


 Ministry for Primary Industries
 Manatū Ahu Matua


Briefing: Methane Science and Targets Review

Date submitted: 1 March 2024

MfE Tracking number: BRF-4278

MPI Track number: B24-0154

Security level: Policy and Privacy

MfE priority: Urgent

Actions sought from Ministers

<i>Name and position</i>	<i>Action sought</i>	<i>Response by</i>
Hon Todd MCCLAY Minister of Agriculture To Hon Simon WATTS Minister of Climate Change	Decision required	4 March 2024

Actions for Ministers' office staff

Return the signed briefing to the Ministry for the Environment (ministerials@mfe.govt.nz).
 Return the signed briefing to the Ministry for Primary Industries (ministerials@mpi.govt.nz)

Appendices and attachments

- Appendix One: Slide deck to inform discussion of options for the scope of the review
- Appendix Two: Indicative milestone delivery of the methane science and target review

Key contacts at Ministry for the Environment

<i>Position</i>	<i>Name</i>	<i>Cell phone</i>	<i>First contact</i>
Principal Authors	Sarah Croxford, Tom Womack		
Responsible Manager	Cheryl Moir	9(2)(a)	✓
General Manager	Mark Vink		

Key contacts at Ministry for Primary Industries

Principal Authors	Henry Peach, Shania Brooks		
Responsible Manager	Sophia Murphy	9(2)(a)	✓
Director	Charlotte Denny		

Minister's comments

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Methane Review

Key messages

1. The Government's Coalition Agreement commits to "Maintain a split-gas approach to methane and carbon dioxide through to 2050 and review the methane science and targets in 2024 for consistency with no additional warming from agricultural methane emissions".
2. This briefing seeks your early direction on the scope and mode of the methane science and targets review. Officials will then report back with draft terms of reference, potential panellists for you to consider, and a draft Cabinet paper.
3. We have identified three options for the scope a review of the methane science and targets. The first two options could be completed within the timeframe you have directed. The third option is wider in scope and would extend the timing of the review into quarter 3 of this year.
4. We have begun to draw up a long list of suitable candidates which we will provide to you once the scope is determined.

Recommendations

We recommend that you:

Either:

a. Agree to:

i. jointly meet with officials to discuss your preferred approach to the scope of this work;

Yes | No

OR

ii. indicate your preference amongst the options below and officials will progress on this basis;

Yes | No

Option 1 - A science review of the relative warming of methane,

Yes | No

OR

Option 2 – Expands on the scope of Option One to also include a review of updates to the global evidence base for targeting different levels for biogenic methane reduction

Yes | No

OR

Option 3 – A review of the biogenic methane target to test its consistency with no additional warming. This option would also consider the applicability of a no additional warming target for biogenic methane and its compatibility with New Zealand's broader climate strategy, temperature goals, equity principles of the Paris Agreement, legislative framework and the government's equity and economic objectives domestically. This option could be pursued in isolation or in combination with Option One or Two.

Yes | No

b. Agree your preferred approach to deliver this review:

1.1. The review will be progressed by an agency-led advisory committee,

Yes | No

OR

1.2. The review will be progressed by a Ministerial advisory committee.

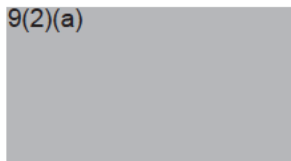
Yes | No

c. Note that following your direction on the scope of this review, officials will report back to in the week of 11 March on suitable candidates for the review group, draft terms of reference and a draft Cabinet paper.

Yes | No

Signatures

9(2)(a)



Sam Buckle
Deputy Secretary

**Climate Change Mitigation and
Resource Efficiency, MfE**
Date 1 March 2023

9(2)(a)



Julie Collins
Deputy Director General
Policy and Trade, MPI
Date 1 March 2023

Please note, these dates should read as 2024

Hon Simon WATTS
Minister of Climate Change
Date

Hon Todd MCCLAY
Minister of Agriculture
Date

Methane Science and Targets Review

Purpose

5. This briefing seeks your direction on the scope and approach of an independent review of the methane science and targets.

Background

6. On 31 January 2024 you directed officials to provide joint advice on the scope and sequencing of the methane science and targets review, including potential membership of the review committee and its relationship with the Climate Change Commission's (the Commission) target review.
7. You have indicated the following timeline for conducting the methane science and targets review in 2024:

Timeframe	Milestone
Quarter 1	Announce and initiate the methane science and target review
Quarter 2	Conduct and complete the methane science and target review
Quarter 4	Publicly announce the findings of the review

The Climate Change Commission's target reviews and advice

8. This year the Climate Change Commission (the Commission) is undertaking a review of the 2050 targets (including biogenic methane targets as required by the Climate Change Response Act). The Commission will launch public consultation on its review of the 2050 target on 8 April 2024, and final advice is due to the Minister of Climate Change by 31 December 2024.
9. As part of the 2050 targets review, the Commission will take account of developments in the science since the 2050 targets were set. The Commission can only recommend a change to 2050 targets under section 5ZE(1)(b) of the Climate Change Response Act 2002 if there has been a "significant change" in the considerations upon which the target was based – including the scientific understanding of climate change.
10. The review will also likely consider and respond to submissions made to the Commission in their call for evidence, including a submission made by DairyNZ,

Beef + Lamb NZ and Federated Farmers which includes the recently commissioned paper that considers no additional warming.¹

11. The Government must respond to a Commission recommendation to amend the 2050 target within 12 months. This Government response must include reasons for any departure from the Commission's recommendations.

Review process

12. Due to the high interest in the methane science and target, officials recommend the review process adhere to the following principles:
 - a. Rigorous - Uses the most comprehensive feasible body of evidence; recognises and minimises bias; is independently reviewed as part of a quality assurance process.
 - b. Inclusive - Considers many types and sources of evidence; uses a range of skills and people.
 - c. Transparent - Clearly describes the research question, methods, sources of evidence and quality assurance process; communicates complexities and areas of contention; acknowledges assumptions, limitations and uncertainties, including any evidence gaps; declares personal, political and organisational interests and manages any conflicts.
 - d. Accessible - Is written in plain language; is available in a suitable timeframe; is freely available online.

The methane science and target review

13. This section outlines three high level approaches for undertaking a review of the methane science and targets. All options broadly align with the timeline you have set out. Options 2 and 3 have a broader scope of work. We expect option 2 could be completed within quarter two of this year. Option 3 would likely push into quarter 3 to complete.

Options for scope

14. The three options for your consideration are:
 - a. Option One: A review of the relative warming of biogenic methane

¹ <https://www.dairynz.co.nz/media/qu1lwtgu/joint-evidence-submission-for-target-review-final-14-sept-2023.pdf>

- b. Option Two: Expands on the scope of Option One to also include a review of updates to the global evidence base for targeting different levels for biogenic methane reduction,
 - c. Option Three: A review of the biogenic methane target to test its consistency with no additional warming. This option would also consider the applicability of a no additional warming target for biogenic methane and its compatibility with New Zealand's broader climate strategy, temperature goals, equity principles of the Paris Agreement, legislative framework and the government's own equity and economic objectives domestically. This option could be pursued in isolation or in combination with Option One or Two.
15. Options One and Two would provide up to date information on the relative warming potential of methane. If Ministers wish to progress option three, there is still value in undertaking options One or Option Two. This is because these would provide the most up to date assessment of evidence. Option Three additionally would uncover the applicability of a no additional warming target and its compatibility with New Zealand's broader climate strategy.
 16. We recommend discussing these options with you both in more detail so we can clarify the outcomes you expect from this work. We have attached slides to inform this discussion in **Appendix One**.

