

Weekly update - Minister for Climate Change

Finalised on 29 March for the week commencing 2 April

Date: 3 April
Time: 8-10am
Location: Office of the Minister for Climate Change

Attendees: Hon James Shaw, Minister for Climate Change
 Vicky Robertson, Secretary for the Environment
 Roger Lincoln, Director, Climate Change
 Janine Smith, Manager Climate Change Policy
 Paul Alexander, Transition Hub Director

For item 3: David Rohan, Economic Advisor, Transition Hub
 Matt Cowie, Acting Manager Climate Change Policy
 Mahesh Girvan, Policy Analyst

| | Agenda | Lead | Time |
|------------------------|--|----------------|--------|
| 1 | Introduction - Update on context including budget bid | Roger Lincoln | 15 min |
| 2 | Zero Carbon Bill: - APH meeting talking points - Climate Change Ministers' meeting | Janine Smith | 10 min |
| 3 | - Supplementary Estimates for Climate Change | David Pearson | 10 min |
| 4 | - Standing item: weekly report | Roger Lincoln | 10 min |
| Discussion item | | | |
| 4 | Zero Carbon Bill: - Climate Change Commission, and Emissions Budgets | Paul Alexander | 40 min |

Actions from the meeting of 28 March

- Send the CV of last candidates being considered for interim climate change committee to the office by Thursday 29 March.
- Provide talking points to the Minister, agenda and material for other ministers for the first climate change Ministers meeting on 5 April, by Thursday 29 March.
- MfE to update the climate change high-level objectives to be sharper and clearer on ambition.

Upcoming meetings 2 April – 13 April

- 3 April** MfE Officials meeting
Meeting with the US Ambassador
- 4 April** Climate Change and Built Environment Ministers' meeting
Landcorp - with Minister Sage
Minister Faafoi – financial reporting
Arable Industry Group (Federated Farmers) – with Minister Sage
- 5 April** Climate Change Ministers' meeting
MFAT Officials meeting
Meeting with the Ambassador of the Republic of Korea
Meeting with Thomas Pryor (Sherson Willis) and Mike Petersen (Origin Green)
- 6 April** Visit to AgResearch
- 9 April** MfE Officials meeting
- 10 April** Johan Rockstrom
ENV – International Climate Change Negotiations (Cabinet paper)
- 11 April** Mike Jebson QEII National Trust
Ministers Mark and Sage – Defence Strategic Policy Review
- 12 April** Greenhouse Gas Inventory briefing
Welsh Cabinet Secretary for Energy, Planning and Rural Affairs
MFAT Officials meeting
- 13 April** Launch of the climate finance report
Envirowaste
OMF Financial re Carbon Markets

Proactively Released

1. Key decisions for you to make this week

- a. Approve and lodge the APH Cabinet paper

2. Material for you to be aware of this week

Domestic

2.1. Update on the Climate Change Adaptation Technical Working Group draft Options Report

The Climate Change Adaptation Technical Working Group (CCATWG) has been testing their draft Options Report on how New Zealand can adapt to climate change with targeted audiences. You received a copy of the draft Options Report in December last year (2017-B-04099 refers).

Engagement, held between 7 Feb and 4 April 2018, has involved conversations with academics and researchers, the engineering, banking, insurance, and agriculture sectors, local government, central government, funding experts and iwi (through the Pou Taiao Regional Engagement hui). Interest in participating in the targeted engagement has been high, with over 200 stakeholders invited to provide their comments.

In general there was a high level of support for the actions and principles in the Draft Options Report. No showstoppers were identified. The conversations noted:

- Particular support for the National Climate Change Risk Assessment and National Adaptation Plan
- Actions were largely focused on central and local government and that incentivising adaptation action in the private sector was a potential gap
- Need for long-term planning approach and for local government to have the legislative mandate to consistently implement and uphold adaptation decisions
- Insurance was commonly seen as a 'weak lever' and that current insurance policy settings were seen as problematic for effective adaptation
- The funding of adaptation was recognised as a key constraint and a critical question that needs to be addressed.

Most were focused on how the actions would be implemented. Implementation issues (or "policy prescriptive" actions) are explicitly excluded from the scope in the Groups Terms of Reference).

The CCATWG are finalising the Report based on the feedback received and expect to submit their Final Options Report to you on 27 April 2018. Ministry for the Environment officials will provide advice on next steps (such as potential release dates and the preparation of government response to the Report) in the week beginning 23 April.

2.2. Update on Biological Emissions Reference Group

The Biological Emissions Reference Group (BERG) met on March 22 to discuss progress on research they have commissioned and timing for the publication of that research and the BERG synthesis report. Key research complete or underway includes:

- Drivers of farmer behaviour (complete)
- Co-benefits of water policy (complete)
- Suitability of Overseer as a measurement tool for on farm emissions (complete)
- Existing mitigation technologies (complete)
- Mitigation technologies available in the future (draft complete)
- Costs and barriers of implementing various policy scenarios to reduce biological emissions from agriculture (final draft complete)
- Mitigation potential of land use change (due end of March)
- Costs of reducing emissions from the agriculture sector at a farm, regional and national level (due end of March)
- Assessment of the sequestration potential of on farm vegetation (due early May)

BERG will write a synthesis report that summarises the findings of this research. The Synthesis report will be the Group's final and only report. This will not make any recommendations. They expect to publish the synthesis report and the underpinning research by the end of June. Reports will be published on all BERG member websites and provided directly to the interim Climate Committee. We will advise you of the key findings of the research closer to the date of publication.


2.3. Singapore's parliament approves carbon tax

On March 20 Singapore's parliament approved a new tax on greenhouse gas (GHG) emissions. When it is imposed in 2019, Singapore will be the first Asian country to implement a national GHG tax. The way Singapore intends to implement the tax, with emitters surrendering permits bought from the government at a fixed price, will allow it to move to an emissions trading scheme if it chooses to do so in the future.

The tax will apply to the six Kyoto GHGs and to direct emitters (such as power stations) who emit more than 25,000 tonnes of CO₂e annually. It is expected to cover around 40 companies and about 80 per cent of Singapore's total emissions. The initial tax rate will be S\$5 (NZD \$5.23), with revenue to be reinvested into low-carbon projects. The rate is a reduction on the S\$10-20/tCO₂e that the government had initially proposed, but the government plans to lift it to S\$10-15/tCO₂e by 2030.

2.4. Update on process to ratify the Kigali Amendment to the Montreal Protocol

s 9(2)(f)(iv)



International

2.5. Procedures for signing out NZ submissions to UNFCCC

Submissions from Parties to the UNFCCC are regularly invited across items on the agendas of the ad hoc Paris Working Group (APA), Subsidiary Body for Implementation (SBI), and Subsidiary Body for Scientific and Technical Advice (SBSTA). These written submissions are an opportunity to provide New Zealand Government views on issues, and to influence the UN work programme. They are most often technical in nature; but occasionally will be used to signal significant New Zealand positions. The submissions are made public on the UNFCCC website in advance of meetings, and can be picked up by media.

We therefore seek your agreement to an approval process, as follows:

- 1) We will list the topics of upcoming Submissions in advance in the Weekly Report as a heads-up.
- 2) Where New Zealand's position is of a purely technical nature (e.g. views on updates to current guidelines for reporting), or is covered explicitly by or can be inferred from Cabinet's negotiating mandate:
 - a. Prior approval will not be sought from you.
 - b. The submission will be signed out by the Climate Change Ambassador, and submitted to the UNFCCC on her responsibility.
 - c. A copy of the submission will be provided to your office one week in advance of submission to the UNFCCC, for information.
- 3) Where New Zealand's position is not covered by Cabinet's negotiating mandate and is a significant new policy position, or contains material that could foreseeably trigger a political response or reactions from domestic stakeholders:
 - a. Your prior approval will be obtained.
 - b. Approval will be sought sufficiently in advance to enable any Ministerial or other consultation that you wish to undertake
 - c. Once approval has been given, the Climate Change Ambassador will authorise submission to the UNFCCC.

Currently, there is a call for submissions on proposed themes for the Talanoa Dialogue (a draft submission will be included in your weekend bag). It is likely that further submissions on issues across the UNFCCC agenda will be called for as an outcome of the Bonn session in May.

