



Weekly update
Hon. James Shaw
Minister of Climate Change
Associate Minister for the Environment

Finalised on 3 December for the week commencing 7 December

Date: Monday, 7 December
Time: 3 – 4 pm
Location: Bowen House

Attendees: Hon. James Shaw, Minister of Climate Change
Vicky Robertson, Secretary for the Environment
Anne Haira, Deputy Secretary, Climate Adaptation and Evidence
Janine Smith, Deputy Secretary, Climate Mitigation
Natasha Lewis, Deputy Secretary, Strategy and Stewardship
Katherine Wilson, Director, Climate Change
Lisa Daniell, Director, Climate Mitigation
Lindy Fursman, Chief Advisor, Climate Change
Matt Cowie, Principal Analyst, Climate Change

	Agenda	Lead	Time
1	Context	Anne Haira	10 min
2	Budget 2021	Natasha Lewis/Janine Smith	15 min
3	Ministerial governance	Matt Cowie	10 min
4	Preparation for Cabinet Business Committee this week	Janine Smith	10 min

Upcoming meetings 7 December – 18 December

Monday, 7 December	Chief Executive, Z Energy - Mr Mike Bennetts
Monday, 7 December	MfE Officials Meeting
Monday, 7 December	MFAT Officials Meeting
Monday, 7 December	NZGIF (New Zealand Green Investment Finance) - Chief Executive, Craig Weise
Monday, 7 December	Meeting with Stuart Smith, National Party Spokesperson for Climate Change
Monday, 7 December	Meeting with Minister for Trade & Export Growth (O'Connor) - Re: Trade and Climate issues + Sequestration and other issues
Tuesday, 8 December	Meeting with the Climate Change Commission
Wednesday, 9 December	Inter-generational Climate Ambassadors
Wednesday, 9 December	Sustainable Land Use Ministers Meeting
Wednesday, 9 December	Foreign Affairs and Trade Ministers (Hon Mahuta Hosted) - O'Connor, Twyford, Sio, Shaw
Thursday, 10 December	Meeting with Louise Aitken - Social Enterprise
Thursday, 10 December	Meeting with Alison Howard (Manager Climate Change Response for Wellington City Council) - Climate Change Adaptation
Thursday, 10 December	Community Resilience Ministers meeting
Saturday, 12 December	Special Evening with 2020 Hillary Laureate, Christiana Figueres (hosted by the Hillary Institute + Mayor Lianne Dalziel)
Monday, 14 December	Insurance Council of New Zealand - Chief Executive Tim Grafton and Regulatory Affairs Manager Nick Whalle
Monday, 14 December	MfE Officials Meeting
Monday, 14 December	MFAT Officials Meeting
Wednesday, 16 December	British High Commission/WWF hosted Screening of the David Attenborough – A life on our planet

Climate Change

1. Context

Updates for noting

1.1. An update on progress and timelines for the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC)

The IPCC will release for review the Second Order Drafts of two reports making up part of the AR6 over the summer period:


- Working Group 2 (Impacts, Adaptation and Vulnerability) 4 December 2020 – 29 January 2021.
- Working Group 3 (Mitigation) 18 January – 14 March 2021.

The review periods are an opportunity for government agencies to ensure the reports are as accurate and relevant as possible. A particular focus for our review will be the Australasia chapter (covering Australia and New Zealand) as well as the Small Islands chapter that will have particular relevance for our Pacific neighbours. The Ministry for the Environment will coordinate reviews from government agencies.

Although draft reports are confidential to reviewers, this confidentiality has not always been maintained. It is therefore possible that the contents of these draft reports' enter the public domain during the summer period.

