ul style="list-style-type: none"> <li>- Summary of ministerial and agency feedback</li> <li>- Final changes from Ministers ahead of approval on 29/03</li> </ul> </li> <li>• NICF – Key areas for attention</li> </ul>			<p>Develop summary of ministerial consultation and agency feedback for next Ministers meeting</p>
<b>6. Other Business</b>		All	
<p>Options Analysis (approach and resourcing)</p> <p>Directors agreed:</p> <ul style="list-style-type: none"> <li>• The current cross agency team and approach is working well and should continue, noting the need for more resources from MBIE</li> <li>• The pool of resources with the required skillset is very limited and that adding more people without the required skills/experience could slow down the process</li> <li>• That expansion of the current cross agency team would be by an agreed set of named people (from other agencies and consultancies, if engaged).</li> <li>• That an expanded team must progress the work in the same way as the current team, working collaboratively.</li> </ul>			<p>See action 06-02 below</p>
<p>Next meeting</p> <ul style="list-style-type: none"> <li>• 29<sup>th</sup> March (4.00 – 4.45pm)</li> </ul>			

**Actions Register: Inter-agency Directors' ETS Review meeting**

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
06-01	22/03/23	3. Engagement and Consultation Approach	Distribute the 'ETS Review Stakeholder Engagement plan – overview'	Richard Pannett	Closed
06-02	22/03/23	3. Engagement and Consultation Approach	Managers to meet and determine an overarching resource plan the next phases of ETS Review. Present back at next meeting (29 <sup>th</sup> March)	James C Olivia Sullivan James S	In Progress
06-03	22/03/23	4. Assessing the Evidence Base	Organise cross-agency evidence base analysis workshop	James C Richard Pannett	In Progress
06-04	22/03/23	4. Assessing the Evidence Base	Develop guidance for DCEs regarding current state and gaps in the evidence base to be used to support the ETS Review	Craig Salmon	In Progress
06-05	22/03/23	4. Assessing the Evidence Base	Share draft of 'Future of Work Tripartite Forum Research - Insights into emissions-intensive, trade-exposed businesses' when available	James Soligio	Upcoming
06-06	22/03/23	5. Proposed Agenda for next Ministers' Meeting (29th March, 4.15pm)	Develop summary of ministerial consultation and agency feedback for next Ministers meeting	James C Richard Pannett	In Progress

## Document 22

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Wednesday 29 <sup>th</sup> March 2023, 4.00 – 4.45pm
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy, MG (MfE); Charlotte Denny, CD (MPI); Jamie Kerr, JK (MBIE); James Coombes, JC (MfE); Olivia Sullivan, OS (MPI), James Soligo, SD (MBIE); Craig Salmon (MfE)  <i>In support of the meeting:</i> Richard Pannett, RP (MfE)
<b>Apologies:</b>	None

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
No actions from previous meeting			
<b>2. Updates</b>			All
Updates provided by Directors and Managers, noting: <ul style="list-style-type: none"> <li>• The need to pause lodgement of Discussion Document (planned for 30/03) following meeting with Treaty Partners (27<sup>th</sup> March)</li> <li>• That have received letter from Te Taumata legal representatives and NICF</li> <li>• Noted that Discussion Document had received 'meet' from RIA Review</li> <li>• Noted that ERP2 consultation is planned to start in late April (26<sup>th</sup>)</li> </ul> Directors agreed: <ul style="list-style-type: none"> <li>• For Managers/team to work on options and understand timeline for message to team</li> <li>• Develop advice with options for Ministers' weekend bag</li> </ul>			
<b>3. Assessing the Evidence Base</b>			
Craig provided update on agencies he had spoken to (MBIE, TSY, MPI) noting good information for forestry but weaker on energy and transport (who have focused on complimentary measures, not price).  Directors agreed that discussion of cross agency data modelling at smaller climate group meeting was required.			Work in managers so that getting info for ETS Review and don't lose sight of other data gaps.