Agree / Disagree

2.6. Cartagena Dialogue meeting

The 22nd meeting of the Cartagena Dialogue for Progressive Action took place in Guanacaste, Costa Rica, on 20 – 21 March. Around 50 attendees represented over 25 countries from a range of regional groupings active in the UNFCCC. Two MFAT officials attended. The discussions covered geopolitical developments and expectations for COP24, strategy for strengthening the progressive voice in the UNFCCC, and technical break-out groups. Conversations were encouragingly candid. s 6(a), s 9(2)(j)

s 6(a)

[REDACTED] New Zealand's engagement in the Dialogue supports our climate leadership ambitions, and independently progressive brand in the negotiations. It is also a logical channel to [REDACTED] s 6(a)

2.7. Public Consultations on Paris Agreement Negotiations mandate

MFAT will provide you with a summary of the feedback received from its call for submissions on 4 April. At this stage, none of the key interlocutors identified by you have requested a personal meeting with Jo Tyndall, but several confirmed they are preparing a submission ahead of the 3 April deadline. So far, the majority of the early submissions have tended to focus on domestic-focused policies and emissions reduction strategies. Jo Tyndall met with the Federation of Māori Authorities as part of a wider MFAT consultation on Monday, and there was strong interest in the work we are doing (with the core message being essentially “please get on and solve this internationally”).

2.8. Green Bond Pledge

The Green Bond Pledge was launched London last week – it is a joint initiative by groups including the Climate Bonds Initiative, Christiana Figueres' Mission 2020, the Carbon Disclosure Project, and the California Governor's and Treasurer's Offices. The Pledge acknowledges the role of green bonds in supporting infrastructure and capital projects to be climate resilient. Signatories also pledge to establish “a green bonds strategy that will finance infrastructure and capital projects that meet the challenges of climate change while transforming our community into a competitive, prosperous and productive economy”. The Pledge is intended to gain momentum ahead of Global Climate Action Summit in San Francisco in September. s 9(2)(g)

(i)

2.9. US Budget 2018 – climate finance outcomes

The US Budget for the 2018 financial year, approved by Congress last week, resulted in a mixed bag for climate finance spending. Finance to the Green Climate Fund has been cut, as promised by President Trump in 2017, thus leaving total US payments \$2 billion short of its original \$3 billion pledge (or nearly 20 percent of the GCF's \$10.3bn in total pledged funding). The IPCC will also receive no further funding from the US. Other multilateral funds which deliver climate outcomes will be funded, however: the Global Environment Facility and Montreal Protocol Fund will each receive allocations slightly lower than 2017 levels. US climate finance delivered through bilateral ODA and multilateral development banks remains relatively unscathed, though much of the direction of this spending is within departmental discretion, leaving climate-related spending subject to change.

2.10. International Maritime Organisation – negotiating mandate and upcoming meeting

The IMO's interim strategy on reduction of GHG emissions from international shipping (the Strategy) is due to be adopted in London, 3-13 April. The draft strategy will be negotiated at the intersessional working group (meeting 3-6 April) before its adoption by the 72nd meeting of the Marine Environmental Protection Committee (MEPC, meeting 9-13 April). The delegation (drawn from Maritime NZ, the Ministry of Transport, and the Ministry of Foreign Affairs and Trade) will report back on progress and delivery against the mandate (considered by DEV cabinet committee on 28 March).

2.11. Update on climate leadership with World Resources Institute (WRI)

The next component of the WRI's series of planned initiatives to highlight small economies taking ambitious climate action is a media-focused event, originally proposed for the IMF/World Bank Spring meetings. The Dutch and New Zealand Embassies in Washington have now both confirmed willingness to convene a Dialogue, enabling front-running countries to share their experiences in driving climate action at the national and sub-national level. Norway and Costa Rica have indicated a willingness to join this group. The event will be timed to coincide with the San Francisco Climate Summit in September, so as to take advantage of the global audience and expected media interest. A concept note is being developed and will be shared with you once complete. The details of New Zealand attendance at the California Summit will need to be worked through, taking into consideration the proximity of other high-level events (see the item below on the One Planet Summit).

The s 6(a) op-ed is still progressing. s 6(a)
We propose timing of the op-ed is decoupled from the September event and released well ahead of key high-level political meetings such as the (June) Ministerial on Climate Action and Petersberg Dialogue, so as to highlight the constructive role New Zealand can play in the international context. The op-ed will pick up several of the same themes as the concept note for the event however, and can be used to generate interest for the event.

2.12. New Zealand and France Joint Declaration – climate change aspects

MFAT officials and their French counterparts are working through details of a New Zealand-France joint declaration, proposed to be signed jointly by Prime Minister Ardern and President Macron during the PM's visit to France (16 April). Leading action on climate change is recognised as an area of particular significance in our bilateral relationship, and features prominently in content proposed by both France and NZ. Areas for deeper engagement and cooperation identified include: global leadership on climate change; commitment to addressing impacts in the Pacific; successful conclusion of the Paris Agreement Work Programme at COP24; collaboration on various initiatives (including the 2050 Pathways Partnership and the Towards Carbon Neutrality coalition); enhancing policy engagement on agriculture and sustainable food production; and actively encouraging the adoption by the IMO of an ambitious strategy to reduce GHG emissions from international shipping.

Officials will keep you updated as the draft progresses through to finalisation.

2.13. One Planet Summit follow up

French President Emmanuel Macron has announced on Twitter his intention to organise, with UN Special Envoy for Climate Action Mike Bloomberg, a meeting following up on the One Planet Summit. The meeting will take place during the UN General Assembly's Leaders' Week (24-28 September) in New York. The timing makes September a busy month, with the Global Climate Action Summit being held in San Francisco on 12-14th. s 9(2)(g)(i), s 6(a)

Officials will monitor developments with the One Planet Summit and provide advice as Macron firms his proposal up.

3. Upcoming briefings

Papers for your 6 April bag

| Issue or event | Lead | Further information |
|---|------|---|
| Draft Cabinet ENV paper, <i>Agreeing the overarching objectives for climate change policy</i> | MfE | Draft Cabinet paper and talking points for consultation with ministers over 9-20 April, ahead of the Cabinet Environment Energy and Climate Committee in early May. |
| Interim Committee – Letters of Appointment | | Includes letters of appointment for Committee members, as well as a pro-forma letter to send to organisations who nominated candidates for the Committee. To be sent out after Cabinet decision, in early mid-April. |
| Talking points for the climate finance launch event, as a member of the panel discussion | MfE | Includes lines on the Green Investment Fund which we are working on in conjunction with the Treasury. |

Papers for your 13 April bag

| Issue or event | Lead | Further information |
|---|------|---|
| 2050 Target paper | MfE | Paper for deep dive discussion with officials. |
| Release of New Zealand's Greenhouse Gas Inventory 1990 2016 and the 2020 Net Position | MfE | The Greenhouse Gas Inventory (the inventory) and the 2020 net position are released on 12 April. The inventory is the official annual estimate of all human-caused greenhouse gas emissions and removals in New Zealand under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The 2020 net position uses the inventory data to track progress towards New Zealand's target of reducing emissions to five per cent below 1990 levels by 2020. |

4. Cabinet material being prepared for you

| Paper name | Committee | What this paper covers | Our suggested timeframes |
|---|-----------|--|---|
| Membership of Interim Climate Change Committee | APH | Confirms membership for the Interim Climate Change Committee | Lodge by 29 April 2018 APH 4 April 2018 Cabinet 9 April 2018 |
| Agreeing the overarching objectives for climate change policy | ENV | Seeks Cabinet agreement on the overarching objectives for climate change policy and provides an overview of the key upcoming government decisions on priority climate change matters in 2018/19. | Lodge by 3 May 2018 DEV 8 May 2018 Cabinet 14 May 2018 |