At this stage, the IPCC reports that collectively make up the AR6 are tentatively scheduled for approval in July 2021 (Working Group 1 – Physical Science), December 2021 (Working Group 2 – Impacts, Adaptation and Vulnerability) and March 2022 (Working Group 3 – Mitigation). However, these dates are not official.

s 9(2)(g)(i)



1.2. Climate Change Commission – annual monitoring plan

As you are aware MfE has recently established the Crown Entity Performance team to provide responsible Ministers with appointments, governance, monitoring and performance advice in respect of Crown entities under Vote Environment. The team will also assist the Commission to become a high performing organisation and assist you with your responsibilities under the Crown Entities Act.

Officials have, this week, issued a letter to the Commission, setting out the timetable of key dates in the reporting and accountability cycle. This should assist the Commission in its planning and work programme over the forthcoming year and ensure that they meet Ministerial expectations for timely receipt of information.

1.3. Declaration of a Climate Emergency – MfE supporting communications

Following Wednesday's Climate Emergency declaration, the Ministry has activated a small micro-campaign on social media to profile the announcement, and connect with young New Zealanders around climate issues. We asked a selection of the Ministry interns to respond to the declaration and explain what it means for them, and these short voxys will be published on our social media channels over the next week, alongside climate-related science bites from the Atmosphere & Climate 2020 report.

1.4. New Zealand and international emissions prices

The NZU price has remained steady at \$35.80 over the past week. It is now less than five weeks until the official end of the Kyoto Protocol and the start of the Paris Agreement Nationally Determined Contribution commitment period. Because of this, on Monday the 30th November, all privately held CP1 Kyoto units were cancelled and NZ AAUs replaced with NZUs. It was not expected that this should have any impact on NZU price.

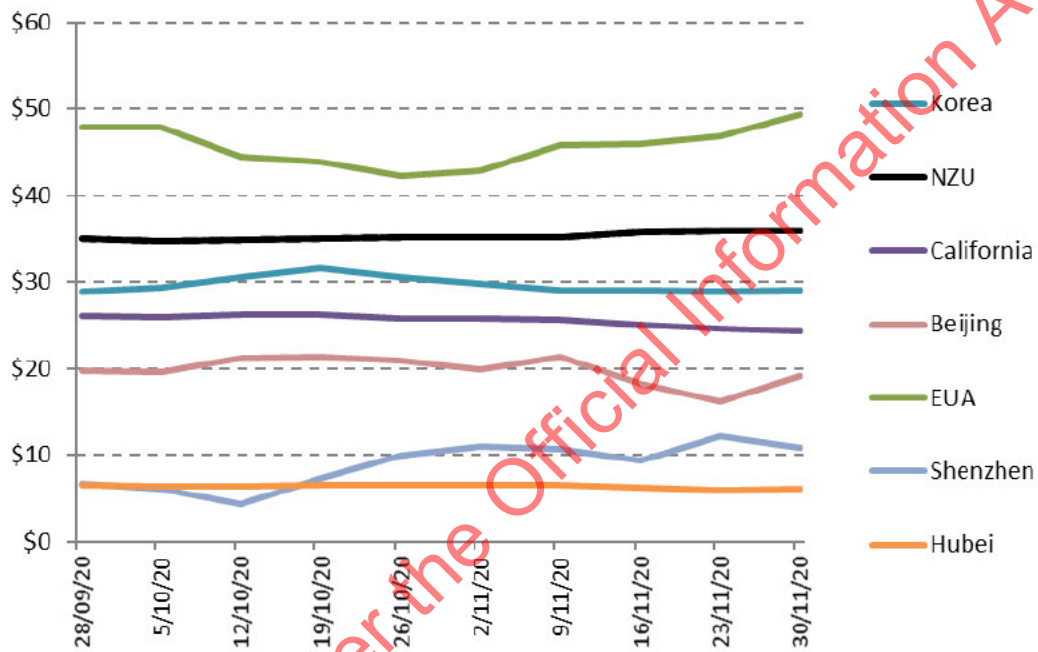
The EUA price reached a high of €30 for the first time since mid-September. Market observers propose this may be related to the announcement of a further delay in the first auction of 2021, and a drop in temperatures and low wind likely to drive high energy usage in December.