Item	Supporting papers	Lead	Actions
			Arrange time with transport for input into discussion document
<b>4. Project RAG status</b>			
RAG status was not discussed.			
<b>5. Proposed Agenda for next Ministers' Meeting (not scheduled)</b>			
<ul style="list-style-type: none"> <li>A minister meeting had not been scheduled and agenda not discussed. Directors agreed it should be held in week of the 10<sup>th</sup> April</li> </ul>			
<b>6. Other Business</b>		All	
<ul style="list-style-type: none"> <li>Noted that CRMG have requested an item for Landuse, including ETS Review. Agreed that MfE would keep agencies in the informed.</li> </ul>			
<b>Next meeting</b> <ul style="list-style-type: none"> <li>5<sup>th</sup> April (1.30 – 2.00pm)</li> </ul>			

**Actions Register: Inter-agency Directors' ETS Review meeting**

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
07-01	29/03/23	4. Assessing the Evidence Base	Work in managers so that getting info for ETS Review and don't lose sight of other data gaps	Craig Salmon	In Progress
07-02	29/03/23	4. Assessing the Evidence Base	Arrange time with transport for input into discussion document	James C Richard Pannett	In Progress
06-02	22/03/23	3. Engagement and Consultation Approach	Managers to meet and determine an overarching resource plan the next phases of ETS Review. Present back at next meeting (29 <sup>th</sup> March)	James C Olivia Sullivan James S	In Progress
06-03	22/03/23	4. Assessing the Evidence Base	Organise cross-agency evidence base analysis workshop	James C Richard Pannett	In Progress
06-04	22/03/23	4. Assessing the Evidence Base	Develop guidance for DCEs regarding current state and gaps in the evidence base to be used to support the ETS Review	Craig Salmon	In Progress
06-05	22/03/23	4. Assessing the Evidence Base	Share draft of 'Future of Work Tripartite Forum Research - Insights into emissions-intensive, trade-exposed businesses' when available	James Soligio	Upcoming

## Document 23

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Wednesday 5 <sup>th</sup> April 2023, 1.30 – 2.00pm
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy, MG (MfE); Charlotte Denny, CD (MPI); Jamie Kerr, JK (MBIE); James Coombes, JC (MfE); Olivia Sullivan, OS (MPI), (MBIE); Craig Salmon (MfE)  <i>In support of the meeting:</i> Richard Pannett, RP (MfE)
<b>Apologies:</b>	James Soligo, SD

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
Actions to be reviewed out of session			
<b>2. Updates</b>			All
<ul style="list-style-type: none"> <li>Noted that Minister Shaw had written to NICF and Te Taumata</li> <li>Noted that meetings between Ministers and NICF and FOMA to occur this afternoon. Min. Woods to host the meetings.</li> <li>There had not been a response from Te Taumata to the meeting invitation from Min. Shaw</li> </ul> <p>Focus of meeting was preparation for Ministers meeting.</p> <p>Directors agreed a priority was officials and ministers supporting staff during a period where engagement could be challenging.</p>			
<b>3. RAG Status</b>			
Directors agreed <ul style="list-style-type: none"> <li>Increase Engagement and Resourcing statuses to red. Maintain Schedule at red. Overall status of project is Red.</li> <li>That direction from Ministers on options provided to progress the review was a critical outcome from the meeting</li> </ul>			
<b>4. Proposed Agenda for next Ministers' Meeting (6<sup>th</sup> March, 12.00pm)</b>			

Item	Supporting papers	Lead	Actions
Directors agreed the following items: <ul style="list-style-type: none"> <li>- Iwi/Māori engagement</li> <li>- ETS Review – direction on next steps</li> <li>- Project RAG Status</li> </ul>			Send agenda and supporting papers and send to Ministers offices for 06/04 meeting.
<b>5. Other Business</b>		All	
Next meeting <ul style="list-style-type: none"> <li>• 12<sup>th</sup> April (4.00 – 4.45pm)</li> </ul>			