5. Cabinet material we have been consulted on

| Paper name | Agency | Committee | Our feelings on the paper |
|---|------------------------------|--|--|
| Central and Local Government Forum 2018 | Local Government New Zealand | Cabinet Economic Development Committee | <ul style="list-style-type: none"> - The Central and Local Government Forum (the Forum), on 10 May 2018, is an opportunity to agree joint actions on key areas of mutual importance to the Government and Mayors. This paper seeks agreement to the Government's priority topics for the Forum agenda, and proposes this include discussion of a more collaborative future approach to central and local government relationships. - This is a routine paper. The Forum has happened 23 times before. - We suggest you support the paper. |

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6. OIA requests

6.1. Ministerial

| Request | Correspondent | Reference | Due at your office/current status | Date due to send |
|---|-----------------------------|------------|--|-----------------------|
| <p>1. A copy of each document (Cabinet paper and/or A3) you provided to Cabinet regarding progress.</p> <p>2. A copy of each document held in your office setting out the milestones for the 100-day plan, particularly the policies you are responsible for.</p> <p>3. A copy of each document held in your office tracking progress and/or milestones.</p> | s 9(2)(a) National Party | 18-O-00361 | Due to your office on Tuesday, 3 April. | Monday, 10 April |
| A copy of every Weekly Report received by you as Minister for Climate Change since 1 February 2018 | s 9(2)(a) National Party | 18-O-00567 | Due to your office on Thursday, 11 April | Wednesday, 19 April |
| <p>Can I please have any documents, briefing notes, notes taken, agendas, emails or other correspondence relating to the Minister's meeting with NZ Steel (27 February 2018). Could the Minister also provide a summary of what was discussed during this meeting?</p> <p>Can I please have a copy of any correspondence between the Minister's office and NZ Steel?</p> <p>Can I please have any documents, briefing notes, notes taken, agendas, and emails or other correspondence relating to the Minister's meeting with Bluescope (22 February 2018). Could the Minister also provide a summary of what was discussed during this meeting?</p> <p>Can I please have a copy of any correspondence between the Minister's office and Bluescope?</p> | s 9(2)(a) National Party | TBC | Due to your office Monday, 23 April | Friday, 27 April 2018 |

6.2. Departmental

| Request | Correspondent | Reference | Date due to send |
|---|----------------------------|------------|------------------|
| <p>'The Climate Change BIM released today noted (p. 9) that "To support you in making these decisions, a cross-agency unit has been established following a \$1m per year allocation in Budget 2017, to develop coordinated advice on costed and tested options for meeting the 2030 target and how New Zealand transitions to a low emissions economy. "</p> <p>I would like to request the following information under the OIA:</p> | s 9(2)(a) No Right Turn | 18-D-00481 | Friday, 6 April |

| Request | Correspondent | Reference | Date due to send |
|--|-------------------------------|------------|--------------------|
| * A list of advice produced by the unit in above in the last year. For each piece of advice, I'd like its title, date, and who it was provided to.' | | | |
| The document titled "Climate Directorate: Planning meeting with Minister for Climate Change, Hon James Shaw, 2 November 2017". | s 9(2)(a) National party | 18-D-00497 | Thursday, 12 April |
| Can you please provide me with details of the transfer of the 260,000 Emission Units that were awarded in 2004 and awarded before or after for the KA24 well, for Onepu Geothermal Energy. We want to know when they were on-sold and who to. I'm a trustee on the Ahu Whenua Trust associated with this and have full authorisation [sic] to make this request. | s 9(2)(a) Ahu Whenua Trust | 18-D-00500 | Friday, 13 April |
| 1.Beca Infrastructure Ltd. Unpublished. National Greenhouse Gas Inventory from Wastewater Treatment and Discharge. Report commissioned by the Ministry for the Environment in 2007. 2.SCS Wetherill Environmental. Unpublished. National Greenhouse Gas Inventory from the Waste Sector 1990–2020. Report commissioned by the Ministry for the Environment in 2002. | s 9(2)(a) E3 Scientific | 18-D-00570 | Monday, 23 April |

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Weekly update - Minister for Climate Change

Finalised on 6 April for the week commencing 9 April

Date: 9 April
Time: 2.30-3.45pm
Location: Office of the Minister for Climate Change

Attendees: Hon James Shaw, Minister for Climate Change
Penny Nelson, Deputy Secretary, Environmental Performance, Innovation & Climate
Roger Lincoln, Director, Climate Change
Janine Smith, Manager Climate Change Policy
Paul Alexander, Transition Hub Director
For item 2: Kate Lancaster, Senior Communications Account Manager
For item 3: Jo Tyndall, Climate Change Ambassador
For item 4: Vicki Connor, Director of Communications and Engagement
Lauren Kelly, Senior engagement advisor
For item 6: Mark Storey, Manager Climate Change Policy
Jack Bisset, Senior Policy Analyst
For item 7: Bryan Smith, Chief Advisor, Water Strategy

| | Agenda | Lead | Time |
|---|---|---------------|--------|
| 1 | Introduction Update on context Feedback from Climate Change Ministers meeting Update on budget | Penny Nelson | 10 min |
| 2 | Zero Carbon Bill: Announcement of interim climate change committee | Janine Smith | 10 min |
| 3 | Climate change objectives Cabinet paper Draft Cabinet paper | Janine Smith | 15 min |
| 4 | Update on Zero Carbon Bill Consultation | Vicki Connor | 15 min |
| 5 | Standing item: weekly report | Roger Lincoln | 5 min |
| | Discussion topic | | |
| 6 | Climate finance launch event run through | Mark Storey | 10 min |
| 7 | Overseer funding options | Bryan Smith | 10 min |

Upcoming meetings 9 April – 20 April

| | |
|----------|---|
| 9 April | MfE Officials meeting |
| | Meeting with the PM and Church Leaders Group |
| 10 April | Johan Rockstrom |
| 11 April | Three Waters meeting (organised by Minister Mahuta) |
| | Mike Jebson, QEII National Trust |
| | Joint meeting with Minister Mark and Minister Sage |
| 12 April | Greenhouse gas inventory release briefing |
| | Welsh Cabinet Secretary for Energy, Planning, and rural affairs |
| | MFAT Officials meeting |
| 13 April | MfE launch of the climate finance report and panel discussion |
| | EnviroNZ |
| | OMF Financial |
| 16 April | MfE Officials meeting |
| 17 April | Keynote speech: first national Climate Change Education Symposium (Waikato University) |
| | Interim Climate Change Committee Personnel and Terms of Reference (public announcement) |
| 18 April | Hawkes Bay Regional Council |
| | Mike Bennetts, Chief Executive of Z Energy (tbc) |
| 19 April | MFAT Officials meeting |
| | Environmental NGOs meeting |
| 20 April | Speech: Canterbury Employers Chamber of Commerce |

1. Actions from the previous meeting

- Check the estimated actual “to be measured” on p 19 of the Estimates and advise.
- Provide report on use of Overseer from BERG.
- Provide advice on setting a target for a sector or agency.

2. Key decisions for you to make this week

- A. Sign appointment letters for interim climate change committee following cabinet agreement
- B. Send thank you letters to organisations who provided nominations for the Interim Climate Change Committee

3. Material for you to be aware of this week

Domestic

3.1. Research priorities identified for Communities and Climate Change

During the week of 16 April, the Deep South National Science Challenge will release a discussion document “Communities and climate change: vulnerability to rising seas and more frequent flooding”. The document is the outcome of an expert dialogue hosted by Motu, and identifies knowledge gaps and six research priorities which are expected to be supported by the Deep South Challenge over 2017-2019. The lead author is Janet Stephenson from Centre for

Sustainability, University of Otago. The Ministry for the Environment and other agencies will be briefed by the authors on 17 April.

Risks are often framed as a combination of the *likelihood* and *consequence* of a hazard, and the *vulnerability* of the community affected. This report addresses vulnerability and what steps need to be taken to build resilience for the long term.


Drawing from the discussion at the Dialogue, six research topics were prioritised as important and possible to address immediately.

1. Identification of vulnerability: Some people and communities in areas exposed to climate impacts will be disproportionately affected. What characteristics make them more vulnerable to climate change impacts?
2. Roles and responsibilities: What are the formal roles of different central and local government institutions in addressing climate change impacts and adaptation for exposed settlements, with a particular focus on protecting vulnerable people and communities?
3. Preparing for increasing intensity and frequency of flooding: How are flood mitigation schemes managed in flood-prone settlements?
4. What are examples of exposed communities who are influencing good adaptation decisions, and how can we tell?
5. When local governments are planning climate change adaptation how can they best focus on reducing impacts on vulnerable people and communities?
6. How can information about climate change impacts and adaptation be most effectively communicated in a way that facilitates positive attitudes and constructive decisions?