The Chinese regional ETS pilot markets have officially closed this week indicating their final prices and volumes, ahead of the commencement of the National scheme in 2021.

Table: Current emissions prices

NZU, EUA and California emissions prices (NZD/t CO ₂ e) as at 2 December 2020		
NZU	EUA	California
35.80	49.39	24.25

Chart: Recent trends in international emissions prices



Released under the Official Information Act 1982

Associate Minister for the Environment

2. Context

Updates for noting or decision

2.1.

s 9(2)(f)(iv)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Yes / No

Signature

Date

Released under the Official Information Act 1982

2.2. Environmental Reporting – Federated Farmers response to MfE’s Our Freshwater 2020 report

On 1 December we received a copy of a report entitled “Our Freshwater: Analysis & Recommendations from Federated Farmers of New Zealand”. A cover letter reiterated their concerns about our environmental reporting and invited further discussion. We believe an electronic version of the report will be made available on their website in due course.

We consider that from a science perspective, none of the ‘Our freshwater 2020’ or ‘Environment Aotearoa 2019’ findings that were queried by Federated Farmers are inaccurate, misleading or erroneous, and no corrections are needed.

We subsequently provided a written response to Federated Farmers, and met with Elizabeth McGruddy, Senior Policy Advisor for Federated Farmers, on 18 November 2020 to discuss several of the recommendations from their report. It was a constructive meeting.

While they remain critical of certain aspects of our reporting on freshwater, they are supportive of the changes to the Environmental Reporting Act recommended by the Parliamentary Commissioner for the Environment. We will continue to engage with them on these matters.

2.3. National Environmental Standard for Plantation Forestry (NES-PF)

We acknowledge that your delegations include working with the Minister for the Environment on the review of the NES-PF. To support you in this role, we are preparing some introductory briefing materials, which we will provide to your office by 17 December 2020. You will also receive a briefing on afforestation and its links to the NES-PF.

Released under the Official Information Act 1982

3. Climate upcoming briefings – December 2020

Paper number	Issue or event	Lead	Further information	Date due at office
2020-B-07229	Work towards the first emissions reduction plan under the Climate Change Response Act	MfE	This briefing describes cross-agency work to date, decisions needed in 2021, and key issues arising in relation to the emissions reduction plan.	9 December
2020-B-07300	Climate-related financial disclosures - Crown financial institutions	MfE	s 9(2)(f)(iv)	10 December
2020-B-07346	Forestry regulations: further consultation and Cabinet agreement required in early 2021	MfE	s 9(2)(f)(iv)	10 December
2020-B-07360	Initial advice on the full text of the Sustainable Finance Forum Roadmap for Action	MfE	s 9(2)(f)(iv)	10 December
2020-B-07371	He Waka Eke Noa Greenhouse Gas Farm Plan Guidance	MfE		10 December

Paper number	Issue or event	Lead	Further information	Date due at office
2020-B-06937	Report back on industrial allocation data collection	MfE	s 9(2)(f)(iv)	17 December

4. Associate Minister for the Environment upcoming briefings – December 2020

Paper number	Issue or event	Lead	Further information	Date due at office
2020-B-07401	Second order briefing - Environmental Monitoring and Reporting System reform work programme	MfE	s 9(2)(f)(iv)	26 January

5. Cabinet material being prepared for you

Paper number	Paper name	Committee	Description	Timeframes
2020-C-07334	Enabling a technical reserve price for auctions in the New Zealand Emissions Trading Scheme	CBC Cabinet Business Committee	Seeks cabinet approval to begin drafting the Climate Change Response Act amendment and related regulations required to enable a technical reserve price to be put in place prior to the first NZ ETS unit auction in March 2021.	CBC: 9 December Cabinet: 14 December
2020-C-07385	Adaptation legislation – proposed timeframes and process	CBC Cabinet Business Committee	This Cabinet paper outlines a high level timeframe and process to progress adaptation legislation.	CBC: 9 Dec Cabinet: 14 December
2020-C-07368	Climate change work programme: Key Cabinet dates in 2021	CAB Cabinet	This Cabinet paper describes the key aspects of the climate change work programme that will be progressed over	CAB: 9 December Cabinet: 14 December