Options for delivery

17. We have identified two options for delivery of the review, with varying degrees of independence:
18. *Option A: Agency Advisory Panel*
19. The review could also be delivered through an agency advisory panel that was supported by MfE/MPI. The panel would be appointed by MfE/MPI and would provide advice to both agencies.
20. *Option B: Ministerial Advisory Panel*
21. Alternatively, the advisory panel could be selected and appointed by Ministers and considered by Cabinet. This would give ministers and Cabinet greater control over selection and appointments and could increase the perceived independence of the panel from government agencies. This could take longer to progress as the process and selection process would need to be agreed by ministers and the panel would need to be considered by Cabinet. The review could still start in Q2 but may not conclude until the beginning of Q3 with the inclusion of an APH Cabinet process.
22. Both of these options would be subject to the Cabinet Fees Framework, however exceptions can be made. Option A would be a panel process that agencies administer, support and the panel would be accountable to agency Chief Executives. Option B would be a panel appointed by Ministers and Cabinet.

Appointment process and expertise

23. We understand you wish the review to group to be *independent*. We understand this to mean the group and chair consists of experts from institutions independent of the direct influence of the Government. This could include domestic and international experts from Universities, Crown Commissions, Crown research agencies, and private consultancies.
24. We will provide you with a list of potential candidates in our next briefing. The expertise of the panellists and size of the group will depend on the scope. We envisage a group three to five independent experts, including a group Chair.
25. For the first scope option, experienced scientists with a background in the relevant field of climate science would be suitable. For scope option two, technical experts with experience in the relevant science, economic and climate models would be suitable. For the third scope option, a broader scope of expertise would be suitable, for example panel members with experience with international target setting frameworks and economic analysis.

Treaty Impact Analysis

26. The Crown has obligations to Māori through legislation, case law, and settlement agreements. It is likely that Māori will have high interest in the methane science and target reviews. We will include further analysis on the potential policy implications for Māori in our upcoming advice pending your direction on the scope.

Timeframes

27. We have outlined the upcoming milestones for this work and how we plan to conduct the methane science and target review. This can be found in **Appendix Two**.

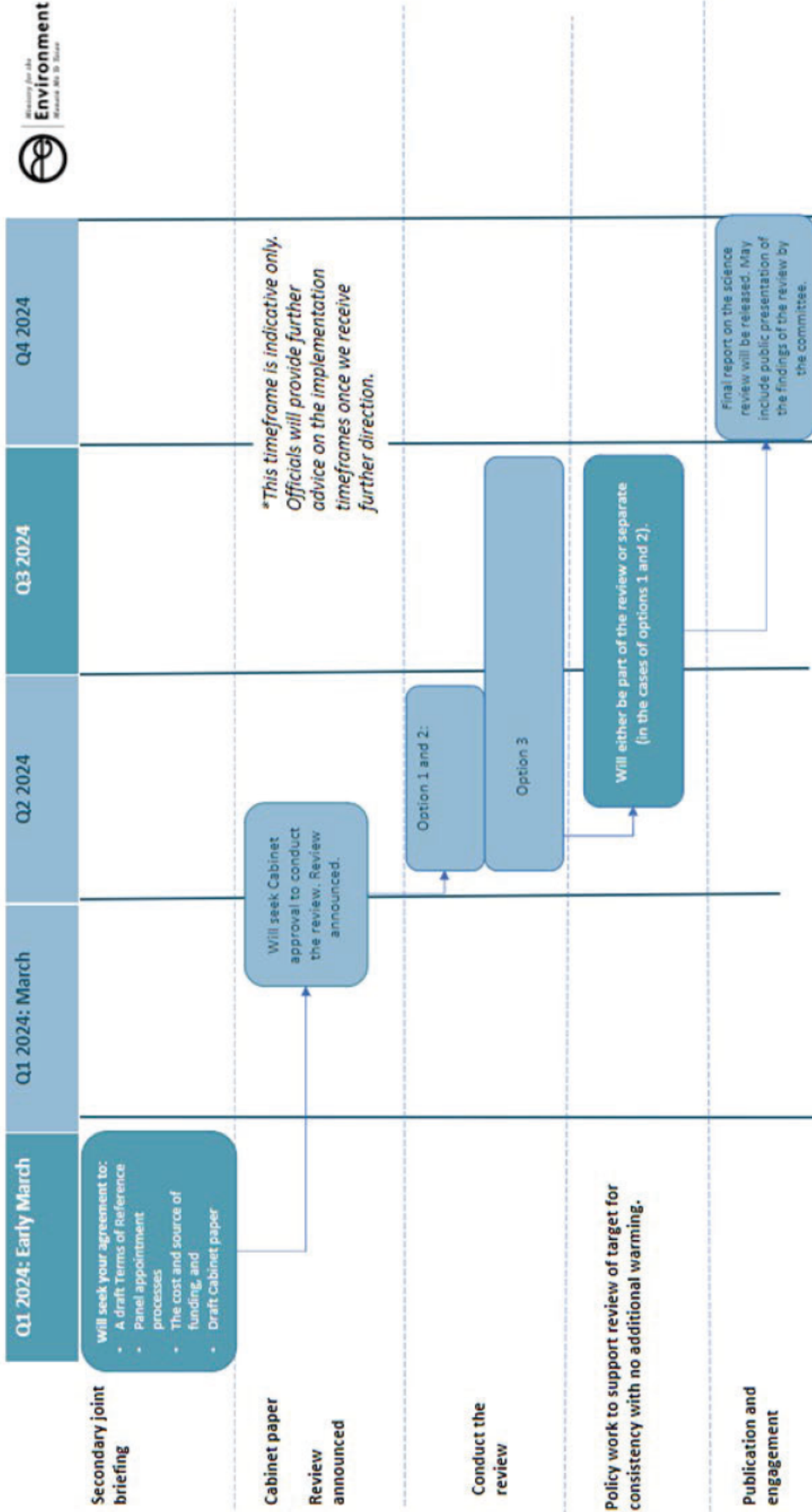
Next steps

28. It is important to note that the timeframe for finalising the appointment process, appointing panel members, and arranging remuneration before the end of Q1 2024 is very tight and therefore will require a swift process. Any delay in ministerial process will result in a shift in timelines.
29. We will provide a subsequent briefing to progress this including detail around the panellists, process, and appointments. This advice will include a draft Cabinet paper and draft Terms of Reference.

Appendix One: Slide deck to inform discussion of options for the scope of the review

Appendix Two: Indicative milestone delivery of the methane science and target review

Indicative milestone delivery





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

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

Cover briefing: Cabinet paper – Announcing the Methane Science and Target Review

Date	15 March 2024	Reference	MPI: B24-0230 MfE: BRF-449
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Decision required	Date decision required by
YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	18 March 2024

Purpose

- The appended draft Cabinet paper (at **Appendix One**) provides an update on the proposed approach for publicly announcing a review of the methane science and target.