This is the third such discussion document from the Deep South Challenge's "Impacts and Implications" programme, following "Insurance, coastal housing and climate adaptation" (June 2017) and "Stormwater & wastewater infrastructure" (October 2017). Research projects have already been initiated on a number of the topics identified by these earlier reports.

3.2. Revised timeframe for Kigali Amendment

s 9(2)(f)(iv)



International

3.3. EU ETS prices hit 24NZD

Prices in the EU ETS recently hit a new seven-year high of €14.17 (approx 24NZD), roughly three times the price seen last year. At time of writing, prices sit at €13.30 (approx 22.5NZD).

This price rise is due to progress on reforms to the EU ETS, particularly the 'Market Supply Reserve' (MSR). The MSR is a supply-side measure which will either hold-back or release units into the market, triggered by the number of units in circulation. The EU ETS is currently oversupplied and therefore in the next few years the MSR will operate to curtail supply in the EU market. While the MSR will not be in operation until 2019, market participants are starting to strongly price-in this curtailed future supply.

In terms of prospects for international carbon market linkages, there is growing evidence of credible future scarcity in the EU ETS (a key factor in the environmental integrity of ETS linkages).

3.4. Outcome of public consultation on international negotiations mandate

MFAT has provided you with a report summarising the outcomes of the public consultation on New Zealand priorities for the international climate change negotiations. We received 34 submissions from a range of stakeholders, including individuals, business, environmental NGOs and academics. Priority issues identified fell under the themes of nationally determined contributions, agriculture, carbon markets, climate finance, transparency and the local communities and indigenous people's platform. The submissions in general accord with the recommendations of the Cabinet Paper. Those that focused on domestic policy have been forwarded to MfE to inform the development of zero carbon legislation later this year.

3.5. Talanoa Dialogue submission update

We have lodged New Zealand's submission on the first phase of the Talanoa Dialogue (approved by you on 3 April) with the UNFCCC. As a follow-up to your 3 April letter to the Iwi Chairs Forum, MFAT will liaise with iwi chairs to hear their views on what Māori story (or stories) could be elaborated and reflected in our engagement with the initial Talanoa process during the upcoming 30 April to 10 May Bonn session. A draft of our full intervention will be provided to you ahead of the Talanoa.

3.6. Fossil fuel subsidy reform message reinforced in the Talanoa Dialogue

Switzerland has asked the Friends of Fossil Fuel Subsidy Reform Group to support its submission to the Talanoa Dialogue process calling for increased action on fossil fuel subsidy reform. We intend to co-sponsor the Swiss submission, as it complements our own. We consider co-sponsoring will further our objectives in highlighting fossil fuel subsidy reform in a climate change context, and will help create interest and momentum for our plans to host an event on the topic at COP24.

3.7. Update on Agriculture and Climate Change Event at COP24

MFAT has appointed a Project Manager to undertake planning for the COP24 Agriculture and Climate Change event (formerly called 'Precision Agriculture'). s 6(a), s 9(2)(g)(i)

Discussions with potential partner countries were held in the margins of the Japan-Brazil Dialogue in Tokyo in February, followed up with a message to MFAT Posts providing information on New Zealand's COP23 Event on precision agriculture and a draft concept note for discussion. We will be meeting again with potential partners in Bonn during the May session.

Work is under way to conclude terms of reference for a review of the greenhouse gas (GHG) emissions profile of a number of activities in the New Zealand aid agriculture portfolio, to help identify projects that fit the profile for the event. Initial meetings are under way with New Zealand business and agri-business organisations to better understand their objectives and potential member interest in participating.

3.8. Non-officials on COP24 delegation

For designated international meetings including the annual COP, a formal letter of credentials (listing authorised delegation members and signed by the Minister of Foreign Affairs) must be presented to the UNFCCC. Inclusion of non-officials in delegations representing New Zealand is determined according to Cabinet guidance issued in 2000. The guidance informs the practice for the relevant Minister to consult with the Minister of Foreign Affairs. For the UNFCCC, either the Prime Minister or Minister of Foreign Affairs can sign the letter of accreditation, and by convention, this is generally done by the Minister of Foreign Affairs. Non-accredited representatives can be registered to attend by the Head of Delegation.

Non-officials are bound by non-disclosure agreements and agree not to compromise the work of the delegation. In the past, a limited number of non-officials have been accredited, including: business, iwi, opposition MPs and (occasionally) local government. Tokelau is also accredited as part of the New Zealand delegation. NGO representatives have tended to look for other ways to attend.

We are not responsible for non-officials' accommodation needs, and expect the accommodation constraints in Katowice are likely to put downward pressure on requests for non-officials to join the delegation this year. We propose any requests to join the delegation made to your office are collated and considered together. We will discuss this with you further in your next meeting with MFAT officials.

3.9. International Maritime Organisation meeting update

The meeting of the IMO's Intersessional Working Group (tasked with delivery of the interim strategy on the reduction of greenhouse gases from international shipping) is underway in London. The schedule is challenging, with a strategy to be forwarded for adoption to the meeting of the Marine Environmental Protection Committee (8-12 April). Agreement on the key issues of guiding principles, ambition, and measures to be implemented still seems difficult, but countries are engaging constructively. The New Zealand delegation (officials from the Ministry of Transport, Ministry for Primary Industries, and Ministry of Foreign Affairs and Trade) are actively working to help broker an ambitious and effective strategy that ensures the shipping sector plays its part in helping keep global average temperature rise below 1.5 degrees above pre-industrial levels. s 6(a)

There may be a call for New Zealand to support a joint ministerial statement expressing concern about proceedings ahead of the second week of the negotiations. We will stay in touch with your office on this.

3.10. China's lead climate change agency restructure

China's climate change policy bureaucracy is currently undergoing a restructure, with the function being moved out of the National Development and Reform Commission and into the new Ministry for Ecological Environment. The special envoy on climate change role will be retained, and will work close with President Xi Jinping. Timing for the re-structure is unknown, but the New Zealand Embassy is keeping close tabs on developments. China has temporarily postponed its officials-level bilateral engagement on climate change due to this restructure. We have, however, been assured that Ministerial meetings (including your planned visit to Beijing in July) will remain unchanged. We will continue to monitor developments closely.

3.11. Wilton Park event on Pacific Climate Action

The Foreign & Commonwealth Office had proposed and has recently confirmed it will partner with New Zealand to support an event at Wilton Park in the UK: Navigating Pacific Futures through Effective Climate Action. Tentatively scheduled for 16 – 18 December (immediately after COP24), the event will bring together up to 50 leaders from the Pacific and partner countries as well as academics, experts and UN representatives. Focusing on climate-induced displacement, resettlement and migration, the event will seek to use the Pacific's experience as an early case study to help develop global responses. The event will aim to highlight the specific challenges and priorities of the Pacific region; enable the sharing of perspectives, lessons learnt and best practices amongst a range of stakeholders; and promote innovative and effective foreign policy and development responses. MFAT will keep you updated as plans for the event firm up, and will discuss potential NZ representation with you.

3.12. Rt Honourable Jacinda Ardern to meet Mary Robinson, founder of Climate Justice Foundation

Rt Honourable Jacinda Ardern is scheduled to attend the launch of "Aspiring Conversations" on Friday 6 April in Wanaka. That engagement will be followed by dinner with Mary Robinson, former President of Ireland and founder of the Mary Robinson Foundation – Climate Justice. Climate change is likely to be a focus of Robinson's conversation. In a recent meeting with New Zealand's Permanent Representative to the UN in New York to discuss climate migration, Robinson thanked New Zealand for our advocacy on Small Island Developing State issues, and asked us to continue to advocate for the inclusion of climate change as a driver of migration in the Global Compact on Migration currently under negotiation in New York. MFAT has prepared background briefing for the Prime Minister's meeting.