**Actions Register: Inter-agency Directors' ETS Review meeting**

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
08-01	05/04/23	4. Proposed Agenda for next Ministers' Meeting (6th March, 12.00pm)	Send agenda and supporting papers and send to Ministers offices for 06/04 meeting.	James C Richard Pannett	Closed
07-01	29/03/23	4. Assessing the Evidence Base	Work in managers so that getting info for ETS Review and don't lose sight of other data gaps	Craig Salmon	In Progress
07-02	29/03/23	4. Assessing the Evidence Base	Arrange time with transport for input into discussion document	James C Richard Pannett	In Progress
06-02	22/03/23	3. Engagement and Consultation Approach	Managers to meet and determine an overarching resource plan the next phases of ETS Review. Present back at next meeting (29 <sup>th</sup> March)	James C Olivia Sullivan James S	In Progress
06-03	22/03/23	4. Assessing the Evidence Base	Organise cross-agency evidence base analysis workshop	James C Richard Pannett	In Progress
06-04	22/03/23	4. Assessing the Evidence Base	Develop guidance for DCEs regarding current state and gaps in the evidence base to be used to support the ETS Review	Craig Salmon	In Progress
06-05	22/03/23	4. Assessing the Evidence Base	Share draft of 'Future of Work Tripartite Forum Research - Insights into emissions-intensive, trade-exposed businesses' when available	James Soligio	Upcoming

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Inter-Agency Directors' Emission Trading Scheme Meeting			
Agenda – Wednesday 12 <sup>th</sup> April 2023			
Date	Time	Location	Attendees
12 <sup>th</sup> April 2023	4.00 – 4.45 pm	Microsoft Teams Meeting	<b>Attendees:</b> Melody Guy (MfE); Charlotte Denny (MPI); Jamie Kerr (MBIE); Craig Salmon (MfE); Sam Phillips (MPI); James Soligo (MBIE); Olivia Sullivan (MPI); <b>In support of the meeting:</b> Richard Pannett (MfE) <b>Apologies:</b> James Coombes (MfE)
#	Time	Item	Lead
1.		<b>Actions from previous meeting</b>	Melody Guy
2.	20 mins	<b>Updates</b> <ul style="list-style-type: none"> <li>• Directors</li> <li>• Managers</li> </ul>	All
3.	10 mins	<b>Work Programme and Resourcing</b> <ul style="list-style-type: none"> <li>- Required now to support Discussion Document, pre-engagement, and consultation</li> <li>- Longer term – next FY</li> </ul>	All
4.	5 mins	<b>Project RAG Status</b> <ul style="list-style-type: none"> <li>• To 14<sup>th</sup> April</li> </ul>	All
5.	5 mins	<b>Proposed Agenda for next Ministers' Meeting (not scheduled)</b> <ul style="list-style-type: none"> <li>• ETS Review RAG Status (to 14<sup>th</sup> March)</li> </ul>	All
6.	5 mins	<b>Any Other Business</b>	All
Next Meeting		19 <sup>th</sup> April (4 – 4.45pm)	

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### Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
07-01	29/03/23	4. Assessing the Evidence Base	Work in managers (chew on) - so that getting info for ETS Review and don't lose sight of other data gaps	Craig Salmon	In Progress
07-02	29/03/23	4. Assessing the Evidence Base	Arrange time with transport for input into discussion document	James C Richard Pannett	In Progress
06-02	22/03/23	3. Engagement and Consultation Approach	Managers to meet and determine an overarching resource plan the next phases of ETS Review. Present back at next meeting (29 <sup>th</sup> March)	James C Olivia Sullivan James S	In Progress
06-03	22/03/23	4. Assessing the Evidence Base	Organise cross-agency evidence base analysis workshop D	James C Richard Pannett	In Progress
06-04	22/03/23	4. Assessing the Evidence Base	Develop guidance for DCEs regarding current state and gaps in the evidence base to be used to support the ETS Review	Craig Salmon	In Progress
06-05	22/03/23	4. Assessing the Evidence Base	Share draft of 'Future of Work Tripartite Forum Research - Insights into emissions-intensive, trade-exposed businesses' when available	James Soligio	Upcoming

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## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Wednesday 19 <sup>th</sup> April 2023, 4.00 – 4.45pm. Meeting 10
<b>Location:</b>	Virtual
<b>Attendees:</b>	Charlotte Denny (MPI); Jamie Kerr (MBIE); David Mead (MfE); James Coombes (MfE); Olivia Sullivan (MPI), (MBIE); James Soligo (MBIE);  <i>In support of the meeting:</i> Richard Pannett (MfE)
<b>Apologies:</b>	Melody Guy (MfE); Craig Salmon (MfE)