Background

- The Minister of Agriculture met with the Ministry for Primary Industries officials on Monday 11 March, and:
 - directed officials to prepare a Cabinet paper to socialise the upcoming methane science and target review with your Cabinet colleagues; and
 - indicated the intention to announce the methane science and target review in early April, in advance of the Climate Change Commission releasing its draft advice on our domestic climate change target for public consultation on 8 April.
- The appended draft Cabinet paper informs Cabinet of your intention to establish an independent Ministerial advisory panel (the Panel) to review the methane science and provide evidence-based advice on what the 2050 biogenic methane target should be to ensure no additional warming from biogenic methane.

3. This draft Cabinet paper also outlines the two-step process to announce the Review and subsequently establish the panel and initiate the review:
 - a) by 8 April 2024: Publicly announce that a Review will be progressed, and an independent Ministerial advisory panel will be established; and
 - b) May 2024: Seek Cabinet's approval to initiate the Review, including on the expected outputs of the Review and the Panel, a clear scope of the Review, the terms of reference, appointees and any other relevant considerations.
4. There are short timeframes to announce the Review before 8 April. To support meeting this deadline, we propose the following steps to ensure Cabinet consideration on 2 April.

Date	Step
15 March	Ministers receive Cabinet paper
18 March	Ministers feedback provided to officials
19 to 20 March	Ministerial and agency consultation in parallel
21 March	Update paper following Ministerial and agency consultation Ministers approve paper for lodgement
22 March	Late lodgement
27 March	Cabinet ECO Committee
2 April	Cabinet consideration

Recommendations

5. It is recommended that you:

- a) **Agree** to provide feedback on the draft Cabinet paper (**Appendix One**) to officials on Monday 18 March.

YES / NO

- b) **Note** we intend to run agency and Ministerial consultation in parallel from Tuesday 19 to Wednesday 20 March.

NOTED

- c) **Note** the following timeframes which would support announcing the methane science and target review by 8 April 2024:

- i. 19 to 20 March: Ministerial and agency consultation;
- ii. 22 March: Late Cabinet paper lodgement;
- iii. 27 March: Economic Policy Committee; and
- iv. 2 April: Cabinet consideration.

NOTED

9(2)(a)

Julie Collins
Deputy Director-General
Policy & Trade
Ministry for Primary Industries

Hon Todd McClay
Minister of Agriculture

/ / 2024

9(2)(a)

Sam Buckle
Deputy Secretary
Climate Change Mitigation and Resource Efficiency
Ministry for the Environment

Hon Simon Watts
Minister of Climate Change

/ / 2024

Appendix One: Draft Cabinet paper – Announcing the Methane Science and Target Review

Please note, this draft document has not been provided. The final cabinet paper will soon be made publicly available at: <https://environment.govt.nz/what-government-is-doing/cabinet-papers-and-regulatory-impact-statements/>



Ministry for Primary Industries
Manatū Ahu Matua



To: Hon Todd McClay, Minister of Agriculture
Hon Simon Watts, Minister of Climate Change
From: Charlotte Denny, Director – Natural Resources Policy, Policy & Trade
Stephen Goodman, Acting General Manager – Climate Change Mitigation, Climate Change Mitigation and Resource Efficiency

Approval to lodge: Announcing the methane science and target review

Date	21 March 2024	Reference	MPI: Sub24-0037
			MfE: BRF-4449

Decision required	Date decision required by
YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	22 March 2024

Purpose

- This briefing seeks your approval to lodge an updated draft Cabinet paper, 'Announcing the methane science and target review', on 22 March to ensure consideration at Economic Policy (ECO) Committee on 27 March, followed by Cabinet consideration on 2 April.

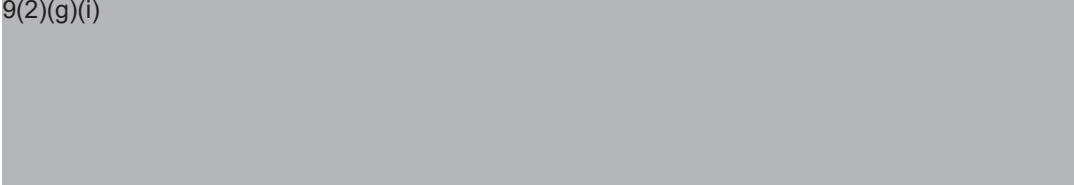
Key updates to the Cabinet paper

No Ministerial feedback received

- On 19 to 20 March, you consulted with Ministers on a draft Cabinet paper to support announcing the methane science and target review before 8 April 2024.
- We understand no feedback was received from Ministerial consultation.

Summary of agency feedback

- Parallel to the above Ministerial consultation period the Ministry for Primary Industries and the Ministry for the Environment consulted with relevant agencies on the draft Cabinet paper.

4. The following feedback from agency consultation has been included in tracked changes for your consideration in the updated draft Cabinet paper (**Appendix One**):
- a) The Department of the Prime Minister and Cabinet recommended we include context on why our current domestic climate change targets were chosen and to include a reference to what the Climate Change Commission will consider in its review. We have included both suggestions as footnotes in the paper.
 - b) 9(2)(g)(i) 
 - c) We have also made some minor suggested editorial changes at paragraphs 5 and 17.

Recommendations

5. It is recommended that you:

- a) **Agree** to lodge the Cabinet paper (**Appendix One**) by Friday 22 March for consideration at ECO Committee on 27 March, followed by Cabinet on 2 April.

YES / NO

9(2)(a)



Charlotte Denny
Director – Natural Resources Policy
Policy & Trade

Hon Todd McClay
Minister of Agriculture

/ / 2024

9(2)(a)



Stephen Goodman
Acting General Manager – Climate Change Mitigation
Climate Change Mitigation and Resource Efficiency

Hon Simon Watts
Minister of Climate Change

/ / 2024

Appendix One: Cabinet paper to lodge – Announcing the methane science and targets

Please note, this draft document has not been provided. The final cabinet paper will soon be made publicly available at:
<https://environment.govt.nz/what-government-is-doing/cabinetpapers-and-regulatory-impact-statements/>



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

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

Progressing the Methane Science and Target Review

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

Purpose

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

Background

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

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

The scope of the methane science and target review

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

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

Proposed selection criteria for panel members

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

Proposed list of panel members

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

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

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

Draft Terms of Reference

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

Proposed appointment process for the methane science and target review panel

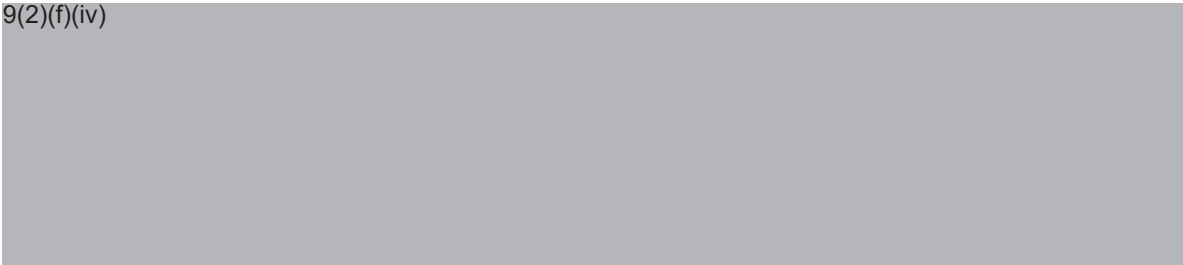
17. When appointing a Ministerial Advisory Group, standard process includes separate and sequential Cabinet policy committee consideration and then APH Committee processes. This process would normally take several months. We have proposed an option in line with standard process below.