4. Upcoming briefings

Papers for your 13 April bag

| Issue or event | Lead | Further information |
|---|------|--|
| 2050 Target paper | MfE | Paper for deep dive discussion with officials |
| Release of New Zealand's Greenhouse Gas Inventory 1990 - 2016 and the 2020 Net Position | MfE | The Greenhouse Gas Inventory (the inventory) and the 2020 net position are released on 12 April. The inventory is the official annual estimate of all human-caused greenhouse gas emissions and removals in New Zealand under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The 2020 net position uses the inventory data to track progress towards New Zealand's target of reducing emissions to five per cent below 1990 levels by 2020. This briefing will be copied to Environment Portfolio Ministers. |
| Review of the Electricity Allocation Factor | MfE | Briefing describes the electricity allocation factor including its importance in the NZ ETS, why it needs review, and options for timing. |
| Final sign-off of the Estimates 2018/19 and Supplementary Estimates 2017/18 documents | MfE | This briefing note asks you to complete a final sign-off of the Estimates 2018/19 and Supplementary Estimates 2017/18 documents and submit them to the Minister for the Environment's office by 9 am 12 April |
| Global leadership on agriculture | MFAT | Update on global leadership on agriculture and climate change work, as pre-figured in your meeting last week with Minister O'Connor. |

| | | |
|--|------|--|
| Common timeframes submission to UNFCCC | MFAT | A submission being developed by Marshall Islands to inform ongoing discussion on common timeframe of NDCs, which we are being asked to co-sponsor. |
|--|------|--|

Papers for your 20 April bag

| Issue or event | Lead | Further information |
|---|------|---|
| NZ ETS Cabinet Paper: Proposed NZ ETS technical regulation updates for 2018 | MFE | Briefing asks Minister to lodge a cabinet paper and consultation document on NZ ETS regulation changes in order to carry out consultation over May and June |
| Climate Change Adaptation Technical Working Group FINAL Options Report | MfE | Submission of the CCATWG's Final Options Report to Minister Shaw |

5. Cabinet material being prepared for you

| Paper name | Committee | What this paper covers | Our suggested timeframes |
|--|-----------|--|---|
| Membership of Interim Climate Change Committee | APH | Confirms membership for the Interim Climate Change Committee | Cabinet 9 April |
| International climate change negotiations: new negotiation mandate | ENV | New mandate for New Zealand's engagement in international climate negotiations in the UNFCCC. Public submissions closed 3 April. | ENV 10 April Cabinet 24 April |
| Climate change objectives | ENV | Paper seeking cabinet approval of climate change objectives | Lodge 3 May ENV 9 May Cabinet 14 May |

6. Cabinet material we have been consulted on

| Paper name | Agency | Committee | Our feelings on the paper |
|---|--------|-----------|---|
| Moving To A Low Emissions Light Vehicle Fleet: Proposed Direction | MoT | ENV | <p>This paper seeks Cabinet's agreement to the direction of a discussion document for public consultation on options for transitioning to a low emissions light vehicle fleet in New Zealand.</p> <p>We suggest you support this paper as it aligns with emission reduction priorities in the transport sector and will allow Government to canvas identified policy options to reducing light fleet emissions.</p> |

7. OIA requests

7.1. Ministerial

| Request | Correspondent | Organisation | Reference | Due at your office/current status | Date due to send |
|--|---------------|----------------|------------|------------------------------------|---------------------|
| <p>1. A copy of each document (Cabinet paper and/or A3) you provided to Cabinet regarding progress.</p> <p>2. A copy of each document held in your office setting out the milestones for the 100-day plan, particularly the policies you are responsible for.</p> <p>3. A copy of each document held in your office tracking progress and/or milestones.</p> | s 9(2)(a) | National Party | 18-O-00361 | Provided to your office on 4 April | Monday, 16 April |
| A copy of every Weekly Report received by you as Minister for Climate Change since 1 February 2018 | s 9(2)(a) | National Party | 18-O-00567 | Thursday, 12 April | Wednesday, 18 April |
| <p>[Joint Requests] 1. - Can I please have any documents, briefing notes, notes taken, agendas, emails or other correspondence relating to the Minister's meeting with NZ Steel (27 February 2018).</p> <p>- Could the Minister also provide a summary of what was discussed during this meeting?</p> <p>- Can I please have a copy of any correspondence between the Minister's office and NZ Steel?</p> <p>2. - Can I please have any documents, briefing notes, notes taken, agendas, and emails or other correspondence relating to the Minister's meeting with Bluescope (22 February 2018).</p> <p>- Could the Minister also provide a summary of what was discussed during this meeting?</p> <p>- Can I please have a copy of any correspondence between the Minister's office and Bluescope?</p> | s 9(2)(a) | National Party | 18-O-00589 | Monday, 23 April | Friday, 27 April |

[COMMERCIAL IN-CONFIDENCE]

7.2. Departmental

| Request | Correspondent | Organisation | Reference | Date due to send |
|--|---------------|----------------|------------|--------------------|
| <p>'The Climate Change BIM released today noted (p. 9) that "To support you in making these decisions, a cross-agency unit has been established following a \$1m per year allocation in Budget 2017, to develop coordinated advice on costed and tested options for meeting the 2030 target and how New Zealand transitions to a low emissions economy. "</p> <p>I would like to request the following information under the OIA:</p> <p>* A list of advice produced by the unit in above in the last year. For each piece of advice, I'd like its title, date, and who it was provided to.'</p> | s 9(2)(a) | No Right Turn | 18-D-00481 | Friday, 6 April |
| document titled "Climate Directorate: Planning meeting with Minister for Climate Change, Hon James Shaw, November 2017". | s 9(2)(a) | National Party | 18-D-00497 | Thursday, 12 April |
| Can you please provide me with details of the transfer of the 260,000 Emission Units that were awarded in 2004 and awarded before or after for the KA24 well, for Onepu Geothermal Energy. We want to know when they were on-sold and who to. I'm a trustee on the Ahu Whenua Trust associated with this and have full authorisation to make this request. | s 9(2)(a) | Unknown | 18-D-00500 | Friday, 13 April |
| <p>1.Beca Infrastructure Ltd. Unpublished. National Greenhouse Gas Inventory from Wastewater Treatment and Discharge. Report commissioned by the Ministry for the Environment in 2007.</p> <p>2.SCS Wetherill Environmental. Unpublished. National Greenhouse Gas Inventory from the Waste Sector 1990–2020. Report commissioned by the Ministry for the Environment in 2002.</p> | s 9(2)(a) | E3 Scientific | 18-D-00570 | Monday, 23 April |
| All advice MfE has prepared for the Minister for Climate Change regarding the possible financial cost to, or impact on, the economy as a result of the implementation of a "Zero Carbon Act", or policy changes that would see a shift to a net zero carbon economy, since 26 October 2017. | s 9(2)(a) | Act Party | 18-D-00592 | Tuesday, 1 May |

[COMMERCIAL IN-CONFIDENCE]

Weekly update - Minister for Climate Change

Finalised on 13 April for the week commencing 16 April

Date: 16 April
Time: 1.45-3.45pm
Location: Office of the Minister for Climate Change

Attendees: Hon James Shaw, Minister for Climate Change
Penny Nelson, Deputy Secretary, Environmental Performance, Innovation & Climate
Roger Lincoln, Director, Climate Change
Janine Smith, Manager Climate Change Policy
Paul Alexander, Transition Hub Director
Dylan Muggeridge, Manager Climate Change
For item 2: Kate Lancaster, Senior Communications Adviser
For item 3: Cat Wilson, Manager, Engagement
Lauren Kelly, Senior Engagement Adviser
For item 4: Tamara Linnhoff, Principal Analyst, Transition Hub
Ed Hearnshaw, Principal analyst, Transition Hub

| | Agenda | Lead | Time |
|---|--|-------------------------------|--------|
| 1 | Introduction: <ul style="list-style-type: none"> Schedule for getting the discussion document over the line Just Transition work programme | Penny Nelson | 20 min |
| 2 | Zero Carbon Bill: Interim Climate Change Committee Announcement: Feedback on slides | Janine Smith | 20 min |
| 3 | Zero Carbon Bill Consultation: Feedback on schedule for consultation | Cat Wilson | 20 min |
| | Discussion topics | | |
| 4 | Zero Carbon Bill: Update on economic impact and modelling work to support targets and discussion document | Tamara Linnhoff/ Hearnshaw | 60 min |