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		David	
Actions reviewed with 09-01 and 09-02 closed			
<b>2. Updates</b>		All	
<p>Directors</p> <ul style="list-style-type: none"> <li>- Updated on MPI briefing of Min. Henare. Engagement (with iwi/Māori in particular) a key focus for Minister</li> <li>- Jamie K advised that work commissioned to complement evidence base (noting it isn't where it needs to be now) focusing on alignment across MBIE first. Advised that it will be extension of evidence base and policy position. MoT included in the discussion.</li> <li>- Agreed Ministers meeting frequency to be fortnightly with two in May (8<sup>th</sup> and 22<sup>nd</sup>).</li> </ul> <p>Managers</p> <ul style="list-style-type: none"> <li>- Noted meeting with NICF chairs and technicians. Have provided latest Discussion Document for tracked changes. NICF feedback by 8<sup>th</sup> May but may be 15<sup>th</sup> May (leaving limited time ahead of lodgement on 25<sup>th</sup> May if feedback is substantial).</li> <li>- Noted FOMA have note requested to review discussion document and no MoU required.</li> <li>- Noted that planning work underway for post consultation report to have clearer position on where ETS plays role in terms of price for large emitters.</li> <li>- Work underway for submissions analysis (to engage a third party to support). Understood that HWEN did a lot of work on submissions analysis and have lessons learned.</li> </ul>			Request Minister Meetings for 8 <sup>th</sup> and 22 <sup>nd</sup> of May

Item	Supporting papers	Lead	Actions
<b>3. Project RAG Status</b>		All	
Directors agreed: <ul style="list-style-type: none"> <li>- Schedule to move to Green due to revised timeline and scope</li> <li>- Scope remains Amber</li> <li>- Engagement moves to Amber from Red (due to progress with Treaty Partners)</li> <li>- Resourcing moves Amber from Red (due to change in scope/timeline)</li> </ul>			
<b>4. Proposed Agenda for next Ministers' Meeting</b>			
Directors agreed Managers to finalise agenda for Ministers meeting.  Post meeting the following agenda was agreed: <ol style="list-style-type: none"> <li>1. Project Update</li> <li>2. ETS Review – Public and iwi/Māori Consultation period               <ul style="list-style-type: none"> <li>- Treaty partners pre-engagement update</li> <li>- Depending on pre-engagement feedback/timing: consultation planned to commence 19<sup>th</sup> June, after ETS auction (14<sup>th</sup> June)</li> <li>- Joint consultation with Permanent Forestry Category</li> <li>- Recommend an 8-week consultation period</li> </ul> </li> </ol>			Complete agenda and papers for Ministers meeting 24 <sup>th</sup> April.
<b>5. Other Business</b>		All	
Next meeting <ul style="list-style-type: none"> <li>• 26<sup>th</sup> April (4.00 – 4.45pm)</li> </ul>			

### Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
10-01	19/04/23	2. Updates	Request Minister Meetings for 8 <sup>th</sup> and 22 <sup>nd</sup> of May	Richard Pannett	Closed
10-02	19/04/23	4. Proposed Agenda for next Ministers' Meeting	Complete agenda and papers for Ministers meeting 24 <sup>th</sup> April.	Managers	Closed
06-03	22/03/23	4. Assessing the Evidence Base	Organise cross-agency evidence base analysis workshop	James C Richard Pannett	In Progress
06-04	22/03/23	4. Assessing the Evidence Base	Develop guidance for DCEs regarding current state and gaps in the evidence base to be	Craig Salmon	In Progress

			used to support the ETS Review		
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## Document 26

## ETS Review: Minister Progress Update #8 - Agenda







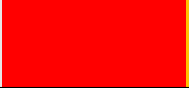

<b>Date and time:</b>	3:30 – 4.00pm Monday 24 <sup>th</sup> April
<b>Location:</b>	Virtual