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

Next steps

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

23. 9(2)(f)(iv)



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

Recommendations

24. It is recommended that you:

Scope of the Review

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

YES / NO

Selection of Panel members

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

NOTED

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

YES / NO

Draft terms of reference

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

YES / NO

Appointment process for the Methane Science and Target Review Panel

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

YES / NO

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

NOTED

9(2)(a)



Julie Collins
Deputy Director-General
Policy & Trade
Ministry for Primary Industries

Hon Todd McClay
Minister of Agriculture

/ / 2024

9(2)(a)



Sam Buckle
Deputy Secretary
Climate Change Mitigation and Resource Efficiency
Ministry for the Environment

Hon Simon Watts
Minister of Climate Change

/ / 2024

Appendix One: Draft Terms of Reference

Please note, this draft document is withheld pursuant to section 9(2)(g)(i) of the OIA - *maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty*

The final version is publicly available at the following link:
<https://environment.govt.nz/assets/news/Methane-Science-and-Target-Review-Terms-of-Reference.pdf>

Appendix Two: Agency compiled shortlist of potential panelists

Please note, this attachment is withheld pursuant to section 9(2)(g)(i) of the OIA: *maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty*



To: Hon Todd McClay, Minister of Agriculture
Hon Simon Watts, Minister of Climate Change
From: Julie Collins, Deputy Director-General Policy & Trade, Ministry for Primary Industries
Sam Buckle, Deputy Secretary Climate Change Mitigation and Resource Efficiency,
Ministry for the Environment

For Ministerial Consultation - Initiating the Methane Science and Targets Review

Date	9 May 2024	Reference	Ministry for Primary Industry (MPI) B24-0304
			Ministry for the Environment (MfE): BRF-4669

Decision required	Date decision required by
YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	13 May 2024

Purpose

- This briefing:
 - seeks feedback on a draft Cabinet paper on initiating the Methane Science and Target Review (the Review) by 13 May 2024, prior to Ministerial consultation; and
 - informs you of the proposed approach to finalise the Terms of Reference (ToR) and panel membership for the Review.

Context


1. The draft Cabinet paper includes a draft ToR for the Review to be considered at the Cabinet Economic Committee (ECO) on 29 May 2024, and at Cabinet on 4 June 2024 (**Appendix One** Sub24-0051 - *Initiating the Methane Science and Target Review*).
2. Following this, the Cabinet Appointment and Honours (APH) Committee (on 18 June) and Cabinet (on 24 June) will consider the panel members and final ToR.

Process for determining baseline year in the draft ToR

3. We understand you are interested in including a baseline year in the ToR to be considered by the panel throughout the Review. Determining the baseline is a key consideration when assessing what a biogenic methane target ensuring no additional warming should be. The baseline year chosen is not solely a scientific concept but could have a significant impact on the final target advice.

4. To support this work, further analysis is needed on a range of baselines that could be used and the implications of these for the Review. Officials will provide you with this advice by 23 May to support finalisation of the ToR.

Proposed process for finalising the panel's membership and draft ToR

5. To date, the following steps have occurred to support progressing the panel membership and the draft ToR:
 - a) you approved a list of potential panel candidates;
 - b) your offices circulated a list of potential panel candidates and draft ToR with other Ministerial offices (as a result, minor changes have been made to the draft ToR and additional names were added to the list);
 - c) MfE officials have contacted the proposed panel candidates to test availability and interest in being part of the panel; and
 - d) MfE has shared the draft ToR with interested panel candidates,¹ after they had signed a confidentiality agreement, and as agreed by your Offices.
6. We propose you confirm your preferred shortlist of the panel candidates on the week of 27 May to support APH consideration on 18 June and Cabinet approval on 24 June. To support you in this process we propose to:
 - a) provide you with further advice alongside the APH Cabinet paper to support finalisation of the panel members. This will include advice on ensuring the panel has the right balance of skills and expertise to deliver on the ToR;
 - b) share the draft ToR again with shortlisted panel candidates after the ECO committee meeting, to support finalising the draft ToR; and
 - c) share the final draft of the APH paper with you, including the finalised ToR and chair and panel membership.
7. Along with the final list of panellists, we propose to also include two back up panellists in the APH paper, and a backup chairperson. This will help keep the Review's timing on track in case panel members need to be replaced at any point. We will seek APH and Cabinet approval that delegated Ministers can appoint the replacement panellists if needed at any point throughout the Review.
8. Panel remuneration will be through MfE and MPI departmental Financial Year 2024/25 funding. ^{9(2)(g)(i)} 

¹ Several candidates have indicated an interest in reviewing the draft ToR ahead of it being finalised. We support this approach given the technical nature of the ToR and the need to ensure the work is feasible and achievable within the period specified.

Feedback from agencies on the draft Cabinet paper

We received feedback from a number of agencies. Key feedback is outlined below

9. ^{9(2)(g)(i)}
- 10.
- 11.

Next steps

12. **Table One** below sets out the proposed steps to support commencing the Review by 30 June 2024:

Table One: Proposed steps to commence the Review by 30 June

Step 1: ECO and Cabinet approval to initiate the Review	
13 May	Provide feedback to officials on the Cabinet paper
14 to 20 May (5 days)	Ministerial consultation
22 May	Ministers approve ECO paper for lodgement
23 May	Lodge ECO paper
29 May	ECO consideration
4 June	Cabinet approval
Step 2: APH and Cabinet approval to appoint panel members	
23 May (Open)	Advice to Ministers on Baseline, finalising Panel and ToR
27 to 29 May	Final Ministers decision on panel member and confirmation of their participation
30 May	APH paper due with Ministers
6 to 12 June (5 days)	Ministerial consultation on APH paper
14 June	Lodge APH paper
18 June	APH consideration
24 June	Cabinet approval

Recommendations

12. It is recommended that you:

- a) **Agree** to provide feedback to officials on any changes to the attached draft Cabinet paper by 13 May, prior to Ministerial consultation from 14 May to 20 May.

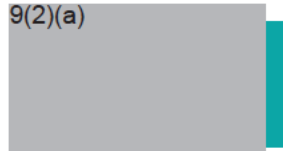
YES / NO

- b) **Note** to meet the 30 June 2024 to commence the Review, we propose aiming for the following timeframes:
 - i. Cabinet Economic Committee consideration on 29 May and Cabinet consideration on 4 June on the attached draft Cabinet paper; and
 - ii. Cabinet Appointment and Honours Committee consideration (18 June) and Cabinet’s appointment (24 June) of the panel members.

NOTED

- c) **Note** officials will provide additional advice to you by 23 May and seek a follow-up joint meeting with you to support decisions on:
 - i. determining a baseline for the Review;
 - ii. finalising the panel membership; and
 - iii. finalising the Terms of Reference, including incorporation of any feedback by panel members.