IN CONFIDENCE

Paper number	Paper name	Committee	Description	Timeframes
			the coming year. It sets out when you will report back to Cabinet and indicates the dates that Cabinet decisions are likely to be required.	
2020-C-07328	Order in Council (due to the entry into force of the Doha Amendment) to update the version of the Kyoto Protocol contained within the Climate Change Response Act	s 9(2)(f)(iv)		
2020-C-07376	New Zealand Emissions Trading Scheme: Additional consultation on proposed forestry regulations	s 9(2)(f)(iv)		

Released under the Official Information Act 1982

Climate Implications of Policy Assessments (CIPA)

The CIPA requirement came into force on 1 November 2019. The following table sets out current CIPAs that we are working with agencies on, where the CIPA requirements apply or there is a likely emissions impact.

Paper name	Agency	Status of policy	Our advice on the GHG analysis
s 9(2)(f)(iv)			
s 9(2)(f)(iv)			

Released under the Official Information Act 1982

6. OIA requests

Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
<p>With respect, can MfE please provide estimates/briefings/work related to NZ's Paris Agreement targets sent to the Minister in the last 12 months. This information should include, but not be limited to, any assessment/advice/estimated cost of using international carbon markets for abatement.</p> <p>Over the same 12 month period, please provide reports (to MfE management and/or the Minister) produced by MfE's international carbon markets project regarding the potential cost of carbon units for climate change abatement, including for use in meeting domestic targets.</p>	s 9(2)(a)		20-D-02022 Departmental	MfE	8 December
<p>Any estimates or analyses of emissions reductions that could be expected from the following policies:</p> <p>The introduction of mandatory climate risk reporting for large listed companies and financial firms</p>	s 9(2)(a)	s 9(2)(a)	20-D-02177 Departmental	MfE	9 December
<p>Draft and final CIPAs created for policies funded as part of the Covid-19 recovery and associated stimulus</p> <p>This includes policies funded out of the Covid-19 Response and Recovery Fund as well as any others that you might consider part of the Covid-19 recovery</p> <p>Any advice, analysis, briefing or other document which discusses the overall climate impact of New Zealand's recovery from Covid-19 and the associated stimulus</p> <p>Where any document falls under the scope of this request, please release it in full, including sections which might otherwise be considered out of scope</p>	s 9(2)(a)	s 9(2)(a)	20-D-02178 Departmental	MfE	9 December

IN CONFIDENCE

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
Limit the search to advice to the current minister (This request follows on from 20-D-02094 which was refused under s18(f) as clarification was not provided).	s 9(2)(a)		20-D-02275 Departmental	MfE	17 December
Any information held relating to the consideration of a policy option under which the government would allocate greenhouse gas emission permits to individual persons or households.	s 9(2)(a)		20-D-02335 Departmental	MfE	18 January
Under the Official Information Act I request a copy of all reports, discussion papers, briefing notes received or sent by you or your Ministry regarding the Sprint to Glasgow Climate Leaders' summit since 1 July 2020. I am particularly interested in all information you have received regarding the possibility that New Zealand may not be invited to attend the summit.	s 9(2)(a)	s 9(2)(a)	20-D-02336 Departmental	MfE	19 Jan

Released under the Official Information Act 1982



Weekly update
Hon. James Shaw
Minister of Climate Change
Associate Minister for the Environment

Finalised on 10 December for the week commencing 14 December

Date: Monday, 14 December
Time: 3 – 4pm
Location: Bowen House

Attendees: Hon. James Shaw, Minister of Climate Change
Vicky Robertson, Secretary for the Environment
Anne Haira, Deputy Secretary, Climate Adaptation and Evidence
Natasha Lewis, Deputy Secretary, Strategy and Stewardship
Janine Smith, Deputy Secretary, Climate Mitigation
Martin Workman, Deputy Secretary Sustainable Land Use Delivery
Lisa Daniell, Director, Climate Mitigation
Lindy Fursman, Chief Advisor, Climate Change
Matthew Cowie, Principal Analyst