Item	Supporting papers	Lead
1. Opening		MCC/ Officials lead
2. Project Update	<i>ETS Review Project Weekly RAG Status at 210423</i>	MCC/ Officials lead
3. ETS Review – Public and iwi/Māori Consultation period		Feedback from Ministers
<ul style="list-style-type: none"> <li>• Treaty partners pre-engagement update</li> <li>• Depending on pre-engagement feedback/timing: consultation planned to commence 19<sup>th</sup> June, after ETS auction (14<sup>th</sup> June)</li> <li>• Joint consultation with Permanent Forestry Category</li> <li>• Recommend an 8-week consultation period</li> </ul>		
4. Next meeting		
<ul style="list-style-type: none"> <li>• 8<sup>th</sup> May</li> </ul>		

## Emissions Trading Scheme (ETS) Review Phases 1 and 2: Project RAG Status

Reporting date: 21/04/23

<b>Phase 1 &amp; 2 Objectives:</b>	Develop ETS Review discussion document and undertake public consultation
<b>Overall Status</b>	Decision on length of public consultation is required

			Comment	Mitigation
Indicator	Previous	Current		
Schedule			Change due to option 2 and change in timeframes/scope	
Scope			Revised scope of analysis remains large and complex but has reduced pressure on resources	
Engagement			Pre-engagement with NICF progressing with outcome of their review of Discussion Document to be provided.	
Resourcing			Change due to option 2 and change in timeframes/scope	

Upcoming	Action	Target Date
• ENV Committee	Review and approval to undertake public consultation	1 <sup>st</sup> June
• Cabinet		6 <sup>th</sup> June

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Wednesday 3 <sup>rd</sup> May 2023, 2.30 – 3.30pm. Meeting 11
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy (MfE); Charlotte Denny (MPI); James Soligo (MBIE); James Coombes (MfE); Olivia Sullivan (MPI),  <i>In support of the meeting:</i> Richard Pannett (MfE)
<b>Apologies:</b>	Jamie Kerr (MBIE);  Discu

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
Actions reviewed. Update for 06-04 below and 06-03 closed			
06-04: 9(2)(f)(iv) [REDACTED]			
<b>2. Updates</b>		All	
<p>Directors</p> <ul style="list-style-type: none"> <li>- See update to action 06-04 above</li> <li>- Noted that Min. Henare and Chris Insley expected to continue to meet. A Minister led engagement may delay process. Project timeline and rationale reiterated. Have not heard from PMO requesting delay.</li> <li>- Charlotte and Olivia meeting with Min. Henare tomorrow.</li> </ul> <p>Managers</p> <ul style="list-style-type: none"> <li>- Core authoring team refining Discussion Document, including references to Climate Commission's recently released draft advice for ERP2</li> <li>- Awaiting NICF iwi technician feedback on Discussion Documents. Currently on track for 8<sup>th</sup> May.</li> <li>- Confirmed that continue to be no expectation from FOMA to review Discussion Document.</li> <li>- James S noted that work on aligning strategy (through SLT) across MBIE portfolios has moved back.</li> <li>- Noted that team had assessed Commission's options in draft advice and how these aligned with Discussion Document options. Noting in Commission's options which are not covered by Discussion Document.</li> </ul>			<p>Request Minister Meeting for late in week of 15<sup>th</sup> May (after Treaty Partner feedback and prior to lodgement)</p> <p>Raise idea of meeting between Ministers and NICF Iwi Chairs (for early in week of 22<sup>nd</sup> May) with MCC Office.</p>