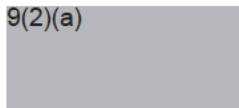
NOTED

9(2)(a) 

Julie Collins
Deputy Director-General
Policy & Trade
Ministry for Primary Industries

Hon Todd McClay
Minister of Agriculture

/ / 2024

9(2)(a) 

Sam Buckle
Deputy Secretary
Climate Change Mitigation and Resource Efficiency
Ministry for the Environment

Hon Simon Watts
Minister of Climate Change

/ / 2024

Appendix One: Sub24-0051 - Cabinet paper – Initiating the Methane Science and Targets Review and Appendices

Please note, this draft document has not been provided. The final cabinet paper will soon be made publicly available at:
<https://environment.govt.nz/what-government-is-doing/cabinetpapers-and-regulatory-impact-statements/>



To: Hon Todd McClay, Minister of Agriculture
Hon Simon Watts, Minister of Climate Change
From: Charlotte Denny, Director – Natural Resources Policy, Policy & Trade
Hemi Smiler, General Manager – Climate Change Mitigation, Climate Change Mitigation and Resource Efficiency

Approval to lodge: Initiating the methane science and target review

Date	23 May 2024	Reference	MPI: Sub24-0051
			MfE: BRF 4812

Decision required	Date decision required by
YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	23 March 2024

Purpose

- This briefing seeks your approval to lodge an updated draft Cabinet paper, '*Initiating the methane science and target review*', on 23 May to ensure consideration at Economic Policy (ECO) Committee on 29 May, followed by Cabinet consideration on 4 June.

Key updates to the Cabinet paper

- On 14 to 22 May, you consulted with Ministers on a draft Cabinet paper to support initiating the Methane Science and Target Review by 30 June.
- The following feedback from Ministerial consultation has been included in tracked changes for your consideration in the updated draft Cabinet paper (at **Appendix One**):
 - Paragraphs 13 and 14** detail the process for determining a baseline for the panel to consider throughout the review. This paragraph proposes that you both, along with Associate Agriculture and Climate Change Minister are given delegated authority to finalise the ToR ahead of APH in June.
 - Recommendation 6** – We added Associate Agriculture and Climate Change Ministers to the group of delegated Ministers who will confirm the ToR ahead of APH (as above).

9(2)(g)(i)

Next steps

3. Following lodgement of this Cabinet paper on Thursday 23 May, the table below sets out steps to support commencing the Review before 30 June 2024:

Date	Step
29 May	ECO consideration of attached Cabinet paper
30 May	Joint Ministers meeting on panel selection
4 June	Cabinet approval of attached Cabinet paper
30 May	Joint meeting (MoA and MCC)
31 May	APH Cabinet paper due with Ministers
6 – 12 June (<i>5 days</i>)	Ministerial consultation on APH paper
14 June	Lodge APH paper
18 June	APH consideration
24 June	Cabinet approval

Recommendations

4. It is recommended that you:

- a) **Agree** to lodge the Cabinet paper (**Appendix One**) by Thursday 23 May for consideration at ECO Committee on 29 May, followed by Cabinet on 4 June.

YES / NO

9(2)(a)



Charlotte Denny
Director – Natural Resources Policy
Policy & Trade

Hon Todd McClay
Minister of Agriculture

/ / 2024

9(2)(a)



Hemi Smiler
General Manager – Climate Change Mitigation
Climate Change Mitigation and Resource Efficiency

Hon Simon Watts
Minister of Climate Change

/ / 2024

Appendix One: Cabinet paper to lodge – Initiating the methane science and targets review

With reference to section 18(d) of the OIA, this document will soon be made publicly available at:

<https://environment.govt.nz/what-government-is-doing/cabinetpapers-and-regulatory-impact-statements/>



Ministry for the
Environment
Manatū Mo Te Taiao



Te Kāwanatanga o Aotearoa
New Zealand Government

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

CC:

From: Hemi Smiler, General Manager, Climate Change Mitigation
Tom Corser, Acting Director, Natural Resources Policy, Ministry for Primary Industries

Date:

Memo: Proactive Release of Cabinet paper Announcing the Methane Science and Target Review Proposal

Date	23 May 2024	Reference	MfE: BRF-4710
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Decision required	Date decision required by
YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	27 May 2024

Purpose

1. This briefing seeks your approval to proactively release the Cabinet paper *Announcing the Methane Science and Target Review Proposal* [CAB-411] and the associated minute of the Cabinet Economic Policy Committee (ECO) [ECO-24-MIN-0042].

Background

2. Cabinet has agreed that from 1 January 2019, Cabinet papers (excluding those considered by APH), and any attachments or appendices to those papers and associated minutes, must be released proactively and published online.
3. Proactive release requires the approval of the relevant portfolio Minister and must be done within 30 business days of final decisions being made by Cabinet, unless there is good reason not to publish all or part of the material, or to delay the release beyond 30 business days.

4. In your role as Minister for Climate Change you have the authority to approve or delay the proactive release of Cabinet material within your portfolio, with joint papers requiring joint Ministerial agreement.

Methane Science and Target Review

Context

5. The Ministry for the Environment and the Ministry of Primary Industries jointly produced the Cabinet paper *Announcing the Methane Science and Target Review Proposal* (the Cabinet paper) to support Ministers' intention to establish the Review.
6. The Cabinet paper:
 - 6.1. outlines the National-ACT coalition agreement's commitment to "review the methane science and target in 2024 for consistency with no additional warming from agricultural methane emissions"; and
 - 6.2. informs Cabinet of the intention of the Minister of Agriculture and the Minister of Climate Change to initiate a Methane Science and Target Review and establish an independent ministerial advisory panel.
7. The Cabinet paper was considered by ECO on 27 March and Cabinet approved ECO's minute on 2 April [CAB-24-MIN-0109].

Risk Assessment

8. The announcement of the proposed Methane Science and Target Review has generated public, sector and political interest. In particular, the purpose and cost of the review, and the process of selecting candidates for the review panel.
9. You have directed that the review be underpinned by the principles of transparency and credibility. Proactive release of the Cabinet paper supports this direction. The Cabinet paper contains information that will provide readers with context about the decision to commence a methane science and target review.
10. We recommend proactively releasing the Cabinet Paper *Announcing the Methane Science and Target Review Proposal* and Cabinet minute, with appropriate redactions (see **Appendix 1** for suggested redactions). We recommend withholding details relating to upcoming committee dates and decisions under section 9(2)(f)(iv) of the Official Information Act (1982) as those matters are still under consideration (s9(2)(f)(iv)).

Consultation and Collaboration

11. We have consulted with the Ministry for Primary Industries (MPI). MPI have endorsed proactively releasing this Cabinet paper and agree with the suggested redactions set out in Appendix 1.

Recommendations

We recommend that you:

- a. **Approve** the attached marked up documents for proactive release

Yes | No | Discuss

- b. **Advise** if any additional redactions, or changes, are required before the papers are published on the Ministry for the Environment website

Yes | No | Discuss

<p>s 9(2)(a)</p>	<p>Tom Corser, Acting Director, Natural Resources Policy, Ministry for Primary Industries</p>	<p>Hon Todd McClay Minister of Agriculture</p>
		<p>/ / 2024</p>
<p>s 9(2)(a)</p>	<p>Hemi Smiler General Manager Climate Change Mitigation Ministry for the Environment</p>	<p>Hon Simon Watts Minister of Climate Change</p>
		<p>22 / 05 / 2024</p>

Appendices

Appendix One: Cabinet paper *Announcing the Methane Science and Target Review Proposal*

With reference to section 18(d) of the OIA, this document will soon be made publicly available at:

<https://environment.govt.nz/what-government-is-doing/cabinetpapers-and-regulatory-impact-statements/>



To: Hon Todd McClay, Minister of Agriculture
Hon Simon Watts, Minister of Climate Change
Hon Nicola Willis, Minister of Finance and Associate Minister of Climate Change
Hon Andrew Hoggard, Associate Minister of Agriculture (Animal Welfare, Skills)
Hon Mark Patterson, Associate Minister of Agriculture

Cc: Hon Simeon Brown, Minister of Energy and Resources, Minister of Transport
Hon Penny Simmonds, Minister for the Environment

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

Finalising the Terms of Reference for the Methane Science and Target Review

Date	13 June 2024	Reference:	MPI: B24-0406 MfE: BRF-4905
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Decision required	Date decision required by
YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	20 June 2024

Other agencies/industries consulted on during the production of this briefing
Treasury

Purpose

- This briefing seeks your feedback to the amended Terms of Reference (ToR) for the Methane Science and Target Review (the Review) attached as **Appendix One**.