	Agenda	Lead	Time
1	Context	Anne Haira	10 min
2	s 9(2)(f)(iv)	Janine Smith	10 min
3	Climate Ministers Meeting with the Prime Minister – 18 December	Janine Smith	10 min
4	s 9(2)(f)(iv)	Janine Smith/Natasha Lewis	10 min
5	He Waka Eke Noa – timelines	Martin Workman	10 min

Upcoming meetings 14 December – 21 December

Monday, 14 December	Insurance Council of New Zealand – Chief Executive Tim Grafton and Regulatory Affairs Manager Nick Whalle
Monday, 14 December	MfE Officials Meeting
Monday, 14 December	MFAT Officials Meeting
Wednesday, 16 December	British High Commission/WWF hosted Screening of the David Attenborough – A life on our planet
Thursday, 17 December	Meeting with Stuart Smith, National Party Spokesperson for Climate Change
Thursday, 17 December	Meeting with Minister of Finance on Budget 2021
Friday, 18 December	Climate Ministers Meeting with the Prime Minister

Released under the Official Information Act 1982

Climate Change

1. Context

Updates for noting or decision

1.1. Emissions Trading Scheme

On Monday 30 November, the Registrar of the New Zealand Emissions Trading Register (the Register) cancelled all remaining first commitment period Kyoto units held in private accounts. At the same time the Registrar replaced all New Zealand originated Assigned Amount Units (NZ AAU) with a New Zealand Unit (NZU). The requirement to cancel and replace units on that date was part of the recently enacted changes to the Climate Change Response Act.

1.2. National Adaptation Plan – iwi/Māori engagement

The National Climate Change Risk Assessment identified that some climate risks will have a disproportionate impact on iwi/Māori. There is also a statutory requirement for the National Adaptation Plan to, amongst other things, take into account both the economic, social, health, environmental, ecological and cultural effects of climate change including effects on iwi and Māori and the ability of communities or organisation to undertake adaptation action, including how any action may be funded. In our recent conversation with you on the adaptation work programme you confirmed your preference for early engagement with iwi/Māori.

Over the next two months we will engage through Ihirangi to seek feedback on the risks most important to whanau, hapū and iwi. We will also seek input to the strategic direction of the National Adaptation Plan at a broader level. Alongside this we propose to work with iwi/Māori to define options for engagement during the development of actions plans over the next year. All of these streams will feed into the advice we will provide for your Cabinet report back in March on an approach to engage with iwi/Māori for the National Adaptation Plan.

Released under the Official Information Act 1982

1.3. Carbon Neutral Government Programme (CNGP)

Following the announcements on the CNGP earlier this month, Vicky Robertson sent an email to the CEOs of all the government organisations within the CNGP programme (excluding individual DHBs and School Board Of Trustees as this will come from the Ministry of Health and the Ministry of Education respectively) outlining what was announced and what action they needed to take.

The Ministry has stepped into the interim programme co-ordination role and programme planning is underway with the Ministry of Business, Innovation and Employment (MBIE and) the Energy Efficiency & Conservation Authority (EECA).

The Ministry is currently preparing tailored guidance for agencies on the CNGP programme including measuring and reporting their emissions inventory and we expect to have this out prior to Christmas.

We expect to have a briefing to you next week on the request from the Ministry to drawdown on the State Sector Decarbonisation Fund for OPEX to set up the CNGP programme.