Item	Supporting papers	Lead	Actions
<b>3. Engagement Plan and Resourcing</b>		All	
<ul style="list-style-type: none"> <li>- Managers presented engagement plan which has strategy of front ending consultation period with content overview followed by detailed facilitator led sessions.</li> <li>- Directors supported the plan and noted:               <ul style="list-style-type: none"> <li>- The need to understand level for iwi/Māori meeting (Minister to attend?)</li> <li>- The value of having iwi technicians across the plan, noting agencies are limited in time and resources</li> <li>- The value of a brief on the plan to the Māori caucus</li> <li>- The logistics involved and need to be early into calendars (dep secs etc).</li> </ul> </li> </ul>			<p>Iwi technicians to provide input into Engagement Plan</p> <p>Brief to Ministers on Engagement Plan to be developed including sharing with Māori caucus.</p> <p>Add resources to engagement plan to identify issues/constraints for next review by Directors.</p>
<b>4. Broadening awareness of upcoming consultation</b>			
<ul style="list-style-type: none"> <li>- Directors agreed that ETS Review not to be on CCIEB agenda for meeting on 31 May.</li> </ul>			
<b>5. Project RAG Status</b>			
<ul style="list-style-type: none"> <li>- Directors agreed that health indicators to remain the same as previous RAG. Overall Amber, Schedule Green, Scope/Engagement and Resourcing Amber.</li> </ul>			
<b>6. Other Business</b>		All	
<ul style="list-style-type: none"> <li>- Directors agreed to inclusion of quick submission option and associated questions for ETS Review. To follow approach used for ERP.</li> </ul>			
<b>Next meeting</b> <ul style="list-style-type: none"> <li>• 9<sup>th</sup> May (4.00 – 4.45pm)</li> </ul>			

**Actions Register: Inter-agency Directors' ETS Review meeting**

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
11-01	03/05/23	2. Updates	Request Minister Meeting for late in week of 15 <sup>th</sup> May (after Treaty Partner feedback and prior to lodgement)	Richard Pannett	Closed
11-02	03/05/23	2. Updates	Raise idea of meeting between Ministers and NICF Iwi Chairs (for early in week of 22 <sup>nd</sup> May) with MCC Office.	Richard Pannett	In Progress
11-03	03/05/23	3. Engagement Plan and Resourcing	Iwi technicians to provide input into Engagement Plan	Managers	Upcoming
11-04	03/05/23	3. Engagement Plan and Resourcing	Brief to Ministers on Engagement Plan to be developed including sharing with Māori caucus.	Managers	Upcoming
11-05	03/05/23	3. Engagement Plan and Resourcing	Add resources to engagement plan to identify issues/constraints for next review by Directors.	Managers	In Progress
06-03	22/03/23	4. Assessing the Evidence Base	Organise cross-agency evidence base analysis workshop	James C Richard Pannett	Closed
06-04	22/03/23	4. Assessing the Evidence Base	Develop guidance for DCEs regarding current state and gaps in the evidence base to be used to support the ETS Review	Craig Salmon	In Progress  See update in minutes

## Document 29

## ETS Review: Minister Progress Update #9 - Agenda

Date and time:	9:00 – 9.30am Friday 19 <sup>th</sup> May
Location:	Virtual

Item	Supporting papers	Lead
1. Opening		MCC/ Officials lead
2. Treaty Partner Relationship	<i>BRF 3165: Treaty Partner Feedback on NZ ETS Review and Permanent Forest Category Redesign Discussion Documents.doc</i>	MCC/ Officials lead
<ul style="list-style-type: none"> <li>• Cabinet noted that it is critical to engage with Iwi/Māori throughout the review process</li> <li>• Officials to discuss with you: <ul style="list-style-type: none"> <li>○ Feedback from Treaty Partners during the pre-engagement period (ended 18<sup>th</sup> May) in preparation for Minister's meetings with National Iwi Chairs Forum (NICF) and Federation of Māori Authorities (FOMA) on Tuesday 23<sup>rd</sup> May</li> <li>○ Options to include this feedback in or alongside the ETS Review Discussion Document for consultation</li> </ul> </li> </ul>		
3. Steps to Lodgement		Feedback from Ministers
<ul style="list-style-type: none"> <li>• A brief and cabinet paper seeking approval to consult on a review of the ETS will be submitted next Tuesday (23<sup>rd</sup> May) with the final ETS Review Discussion Document.</li> <li>• Officials to discuss with you: <ul style="list-style-type: none"> <li>○ A check-in with officials following the meeting with NICF on 23<sup>rd</sup> May to understand feedback provided</li> <li>○ Steps to be undertaken between now and lodgement on 25<sup>th</sup> May</li> <li>○ Your comfort with this timeline</li> </ul> </li> <li>• Note that further advice on timeframes will be provided if needed following receiving feedback from the NICF and FOMA</li> </ul>		
4. Project Update	<i>ETS Review Project Weekly RAG Status at 190523</i>	MCC/ Officials lead
<ul style="list-style-type: none"> <li>• Officials present the RAG status update to Ministers</li> </ul>		
5. Next meeting	<ul style="list-style-type: none"> <li>• To be scheduled</li> </ul>	

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## Emissions Trading Scheme (ETS) Review Phases 1 and 2: Project RAG Status

Reporting date: 19/05/23

<b>Phase 1 &amp; 2 Objectives:</b>	Develop ETS Review discussion document and undertake public consultation
<b>Overall Status</b>	Preparing for lodgement. Approach for inclusion of NICF feedback being determined.