Context

- On 29 May 2024, the Cabinet Economic Policy Committee (ECO) authorised you, as Ministers and Associate Ministers of the Agriculture and Climate Change portfolios, to finalise the ToR, including the baseline year, following any feedback from short-listed candidates by 24 June 2024 [ECO-24-MIN-0096 refers]. The final ToR must not be inconsistent with Cabinet decisions and in consultation with relevant Ministers. ECO also noted that officials will provide advice on the baseline year to inform the final ToR.

2. Last week officials also shared the draft ToR with the short-listed panel candidates for their feedback. Professor Laura Revell provided some questions about the nature of the review but did not suggest any changes to the ToR. No other short-listed candidates provided feedback.
3. The aspects of the ToR we are specifically seeking your feedback on and agreement to are detailed below. This includes:
 - a) Changes proposed by Ministers (including the baseline year); and
 - b) Changes proposed by officials for clarification of scope and outputs.

Changes proposed by Ministers of Climate Change and Agriculture

The baseline year Please note, the meeting referred to in paragraph 4 was mistakenly cited as having happened on 30 June. This should be 30 May.

4. On 30 June Ministers of Climate Change and Agriculture identified the year 2017 as their preferred baseline year for a no additional warming target. Ministers expressed a preference for 2017 as it is the baseline year of the current legislated 2050 target.¹We have included this in the final ToR in paragraph 5(g).

5. 9(2)(g)(i)

6.

7.

¹ Note the baseline year of the current legislated 2050 targets serve a different purpose to the baseline year in a no additional warming target. The year 2017 in the currents targets does not correspond to maintain or returning to the level of warmina in this year.

9(2)(g)(i)

9(2)(g)(i)

Encourage the Panel to engage with stakeholders

9. Following the discussion with Ministers of Agriculture and Climate Change on 30 May, officials have amended the ToR (see paragraph 8d) to provide a process where interested parties, including iwi/Māori, can submit relevant evidence, including on mātauranga Māori. This will encourage the panel to engage with Māori experts and agribusinesses throughout this process.

Changes proposed by officials*Providing direction on assumptions about global emissions reductions*

10. Officials propose the ToR be updated to specify that a target be modelled against a range of global emission reduction scenarios, including one in which the world limits temperature rise to 1.5 degrees Celsius above pre-industrial levels, as per the Paris Agreement goal which is referenced in the purpose section of the Climate Change Response Act 2002 (CCRA). See paragraph 5f in the attached ToR.
11. In the absence of direction on this issue, there is a risk that the panel develops a target that is derived from a scenario where global emissions exceed the 1.5 degrees Celsius temperature threshold.
12. Making assumptions in the review process about global emissions reductions is necessary because the warming impact of New Zealand's methane emissions is sensitive to the concentration of methane and other gases in the atmosphere. In some scenarios, where global emissions are higher (resulting in higher global temperatures), less reduction of New Zealand's biogenic methane is needed to achieve a state of "no additional warming".

Specifying a target year

13. The ToR does not currently specify by which year a state of no additional warming needs to be achieved. We assume Ministers anticipate the year being 2050 in line with the current legislated target and have updated the ToR accordingly.
14. We have also asked the panel to calculate the emissions reductions needed out to 2100 to maintain the state of no-additional warming as we understand, some ongoing reduction will be required to maintain a state of no additional warming. See paragraph 5g in the attached ToR.

Clarifying the science focus of the panel

15. Ministers have expressed a desire for the panel to focus on questions of science as they relate to target setting and avoid pre-empting subsequent policy analysis. Value

judgements in the context of target setting include questions of burden sharing between sectors and nations to achieve a climate goal.

16. Officials therefore propose removing a request for the panel to *provide background on different approaches to target setting*. This is because the different approaches to target setting are primarily determined by the goal and how different burden sharing principles are applied to calculating emissions reductions pathway.
17. Officials also propose clarifying that advice on the burden sharing responsibilities of different sectors or nations is out of scope of the review (see paragraph 7a).

Clarifying the scope of the biogenic methane target

18. The Panel may be unsure about what is included in the scope of the target. The Coalition Agreement singles out *agricultural* methane emissions but is silent on whether biogenic methane from waste is included or not.
19. Officials propose clarifying the scope of the methane target under review, to be clear on what sources of biogenic methane emissions are included (see footnote 1 in paragraph 5b). We propose aligning the scope of the target under review with the current scope of the biogenic methane target as defined in the CCRA. The CCRA defines biogenic methane as all methane greenhouse gases produced from the agriculture and waste sectors (91 and 9 percent respectively of all biogenic methane emissions).

Other minor clarifications

20. Officials have proposed several minor changes to clarify the intent of the ToR including in paragraphs 5b, 5c, and 6f.

Next steps

21. The Review will commence by 30 June 2024. A paper that notes your intention to appoint the independent panel will be considered by the Cabinet Appointments and Honours Committee on 18 June and confirmed by Cabinet on 24 June.
22. Following your feedback on the attached ToR, we will brief you with the final ToR so they can be confirmed by 24 June for the Review to commence by 30 June.
23. Concurrently, MPI and MfE officials are working on a communications plan with the intention for you to announce the Review following Cabinet approval on 24 June.

Recommendations

24. It is recommended that you:

- a) **Note** your feedback is needed on the attached Terms of Reference by 20 June 2024.

NOTED

- b) **Note** that Cabinet will make subsequent decisions on targets and it will be necessary to consider the change to our domestic targets, burden sharing of emissions reductions between sectors, our international commitments including the NDC and New Zealand's contribution to global efforts to limit warming to 1.5 degrees above pre-industrial levels.

NOTED

- c) **Agree** to identify 2017 as the baseline year in the terms of reference, consistent with the baseline of the legislated target.

YES / NO

- d) **Note** that the choice of baseline year has implications ^{9(2)(g)(i)} [REDACTED]

NOTED

- e) ^{9(2)(g)(i)} [REDACTED]

YES / NO

- f) **Agree** to amend the Terms of Reference to encourage the panel to engage with stakeholders.

YES / NO

- g) **Agree** to amend the Terms of Reference to provide direction to the panel on assumptions about global emissions reductions.

YES / NO

h) **Agree** to amend the Terms of Reference to specify that 2050 is the target year to achieve a state of no additional warming for biogenic methane.

YES / NO

i) **Agree** to amend the Terms of Reference to clarify that the review panel should focus on questions of science rather than value judgements.

YES / NO

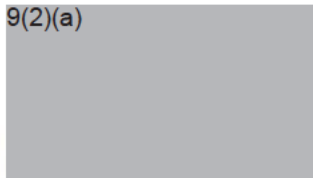
j) **Agree** to amend the Terms of Reference to clarify that both biogenic methane emissions from waste and agriculture are included within the scope of the methane target under review.

YES / NO

k) **Agree** to forward this briefing and the draft Terms of Reference to relevant Ministers for consultation.