Actions from the previous meeting

Action points for MfE Officials

- Suggest future dates for climate change ministers meetings, after 30 April
- Send invites out tomorrow (Tuesday 10 April) for the press event regarding the interim climate change committee, including stakeholders identified in the meeting
- Prepare slides and short notes for the public announcement on the interim climate change committee, as well as a press pack (including bios of the members), for this week's weekend bag
- Update the diagram relating to possible mitigation policies, following Minister's comments
- Update Minister on more details regarding the ZCB consultation plan during next week's officials meeting
- Follow-up on contacting Behavioural Insights Team as a stakeholder for ZCB consultation
- Early draft of the discussion document to be provided to Minister for next week's officials meeting
- Schedule time to discuss further the budget bid relating to funding farm level data (Overseer briefing)

Action points for MfAT Officials

- Prepare a companion piece to draft Cabinet Paper, to highlight the international dimension and connections of domestic climate change policy

Upcoming meetings 23 April to 4 May

| | |
|-----------------|--|
| 16 April | FAO Director General, with Minister O'Connor MfE Officials meeting |
| 17 April | Meeting Ashton Welsh and Karl Budge regarding Formula Keynote speech: first national Climate Change Education Symposium (Wellington Girls College) Interim Climate Change Committee Personnel and Terms of Reference (public announcement) |
| 18 April | Mike Bennetts, Chief Executive of Z Energy Gas NZ Hawkes Bay Regional Council Speech: NZ Association for Environmental Education Conference - Youth Forum |
| 19 April | MFAT Officials meeting Environmental NGOs meeting |
| 20 April | TBC – farming visit (Precision Agriculture) Speech: Canterbury Employers Chamber of Commerce |
| 23 April | Meeting with Overseer Meeting with Productivity Commission (with other Ministers) |
| 24 April | LGNZ MfE Officials meeting Quarterly meeting with Suzi Kerr from Motu |
| 26 April | MFAT Officials meeting Sir Peter Gluckman Engineering New Zealand |

1. Key decisions for you to make this week

- a. **Zero Carbon Bill - interim committee announcement**
- b. **Decisions on the approach to consultation**
- c. **Agree schedule for lodging discussion document with Cabinet**

2. Material for you to be aware of this week

Domestic

2.1. Proactive briefing and Cabinet paper list release

We recommend that you proactively release a list all the briefing and Cabinet papers you have received from the Ministry on a specifically built page on our website.

We believe that this aligns with your commitment to open government, and will address the large volume of WPQs and OIAs requesting this information, allowing your office to refer all such requests to the publicly available list on our website.

This would be an ongoing process, by which we would update the list in the middle of each calendar month to include the previous calendar months' papers. This would then allow us to support your goal of a more open and transparent government by linking briefings captured in OIAs to the list, and proactively releasing material which has a high public interest.

Do you agree to the Ministry for the Environment publishing a list of briefing material you have received on our website?

Yes/No

2.2. Parliamentary Commissioner for the Environment writes to the Minister of Finance on the review of the Reserve Bank Act 1989

On 28 March you received a letter from the Parliamentary Commissioner for the Environment (PCE) requesting information regarding the Ministry for the Environment's response to the Our Atmosphere and Climate 2017 report. We are preparing a response to this letter.

The PCE wrote a similar letter to other Ministers, including the Minister of Finance. The letters are all available on the PCE's website, and replies from Ministers will be published there. The letter to the Minister of Finance mentions the increasing importance of climate risk disclosure domestically and internationally. The PCE specifically asks whether climate risk will be considered as part of the review of the Reserve Bank Act 1989 (the review), asks whether forecasting of climate risks is within the Treasury's mandate and if not, who the Minister believes has responsibility for oversight of how climate risks impact on financial stability.

We will monitor the response from the Minister of Finance, which may generate some media attention on the issue.

We have also discussed with the Treasury the Ministry's view that climate risk should be considered as part of the review. Their response was that they would like further advice from us on the appropriate role of the Reserve Bank in relation to climate risk before advising the Minister on the issue. We have not had the capacity to provide advice in such a short timeframe.

The Minister of Finance is expected to take the Cabinet paper on phase 2 of the review to the Cabinet Economic Development Committee in early May and will consult with his colleagues, including yourself, in the interim period. We expect that the letter from the PCE should ensure that climate risk is on the Minister of Finance's radar in the context of the review. You may still wish to write to the Minister of Finance with your view that climate risk should be considered as part of the review.

2.3. Bank of England Governor's climate change and financial markets speech

Bank of England Governor Mark Carney delivered a speech on the risks that climate change presents to the financial system at the International Climate Risk Conference for Supervisors in Amsterdam on April 6. The theme of the speech was to reflect on the progress in both thinking and action since his speech at Lloyd's of London in 2015.

In the speech, he highlighted that there has been an increased focus on climate risk from investors, but also increasingly CEO ; 'Whereas in previous years it barely registered as a risk, now close to a third of global CEOs are 'extremely concerned' about the threat climate change poses to their organisation's growth prospects.' He also acknowledged the range of positive actions from governments, institutional investors and the like.

Related to the item above regarding the PCE's letter to the Minister of Finance on the review of the Reserve Bank Act, Mark Carney highlighted what the Bank of England is doing as part of its response to climate change, such as sharing expertise and best practice to increase the rate at which firms, and indeed the Bank, move to embed more thoroughly climate-related financial risks into risk assessment and mitigation. This includes engagement on the scenario analysis envisaged by the Task Force for Climate-Related Financial Disclosures.

2.4. Victoria University Sustainable Development Goals Summit 23 April

Victoria University is hosting a Summit on SDGs on Monday 23 April. You are attending the Summit as a key note speaker. The Summit includes a panel session on what Government is doing to respond to the SDGs and Penny Nelson is representing the Ministry on this panel alongside Jonathan Kings, Deputy Secretary, Pacific and Development Group from the Ministry of Foreign Affairs and Trade, Andrew Kibblewhite, Chief Executive of the Department of Prime Minister and Cabinet, and Judge Andrew Becroft, the Children's Commissioner.

Over 300 attendees from government, academia and business will attend and we will use the Summit as an opportunity to outline what Government is doing, and hear how other stakeholders are incorporating the SDGs into their work.

The Ministry is also working actively with the cross-government interagency group on coordinating SDG implementation, and leads the Natural Resources Sector sub-group. Our focus at the moment is providing input into Statistics NZ-led work to develop a measurement framework for New Zealand, to ensure the resulting framework supports SDG measurement and our reporting requirements for the United Nations.

2.5. Environmental reporting publication "Our Land 2018" will include a section on climate change

The land domain report – Our land 2018 – produced under the Environmental Reporting Act 2015 (ERA), will be published on 19 April. It includes a section on the pressures on land due to climate variability and climate change, and incorporates six indicators previously reported in the Our Atmosphere and Climate 2017 report. These six indicators are republishing data that is already publically available (no new data has been collected to update these indicators for this report).

International

2.1. International Maritime Organisation update

Your joint press statement on Monday was well received by Pacific delegations. The IMO is continuing negotiations to finalise the draft GHG strategy, with the issues of quantified targets and treatment of CBDR the most contentious. At the time of writing, the delegation's assessment is the Chair's proposal for a 50% reduction on 2008 emission levels by 2050, a commitment to peak and decline as soon as possible, and a guiding principle of being cognisant of CBDR as enshrined in the Convention, Kyoto Protocol and Paris Agreement, is most likely to stick. This outcome can be reconciled with the three conditions our negotiation mandate attaches to NZ support for the measure:

- a vision that includes phasing out emissions from international shipping as soon as possible in this century;
- carbon intensity of international shipping to decline by at least 40% by 2030, pursuing efforts towards 70% by 2050 compared to 2008;
- GHG emissions from international shipping to peak as soon as possible and to reduce total GHG emissions from international shipping by at least 50% by 2050 compared to 2008, while pursuing efforts towards a pathway consistent with the Paris Agreement temperature goals.