			Comment	Mitigation
Indicator	Previous	Current		
Schedule			No specific feedback received from NICF to date. Schedule remains on track.	
Scope			Decisions to be made on final products to Ministers/Cabinet prior to election	
Engagement			Engagement with Treaty Partners requires continued effort and focus	Min. Shaw meetings with NICF and FOMA (23 May).
Resourcing			Consultation to have significant demand on agency resources.	

Upcoming	Action	Target Date
• ENV Committee	Review and approval to undertake public consultation	1 <sup>st</sup> June
• Cabinet		6 <sup>th</sup> June

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## Document 31

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Thursday 7 <sup>th</sup> June 2023, 4.00 – 4.45pm. Meeting 16
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy (MfE); Charlotte Denny (MPI); Jamie Kerr (MBIE); James Soligo (MBIE); Olivia Sullivan (MPI); Kate Whitwell (MfE)  <i>In support of the meeting:</i> Nikora Heitia (MfE); Ripeka Hoerara (MPI); Richard Pannett (MfE)
<b>Apologies:</b>	James Coombes (MfE);

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
Open actions part of meeting agenda items. To be reviewed following.			
<b>2. Updates</b>		All	
<ul style="list-style-type: none"> <li>Request for NDA to be sent to additional members of NICF, FOMA and Te Taumata for groups to receive Discussion Documents for meeting on 12<sup>th</sup> June</li> <li>Noted that Permanent Forestry did not go to Cabinet on 5<sup>th</sup> June</li> <li>Directors agreed on content of Briefing Note for Ministers.</li> </ul>			Distribute NDA to additional staff and share Discussion Documents when signed.
<b>3. Engagement</b>		All	
<ul style="list-style-type: none"> <li>Noted feedback from NICF to support 9 in person hui and Agency plan for proposed 5.</li> <li>Directors agreed the need to hold other sessions with organisations/stakeholders alongside formal hui</li> <li>Noted the previous approach of using a neutral venue rather than a specific marae</li> <li>Directors agreed that need to see a fully resourced plan. Must be specialists, not generalists. Plan to show two options – original plan and broader</li> </ul>			<p>Seek legal advice on breadth of in person engagement to meet need</p> <p>Develop resourced plan for in person hui with 2 options (original 5 planned and extended to include support of NICF hui).</p>
<b>4. Steps to consultation</b>			

Item	Supporting papers	Lead	Actions
5. Project RAG Status (to 9 June)			
<ul style="list-style-type: none"> <li>Carried over</li> </ul>			
6. Other Business		All	
<ul style="list-style-type: none"> <li>None raised</li> </ul>			
Next meeting			
<ul style="list-style-type: none"> <li>14<sup>th</sup> June (4.00 – 4.45pm)</li> </ul>			

### Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
16-01	7 June	2. Updates	Distribute NDA to additional staff and share Discussion Documents when signed.	Richard	Closed
16-02	7 June	3. Engagement	Seek legal advice on breadth of in person engagement to meet need	Richard	Closed
16-03	7 June	3. Engagement	Develop resourced plan for in person hui with 2 options (original 5 planned and extended to include support of NICF hui).	Nikora Ripeka James C Olivia	In Progress
15-02	1 June	3. Engagement	Discussion with NICF about their role at the in-person hui.	Melody	In Progress
15-04	1 June	3. Engagement	Discuss and develop content for Energy Technical Briefing	James S Scott	In Progress