YES / NO

9(2)(a)



Acting Deputy Director-General
Policy and Trade
Ministry for the Primary Industries

Hon Todd McClay
Minister of Agriculture
/ / 2024

9(2)(a)



Sam Buckle
Deputy Secretary
Climate Change Mitigation and Resource
Efficiency
Ministry for the Environment

Hon Simon Watts
Minister of Climate Change
/ / 2024

Hon Nicola Willis
Associate Minister of Climate Change
/ / 2024

Hon Andrew Hoggard
Associate Minister of Agriculture
/ / 2024

Hon Mark Patterson
Associate Minister of Agriculture
/ / 2024

Appendix One: DRAFT Terms of Reference – Methane Science and Target Review

Please note, this draft document is withheld pursuant to section 9(2)(g)(i) of the OIA - maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty

The final version is publicly available at the following link: <https://environment.govt.nz/assets/news/Methane-Science-and-Target-Review-Terms-of-Reference.pdf>



To: Hon Todd McClay, Minister of Agriculture
Hon Simon Watts, Minister of Climate Change
Hon Nicola Willis, Minister of Finance, Associate Minister of Climate Change
Hon Andrew Hoggard, Associate Minister of Agriculture (Animal Welfare, Skills)
Hon Mark Patterson, Associate Minister of Agriculture

Cc: Hon Simeon Brown, Minister of Energy and Resources, Minister of Transport
Hon Penny Simmonds, Minister for the Environment

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

Finalising the Terms of Reference for the Methane Science and Target Review Updated

Date	19 June 2024	Reference:	MPI: B24-0406 MfE: BRF-4905
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Decision required	Date decision required by
YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	20 June 2024

Other agencies/industries consulted on during the production of this briefing
The Treasury

Purpose

- This briefing seeks your feedback to the amended Terms of Reference (ToR) for the Methane Science and Target Review (the Review) attached as **Appendix One**.
- This update responds to your request to clarify a number of points in the briefing.

Context

1. On 29 May 2024, the Cabinet Economic Policy Committee (ECO) authorised you, as Ministers and Associate Ministers of the Agriculture and Climate Change portfolios, to finalise the ToR, following any feedback from short-listed candidates by 24 June 2024 [ECO-24-MIN-0096 refers]. The final ToR must not be inconsistent with Cabinet decisions and in consultation with relevant Ministers. ECO also noted that officials will provide advice on the baseline year to inform the final ToR.

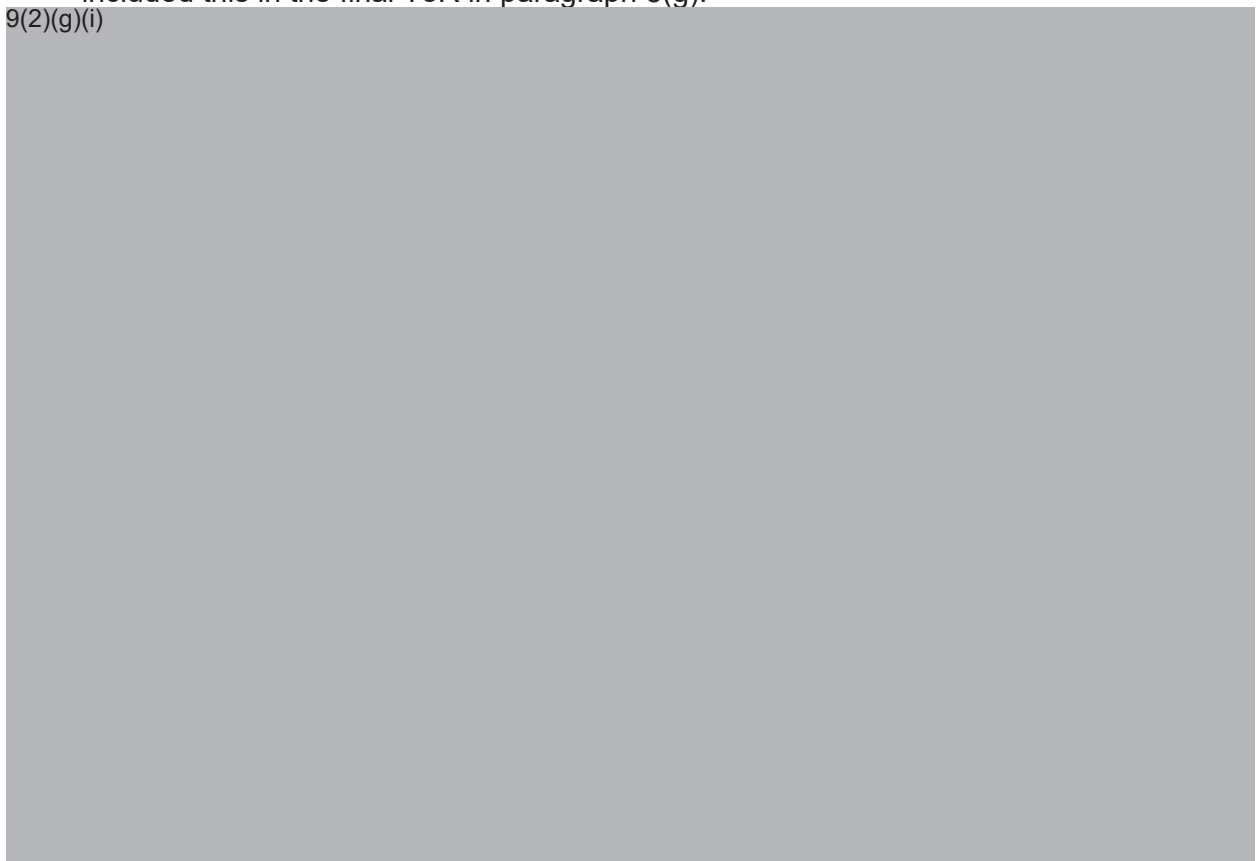
2. Last week officials also shared the draft ToR with the short-listed panel candidates for their feedback. Professor Laura Revell provided some questions about the nature of the review but did not suggest any changes to the ToR. No other short-listed candidates provided feedback.
3. The aspects of the ToR we are specifically seeking your feedback on and agreement to are detailed below. This includes:
 - a) changes proposed by Ministers; and
 - b) changes proposed by officials for clarification of scope and outputs.

Changes proposed by Ministers of Climate Change and Agriculture

The baseline year Please note, the meeting referred to in paragraph 4 was mistakenly cited as having happened on 30 June. This should be 30 May.

4. On 30 June Ministers of Climate Change and Agriculture identified the year 2017 as the baseline year for a no additional warming target. Ministers agreed that 2017 is appropriate as it is the baseline year of the current legislated 2050 target.¹We have included this in the final ToR in paragraph 5(g).

9(2)(g)(i)



¹ Note the baseline year of the current legislated 2050 targets serve a different purpose to the baseline year in a no additional warming target. The year 2017 in the currents targets does not correspond to maintaining or returning to the level of warming in this year.

9(2)(g)(i)



Encourage the Panel to engage with stakeholders

9. Following the discussion with Ministers of Agriculture and Climate Change on 30 May, officials have amended the ToR (see paragraph 8d) to provide a process where interested parties, including iwi/Māori, can submit relevant evidence, including on mātauranga Māori. This will encourage the panel to engage with Māori experts and agribusinesses throughout this process.