S9(2)(f)(iv)

1.4. New Zealand and international emissions prices

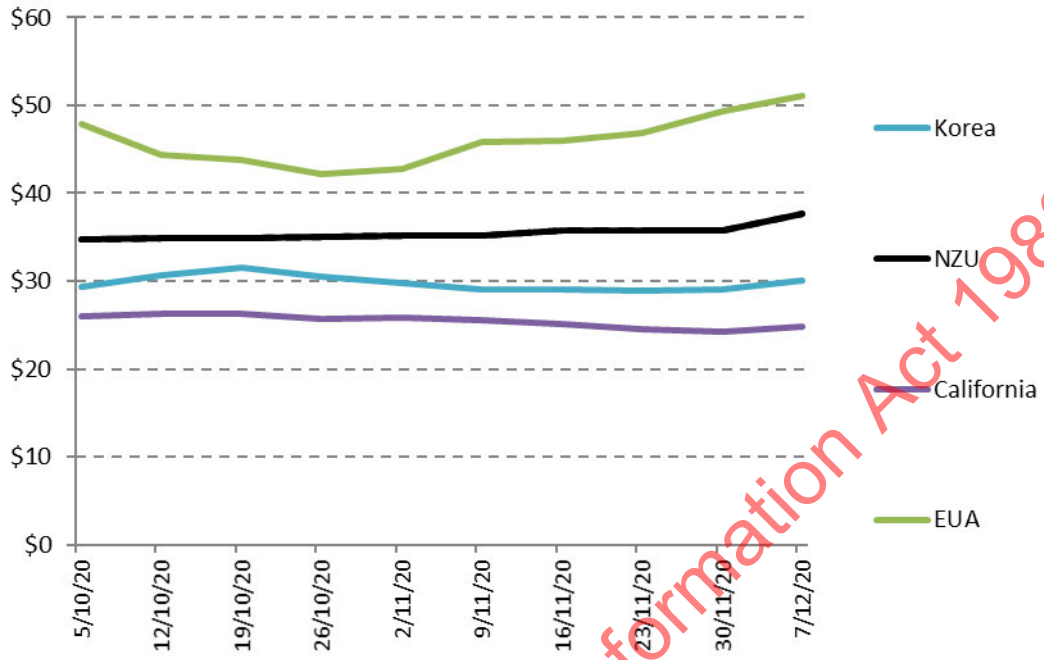
The NZU price has risen by over five per cent in the past five days, reaching \$37.65 on Wednesday 9 December 2020. This is attributed to the declaration of a climate emergency on 2 December signaling to business the Government intends to put climate change considerations at the forefront of decision making.

The EUA price has dropped slightly from last week's high of €30 to €29.62. This is despite some signs around progressing Brexit negotiations, and the European Commission's announcement that next year's auctions will be delayed due to technical issues.

Table: Current emissions prices

NZU, EUA and California emissions prices (NZD/t CO ₂ e) as at 9 December 2020		
NZU	EUA	California
37.65	51.07	24.89

Chart: Recent trends in international emissions prices



Released under the Official Information Act 1982

s 9(2)(f)(iv)

3. Climate upcoming briefings – December 2020

Paper number	Issue or event	Lead	Further information	Date due at office
2020-B-07449	Talking Points for your Meeting with the He Waka Eke Noa Steering Group	MfE	s 9(2)(f)(iv)	
2020-B-07360	Initial advice on the full text of the Sustainable Finance Forum Roadmap for Action	MfE		
2020-B-06937	Report back on industrial allocation data collection	MfE		
2020-B-07423	Next steps for international carbon market access	MfE		
2020-B-07438	Setting up the Carbon Neutral Government Programme	MfE		

Released under the Official Information Act 1982

Paper number	Issue or event	Lead	Further information	Date due at office
2020-B-07421	Update on NZ ETS auction work programme	MfE	s 9(2)(f)(iv)	
2020-B-07239	Process for reviewing industrial allocation policy	MfE		
2020-B-07427	Power to sell units at auction implementation and decision about delegation	MfE		

4. Associate Minister for the Environment upcoming briefings – December 2020

Paper number	Issue or event	Lead	Further information	Date due at office
2020-B-07429	Proposed NPSIB draft recommendations	MfE	s 9(2)(f)(iv)	
2020-B-07401	Second order briefing - Environmental Monitoring and Reporting System reform work programme	MfE		