## DRAFT Minutes of the Inter-Agency Directors' ETS Review Meeting

<b>Date and time:</b>	Tuesday 16 <sup>th</sup> May 2023, 3.00 – 3.45pm. Meeting 13
<b>Location:</b>	Virtual
<b>Attendees:</b>	Melody Guy (MfE); Charlotte Denny (MPI); Jamie Kerr (MBIE); James Soligo (MBIE); James Coombes (MfE); Olivia Sullivan (MPI),  <i>In support of the meeting:</i> Richard Pannett (MfE)
<b>Apologies:</b>	

Item	Supporting papers	Lead	Actions
<b>1. Actions from previous meeting</b>		Melody	
Actions reviewed (06-04 closed)			
<b>2. Updates</b>		All	
<ul style="list-style-type: none"> <li>- Directors agreed the need to have a brief to Ministers outlining the Treaty Partner feedback.</li> <li>- Noted that relationship with NICF continues to be positive</li> <li>- Noted that a joint MfE/MPI response has been developed for Te Taumata's most recent letter. Response is with Min. Shaw to review               <ul style="list-style-type: none"> <li>- Directors agreed that Ministry of Foreign Affairs to be advised for Min. Mahuta's awareness.</li> </ul> </li> </ul>			
<b>3. Steps to Lodgement</b>		All	
<ul style="list-style-type: none"> <li>- RP noted <b>steps and dates to lodgement.</b></li> <li>- Directors agreed need to share Discussion Document with RIA Panel to note changes</li> </ul>			Provide version of Discussion Document today (rather than Monday, 22 <sup>nd</sup> ) for early review  Share final version of Discussion Document with RIA Panel for review and reconfirm statement  Move Managers review of Approval to Lodge to Monday 22 <sup>nd</sup> AM and Directors Monday 22 <sup>nd</sup> PM.
<b>4. Agenda for Ministers Meeting (19th May)</b>			
Directors agreed the following agenda			

Item	Supporting papers	Lead	Actions
<ul style="list-style-type: none"> <li>- Treaty Partner Relationship</li> <li>- Steps to Lodgement</li> <li>- Project Update</li> </ul>			Send agenda and supporting papers to Ministers office by Thursday 18 <sup>th</sup> .
<b>5. Project RAG Status (to 19 May)</b>			
Directors agreed the following statuses. Ref. RAG summary. <ul style="list-style-type: none"> <li>- <b>Overall</b>: Preparing for Lodgement. Approach for inclusion of NICF feedback being determined</li> <li>- <b>Schedule</b></li> <li>- <b>Scope</b></li> <li>- <b>Engagement</b></li> <li>- <b>Resourcing</b></li> </ul>			
<b>6. Other Business</b>		All	
<ul style="list-style-type: none"> <li>- Managers to review ETS Review Engagement Plan (and questions raised relating to early contact with stakeholders) and discuss at upcoming Directors' meeting</li> </ul>			
<b>Next meeting</b> <ul style="list-style-type: none"> <li>• 24<sup>th</sup> May (4.00 – 4.45pm)</li> </ul>			

### Actions Register: Inter-agency Directors' ETS Review meeting

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
13-01	16/05/23	3. Steps to Lodgement	Provide version of Discussion Document today (rather than Monday, 22 <sup>nd</sup> ) for early review	Richard	Closed
13-02	16/05/23	3. Steps to Lodgement	Share final version of Discussion Document with RIA Panel for review and reconfirm statement	Richard	Closed
13-03	16/05/23	3. Steps to Lodgement	Move Managers review of Approval to Lodge to Monday 22 <sup>nd</sup> AM and Directors Monday 22 <sup>nd</sup> PM.	Richard	Closed
13-04	16/05/23	4. Agenda for Ministers Meeting (19th May)	Send agenda and supporting papers to Ministers office by Thursday 18 <sup>th</sup> .	Richard	Closed
11-03	03/05/23	3. Engagement Plan and Resourcing	Iwi technicians to provide input into Engagement Plan	Managers	Upcoming

11-04	03/05/23	3. Engagement Plan and Resourcing	Brief to Ministers on Engagement Plan to be developed including sharing with Māori caucus.	Managers	Upcoming
11-05	03/05/23	3. Engagement Plan and Resourcing	Add resources to engagement plan to identify issues/constraints for next review by Directors.	Managers	In Progress