Changes proposed by officials

Providing direction on assumptions about global emissions reductions

10. Officials propose the ToR be updated to specify that a target be modelled against a range of global emission reduction scenarios, including one in which the world limits temperature rise to 1.5 degrees Celsius above pre-industrial levels, as per the Paris Agreement goal which is referenced in the purpose section of the Climate Change Response Act 2002 (CCRA). See paragraph 5f in the attached ToR.
11. Making assumptions in the review process about global emissions reductions scenarios is necessary because the warming impact of New Zealand's methane emissions is sensitive to the concentration of methane and other gases in the atmosphere.

Specifying a target year

12. The ToR does not currently specify by which year a state of no additional warming needs to be achieved. We assume Ministers anticipate the year being 2050 in line with the current legislated target and have updated the ToR accordingly.
13. We have also asked the panel to calculate the emissions reductions needed out to 2100 to maintain the state of no-additional warming as we understand, some ongoing reduction will be required to maintain a state of no additional warming. See paragraph 5g in the attached ToR.

Clarifying the science focus of the panel

14. Ministers have expressed a desire for the panel to focus on questions of science as they relate to target setting and avoid pre-empting subsequent policy analysis. Value judgements in the context of target setting include questions of burden sharing between sectors and nations to achieve a climate goal.
15. Officials therefore propose removing a request for the panel to *provide background on different approaches to target setting*. This is because the different approaches to target setting are primarily determined by the goal and how different burden sharing principles are applied to calculating emissions reductions pathway.
16. Officials also propose clarifying that advice on the burden sharing responsibilities of different sectors or nations is out of scope of the review (see paragraph 7a).

Clarifying the scope of the biogenic methane target

17. The Panel may be unsure about what is included in the scope of the target. The Coalition Agreement singles out *agricultural* methane emissions but is silent on whether biogenic methane from waste is included or not.
18. Officials propose clarifying the scope of the methane target under review, to be clear on what sources of biogenic methane emissions are included (see footnote 1 in paragraph 5b). We propose aligning the scope of the target under review with the current scope of the biogenic methane target as defined in the CCRA. The CCRA defines biogenic methane as all methane greenhouse gases produced from the agriculture and waste sectors (91 and 9 percent respectively of all biogenic methane emissions).

Other minor clarifications

19. Officials have proposed several minor changes to clarify the intent of the ToR including in paragraphs 5b, 5c, and 6f.

Next steps

20. The Review will commence by 30 June 2024. A paper that notes your intention to appoint the independent panel will be considered by the Cabinet Appointments and Honours Committee on 18 June and confirmed by Cabinet on 24 June.
21. Following your feedback on the attached ToR, we will brief you with the final ToR so they can be confirmed by 24 June for the Review to commence by 30 June.
22. Concurrently, the Ministry for Primary Industries and the Ministry for the Environment's officials are working on a communications plan with the intention for you to announce the Review following Cabinet approval on 24 June.

Recommendations

23. It is recommended that you:

- a) **Note** your feedback is needed on the attached Terms of Reference by 20 June 2024;

NOTED

- b) **Note** that Cabinet will make subsequent decisions on targets and it will be necessary to consider the change to our domestic targets, burden sharing of emissions reductions between sectors, our international commitments including the NDC and New Zealand's contribution to global efforts to limit warming to 1.5 degrees above pre-industrial levels;

NOTED

- c) **Agree** to identify 2017 as the baseline year in the terms of reference, consistent with the baseline of the legislated target;

YES / NO

- d) **Note** that the choice of baseline year sets the level of future warming allowed under a no additional warming approach;

NOTED

- e) **Note** that any future decisions on the biogenic methane components of the 2050 target are likely to have implications for the wider economy, different sectors and broader ministerial portfolios and could create future costs to the Crown;

NOTED

- f) **Agree** to amend the Terms of Reference to encourage the panel to engage with stakeholders;

YES / NO

- g) **Agree** to amend the Terms of Reference to provide direction to the panel on assumptions about global emissions reductions;

YES / NO

h) **Agree** to amend the Terms of Reference to specify that 2050 is the target year to achieve a state of no additional warming for biogenic methane;

YES / NO

i) **Agree** to amend the Terms of Reference to clarify that the review panel should focus on questions of science rather than value judgements;

YES / NO

j) **Agree** to amend the Terms of Reference to clarify that both biogenic methane emissions from waste and agriculture are included within the scope of the methane target under review; and

YES / NO

k) **Agree** to forward this briefing and the draft Terms of Reference to relevant Ministers for consultation.

YES / NO

9(2)(a)

Julie Collins
Deputy Director-General
Policy and Trade
Ministry for the Primary Industries

Hon Todd McClay
Minister of Agriculture
/ / 2024

9(2)(a)

Sam Buckle
Deputy Secretary
Climate Change Mitigation and Resource
Efficiency
Ministry for the Environment

Hon Simon Watts
Minister of Climate Change
/ / 2024

Hon Nicola Willis
Associate Minister of Climate Change
/ / 2024

Hon Andrew Hoggard
Associate Minister of Agriculture
/ / 2024

Hon Mark Patterson
Associate Minister of Agriculture
/ / 2024

Appendix One: DRAFT Terms of Reference – Methane Science and Target Review

Please note, this draft document is withheld pursuant to section 9(2)(g)(i) of the OIA - maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty

The final version is publicly available at the following link: <https://environment.govt.nz/assets/news/Methane-Science-and-Target-Review-Terms-of-Reference.pdf>



Ministry for the
Environment
Manatū Mō Te Taiao

Ministry for Primary Industries
Manatū Ahu Matua



To: Hon Todd McClay, Minister of Agriculture
Hon Simon Watts, Minister of Climate Change
From: Charlotte Denny, Director, Natural Resources Policy, Ministry for Primary Industries
Hemi Smiler, General Manager, Climate Change Mitigation, Ministry for the Environment

For approval: Methane Science and Target Review Terms of Reference

Date	Reference
24 June 2024	AM24-0616 BRF-4947

Purpose

- On 19 June, Officials shared the final draft Terms of Reference (ToR) for the Methane Science and Target Review (the Review) to you and your Associate Ministers (Hon Nicola Willis, Associate Minister of Climate Change; Hon Andrew Hoggard, Associate Minister of Agriculture (Animal Welfare, Skills); and Hon Mark Patterson, Associate Minister of Agriculture) for your feedback and authorisation [ECO-24-MIN-0096 refers].
- The final ToR reflecting your feedback and approval is attached as **Appendix One** for your authorisation by 24 June.

Next steps

- On Monday 24 June, Cabinet will consider your intention to appoint your nominated panellists to the Review [APH-24-MIN-0111 refers].
- Following Cabinet decisions and your approval of the final Terms of Reference, officials will contact the successful panellists to confirm their appointment. Officials have shared appointment letters with you to be sent from your offices to the final panellists following Cabinet consideration on Monday [see BRF-4951 - *Memo: For approval: Methane Science and Target Review Appointment Letters*].
- The Methane Science and Target Review Secretariat will send additional information to the panellists, including the final ToR. These processes will enable the Review to commence before 30 June 2024.

Minister / Minister's Office

Seen / Referred

/ / 2024

Appendix One: Methane Science and Target Review – Terms of Reference

With reference to section 18(d) of the OIA, this document is publicly available: <https://environment.govt.nz/assets/news/Methane-Science-and-Target-Review-Terms-of-Reference.pdf>