Released under the Official Information Act 1982

5. Cabinet material being prepared for you - Climate

Paper number	Paper name	Committee	Description	Timeframes
2020-C-07334	Enabling a technical reserve price for auctions in the New Zealand Emissions Trading Scheme	s 9(2)(f)(iv)		
2020-C-07385	Adaptation legislation – proposed timeframes and process			
2020-C-07368	Climate change work programme: Key Cabinet dates in 2021			
2020-C-07328	Order in Council (due to the entry into force of the Doha Amendment) to update the version of the Kyoto Protocol contained within the Climate Change Response Act			

Released under the Official Information Act 1982

Paper number	Paper name	Committee	Description	Timeframes
2020-C-07440	Climate Change Response (Auctioning Reserve Price) Amendment Bill - Approval for introduction	s 9(2)(f)(iv)		
2020-C-07376	New Zealand Emissions Trading Scheme: Additional consultation on proposed forestry regulations			
2020-C-06815	Negotiating a supplementary agreement between Refining NZ and the Crown.			

Released under the Official Information Act 1982

6. Cabinet material being prepared for you – Associate Environment

Paper number	Paper name	Committee	Description	Timeframes
2020-C-07188	National Adaptation Plan	s 9(2)(f)(iv)		

7. Cabinet material we have been consulted on

Paper name	Agency	Committee	Description	MfE Comments
Reforming the resource management system	MfE	s 9(2)(f)(iv)		

Climate Implications of Policy Assessments (CIPA)

The CIPA requirement came into force on 1 November 2019. The following table sets out current CIPAs that we are working with agencies on, where the CIPA requirements apply or there is a likely emissions impact.

Paper name	Agency	Status of policy	Our advice on the GHG analysis
s 9(2)(f)(iv)			
National direction on discharges to air of greenhouse gas emissions under the Resource Management Act 1991	MfE	To be taken to Cabinet in 2021	The CIPA requirements will apply to this proposal as it directly impacts industrial greenhouse gas emissions. Emissions analysis is currently under review.

8. OIA requests

Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
Limit the search to advice to the current minister (This request follows on from 20-D-02094 which was refused under s18(f) as clarification was not provided).	s 9(2)(a)		20-D-02275 Departmental	MfE	17 December
Draft and final CIPAs created for policies funded as part of the Covid-19 recovery and associated stimulus. This includes policies funded out of the Covid-19 Response and Recovery Fund as well as any others that you might consider part of the Covid-19 recovery. Any advice, analysis, briefing or other document which discusses the overall climate impact of New Zealand's recovery from Covid-19 and the associated stimulus. Where any document falls under the scope of this request, please release it in full, including sections which might otherwise be considered out of scope.	s 9(2)(a)	s 9(2)(a)	20-D-02178 Departmental	MfE	24 December
Any information held relating to the consideration of a policy option under which the government would allocate greenhouse gas emission permits to individual persons or households.	s 9(2)(a)		20-D-02335 Departmental	MfE	18 January
Under the Official Information Act I request a copy of all reports, discussion papers, briefing notes received or sent by you or your Ministry regarding the Sprint to Glasgow Climate Leaders' summit since 1 July 2020. I am particularly interested in all information you have received regarding the possibility that New Zealand may not be invited to attend the summit.	s 9(2)(a)	s 9(2)(a)	20-D-02336 Departmental	MfE	19 January

IN CONFIDENCE

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
<p>Could I please have a copy of all advice provided to Minister or Ministers offices in relation to: reducing the Government's own emissions and becoming a carbon-neutral Government by 2025.</p> <p>Could this request please be interpreted advice be interpreted as all written advice, including cabinet papers, draft cabinet papers, briefing notes, aide memoirs, memos and emails, received since July 2020."</p>	s 9(2)(a)	s 9(2)(a)	20-D-02403	MfE	21 January

Released under the Official Information Act 1982