We will continue to monitor developments in London until the closing of the negotiations (expected Saturday morning NZ time) and will seek guidance from you and Minister Genter in the event of any change in the strategy that introduces conflict with our mandate.

MFAT officials will update you on this item orally at your next officials meeting.

2.2. Upcoming UNFCCC negotiating session

The first UNFCCC negotiating session of 2018 will take place in Bonn, Germany on 30 April – 10 May, preceded by preparatory coordination meetings. Cabinet's 24 April consideration of the negotiation mandate will guide the officials' approach to the negotiating session. The New Zealand delegation will be led by MFAT and also comprise officials from the Ministry for the Environment, Ministry for Primary Industries and the Treasury. This session will be critical to the meeting the year-end deadline for completing the Paris Agreement Work Programme to enable the Agreement to operate effectively. Our priorities include progressing toward negotiation drafts of guidelines and decisions identifying issues that will need political intervention and laying the groundwork for this. We will also use this meeting to advance planning for our COP24 Agriculture and Climate Change Event with potential partner countries.

2.3. Update on climate leadership with World Resources Institute (WRI)

Following on from the World Resources Institute's proposal to collaborate with us to showcase New Zealand's climate leadership (outlined in the weekly update reports of 19 February and 5 March), the Prime Minister's op-ed has been finalised, submitted and approved by prominent media outlets in the UK, France and Germany. The final text is an inspiring call to action for countries of all sizes. This will elevate climate change as a key priority and draw attention to the issue from the Commonwealth Heads of Government meeting taking place in London. s 6(a) op-ed will be finalised side, before beginning to pitch it to US and possibly other media outlets for release during the World Bank Spring Meetings on 20-22 April.

2.4. EU long term low emissions strategy and possible revision of NDC

New German Climate Change Minister Schulze recently undertook an introductory visit to France to meet with his French counterpart Minister Hulot. The two ministers released a joint statement that the EU must maintain its leading role at international level in implementing the Paris Agreement, given climate change is one of the biggest challenges society faces. They confirmed that France and Germany will continue to work together with EU partners on raising the level of ambition of EU climate policy. They agreed that the development of an EU long-term low emissions strategy before 2020 would compel the EU to review whether it could increase its NDC for 2030 and announced the establishment of an inter-ministerial working group on European and international climate issues, which would develop approaches for achieving long-term goals and potentially increased climate targets for 2030.

3. Upcoming briefings

Papers for your 20 April bag

| Issue or event | Agency lead | Further information |
|--|-------------|---|
| Draft discussion document for Zero Carbon Bill Consultation | MfE | First draft of the discussion document for your initial review. |
| NZ ETS Cabinet Paper: Proposed NZ ETS technical regulation updates for 2018 | MfE | Briefing asks Minister to lodge a cabinet paper and consultation document on NZ ETS regulation changes in order to carry out consultation over May and June |
| 2018-B-04490 - Updated draft ENV paper and talking points on overarching vision for the climate change agenda and key upcoming decisions | MfE | Provides an updated version of the draft ENV paper and talking points for ministerial consultation on agreeing an overarching vision and 2020 outcomes for the climate change agenda, as well as noting key upcoming domestic policy decisions. |
| Climate Change Ministers' meeting material | MfE | Material to support the Climate Change Ministers' meeting on 30 April. |
| Ministers meeting with Overseer 23rd April 2018 | MfE | Short briefing prepared to support the Minister in his meeting with Overseer CE on 23rd April 2018 |
| Climate Change Adaptation Technical Working Group FINAL Options Report | MfE | Submission of the CCATWG's Final Options Report to Minister Shaw |
| 2050 Target paper | MfE | Paper for deep dive discussion with officials |
| NZ ETS Electricity Allocation Factor review | MfE | Briefing provides background information and seeks your agreement to officials initiating a review of the electricity allocation factor |
| Common timeframes submission to UNFCCC | MFAT | A submission being developed with the Marshall Islands to inform ongoing discussion on common timeframe of NDCs, which we may wish to co-sponsor |

Papers for your 27 April bag

| Issue or event | Agency lead | Further information |
|--|-------------|---|
| Talking points Speech at Southland Federated Farmers AGM 4th May 2018 | MfE | Talking points for Minister Shaw's speech at Southland Fed Farmers AGM 4th May 2018 |
| Second draft of the discussion document for Zero Carbon Bill consultation | MfE | Second draft of the discussion document for your initial review. |
| Final draft ENV paper on overarching vision for the climate change agenda and key upcoming decisions | MfE | Final draft of the climate change visions ENV paper for your comment before lodging on 3 May. |

OIA requests

5.1. Ministerial*

| Request | Correspondent | Organisation | Reference | Drafting agency | Due at your office/current status | Date due to send |
|---|---------------|----------------|------------|-----------------|-----------------------------------|---------------------------------|
| A copy of every Weekly Report received by you as Minister for Climate Change since 1 February 2018 | s 9(2)(a) | National Party | 18-O-00567 | MfE | 11 May | 18 May (extended from 18 April) |
| [Joint Requests] 1. - Can I please have any documents, briefing notes, notes taken, agendas, emails or other correspondence relating to the Minister's meeting with NZ Steel (27 February 2018).- Could the Minister also provide a summary of what was discussed during this meeting? - Can I please have a copy of any correspondence between the Minister's office and NZ Steel?2. - Can I please have any documents, briefing notes, notes taken, agendas, and emails or other correspondence relating to the Minister's meeting with Bluescope (22 February 2018).- Could the Minister also provide a summary of what was discussed during this meeting? - Can I please have a copy of any correspondence between the Minister's office and Bluescope? | s 9(2)(a) | National Party | 18-O-00589 | MfE | Due to your office on 23 April | 27 April |
| A list of all briefings, reports, aide memoirs, weekly bullets/reports, and memos received by the Minister in his capacity as Climate Change & Statistics Minister between 1 February 2018 and March 2018. | s 9(2)(a) | Newsroom | 18-O-00595 | MfE | Due to your office on 25 April | 2 May |

*Not captured in the above table: **10 new OIAs** from s 9(2)(a) (National Party) for **62** different documents – we have provided your office with advice around collating and refining these OIAs into one.

5.2. Ministry for the Environment OIAs

| Request | Correspondent | Organisation | Reference | Date due to send |
|---|---------------|---------------|------------|------------------|
| <p>1. Beca Infrastructure Ltd. Unpublished. National Greenhouse Gas Inventory from Wastewater Treatment and Discharge. Report commissioned by the Ministry for the Environment in 2007.</p> <p>2. SCS Wetherill Environmental. Unpublished. National Greenhouse Gas Inventory from the Waste Sector 1990–2020. Report commissioned by the Ministry for the Environment in 2002.</p> | s 9(2)(a) | E3 Scientific | 18-D-00570 | 23 April |
| <p>All advice MfE has prepared for the Minister for Climate Change regarding the possible financial cost to, or impact on, the economy as a result of the implementation of a “Zero Carbon Act”, or policy changes that would see a shift to a net zero carbon economy, since 26 October 2017.</p> | s 9(2)(a) | Act Party | 18-D-00592 | 1 May |

Proactively Released

Weekly update - Minister for Climate Change

Finalised on 20 April for the week commencing 23 April

Date: 24 April
Time: 1-3pm
Location: Office of the Minister for Climate Change

Attendees:

- Hon James Shaw, Minister for Climate Change
- Penny Nelson, Deputy Secretary, Environmental Performance, Innovation & Climate
- Roger Lincoln, Director, Climate Change
- Janine Smith, Manager Climate Change Policy
- Paul Alexander, Transition Hub Director
- For item 2: Will Tait, Policy Analyst, Climate Change Policy
- For item 3: Dylan Muggerridge, Manager, Climate Change Policy
Laurette Siemonek, Policy Advisor, Climate Change Policy
Matt Cowie, Senior Advisor, Climate Change Policy
- For item 5: Emma Corbett, Senior Policy Analyst, Climate Change Policy
Kate Lancaster, Senior Communications Account Manager, Climate Change

| | Agenda | Lead | Time | Paper |
|--------------------------|--|-------------------|--------|---|
| 1 | Introduction: Approach to the discussion document Productivity Commission report release | Penny Nelson | 5 min | |
| 2 | Climate Change Framework paper: o Feedback on updated draft | Janine Smith | 10 min | Framework for climate change policy and key upcoming decisions |
| 3 | Zero Carbon Bill: Deep Dive on Targets | Dylan Muggerridge | 40 min | Update on the 2050 Emissions Reduction Target Appendix 2: Draft 2050 target chapter from the paper Zero Carbon Bill: Draft Discussion Document |
| 4 | Zero Carbon Bill: Draft Discussion Document | Janine Smith | 15 min | Zero Carbon Bill: Draft Discussion Document |
| 5 | Release of the CCATWG report on May 2 | Mark Storey | 15 min | |
| Discussion topics | | | | |
| 6 | Zero Carbon Bill: Climate Change Ministers Meeting 30 April | Janine Smith | 20 min | Slides to be tabled at the meeting |

Actions from the previous meeting

- Climate Change Ministers meeting 30 April – MfE will provide draft discussion document for the 20 April bag, which will include the narrative for the CC Ministers meeting; slides for CC Ministers meeting to be provided to office on 24 April; office to arrange meetings with Ministers Jones and Parker in advance of 30 April; office to book Beehive level 2 ministers' meeting room (with screen)

- Engagement with Globe, Opposition Spokesperson and PCE: MfE to prepare material (eg timeframe) for Minister for use with these parties. Office to contact GLOBE to suggest a meeting on the Zero Carbon Act
- Interim Climate Change Committee announcement: MfE to provide media material (press release and Q&A) to Committee members in advance of the announcement
- Launch of Zero Carbon Bill consultation: office to check the availability of CEs and the timing of the SBC launch. Office and MfE to discuss the launch event with key stakeholders to start pencilling people in. MfE to think about a strategy with celebrities
- Letter to Johan Rockstrom: office to send letter to Johan Rockstrom, and cc'd Penny Nelson
- Economic modelling in discussion document: MfE to test some of the ideas/messages in advance with some key commentators/experts

Upcoming meetings 23 April – 4 May

| | |
|-----------------|---|
| 23 April | Meeting with Overseer |
| 24 April | LGNZ MfE Officials meeting Quarterly meeting with Suzi Kerr from Motu Meeting with Dave Frame |
| 26 April | MFAT Officials meeting Meeting with Productivity Commission (with other Ministers) Sir Peter Gluckman Engineering New Zealand |
| 30 April | Climate Change Ministers meeting MfE Officials meeting Meeting Alistair Barnett, International Committee on Flood Risk Management |
| 1 May | Meeting with Climate Change Adaptation (CCATWG) Speech NZ Investor Dialogue Meeting with Todd Muller |
| 3 May | Contact Energy Meeting with Pastoral Greenhouse Gas Research Consortium (PGGRC) |
| 4 May | Southland Federated Farmers AGM and Conference Visit to Venture Southland (Invercargill) |

1. Key decisions for you to make this week

- Draft intervention for the Talanoa Dialogue** - MFAT provided you with the draft for consideration on Friday 20 April.
- Adaptation** – Release of CCATWG report
- Targets** – Provide feedback to officials on options for consultation.
- Discussion document** – Provide feedback to officials on draft discussion document.
- Climate Change Ministers' meeting material** – Discuss with officials on 24 April and send to Ministerial colleagues ahead of 30 April meeting.
- Climate Change Framework paper** – Discuss with officials on 24 April and send to Ministerial colleagues for consultation from 26 April.

2. Material for you to be aware of this week

Domestic

2.1. Release of Productivity Commission draft report on transitioning to a low-emissions economy on Friday 27th April

On Friday 27 April the Productivity Commission will publicly release its draft report on transitioning to a low emissions economy for consultation. The draft report identifies options for how New Zealand could reduce its domestic emissions through a transition to a lower net emissions future while at the same time continuing to grow income and wellbeing. Officials have been working closely with the Productivity Commission throughout their enquiry. We expect the Productivity Commission's draft recommendations to be broadly consistent with the draft proposals envisaged to be included in the Zero Carbon Bill's discussion document.

We will receive an embargoed copy of the draft report on Tuesday 24th April and we'll provide you a copy and briefing on key findings. The Productivity Commission will also provide embargoed copies to interested Ministers, including Hon Megan Woods, Hon Damien O'Connor and Hon Shane Jones.

2.2. Using Behavioural Insights

You asked whether MfE would connect with the UK Behavioural Insights group to assist with Zero Carbon Bill consultation. We consider we have sufficient BI capabilities and experience without needing to contact the UK.

MfE's own BI group works across the organisation providing advice on behavioural economics for policy and also applying a behavioural insights lens to communications challenges, like on climate. MfE economists working on the Zero Climate Bill also have experience in behavioural economics and were instrumental in forming MfE's BI group. The BI group has connected with Dr David Halpern from the UK during a cross-agency meet-up hosted by Andrew Kibblewhite at DPMC in December. It also regularly draws on experience from the UK Nudge Unit via connections with current and former staff, including a former member of the UK team who is currently working within MBIE.

The MfE BI team is already looking at some aspects of the transition to a low carbon economy, in particular in the transport area, assessing behavioural barriers to the uptake of electric vehicles. BI team members involved in the Zero Carbon Bill will also review the communications approach to climate change, drawing on expertise from the wider network across the NZ public sector. Behavioural insights will also play a part in the analysis of policies to support a low carbon economy transition. In addition, the Zero Carbon Bill project team is aiming to connect with academics with relevant expertise, including David Hall from AUT to provide further behavioural insights testing prior to launch.

International

2.3. Talanoa Dialogue – submissions from states

Ahead of the Talanoa Dialogue session in Bonn, a number of UNFCCC States Parties have provided written input through the Dialogue's online portal. Many states and groups have used this to reinforce national positions in the broader Paris Agreement negotiations. Developing countries have typically focused on the principle of common but differentiated responsibilities and respective capabilities (CBDR-RC), and have called for greater assistance through climate finance and capacity-building to help

them meet mitigation and adaptation targets. Developed country submissions tend to focus on domestic measures to meet national goals, but are generally supportive of international assistance to developing countries. New Zealand has submitted its national input and, together with others, supported a separate short paper advocating Fossil Fuel Subsidy Reform. A very large number of NGOs and international organisations have also submitted input, covering a wide range of issues and suggestions.

2.4. Adoption of IMO Strategy for Reduction of Greenhouse Gas Emissions from International Shipping

The 72nd meeting of the Marine Environmental Protection Committee (MEPC72) of the IMO has adopted an initial strategy on the reduction of GHG emissions from international shipping (the Strategy). The Strategy adopted is in line with expectations set out in the Cabinet Paper approving the New Zealand delegation's negotiating mandate, that:

- I. the Strategy should align with the temperature goals of the Paris Agreement
- II. the Strategy should not arbitrarily differentiate responsibilities of developed and developing IMO Member States; and
- III. the implementation of any IMO measures initiated under the Strategy should appropriately take into account any unfair or unreasonably adverse impacts on Small Island Developing States.

On balance, the Strategy represents a good outcome; s 6(a)

The Strategy presents a clear and unambiguous signal for the shipping industry to phase out GHG emissions; it recognises that reductions on an absolute (rather than intensity) basis are necessary; and it keeps alive the possibility of further increasing ambition over time. Consideration of alternative fuels as candidate measures to implement the strategy includes further investigation of hydrogen, which may open up trade opportunities for New Zealand over the longer-term. Impacts on New Zealand are likely to be minimal as we lack an international shipping fleet, and shipping costs account for a low percentage of the value of traded goods.

New Zealand's strong voice in support of ambition and for consideration of impacts on SIDS was warmly noted by a number of Pacific Island Countries, in particular Fiji, the Cook Islands, Tuvalu, Kiribati, the Solomon Islands, and the Republic of the Marshall Islands.

The IMO's work programme on the implementation of this strategy continues in September, with a further intersessional meeting to begin charting the long voyage ahead between now and the adoption of a revised strategy by 2023.

2.5. Agriculture event update – governance group meeting

The COP24 Agriculture and Climate Change governance group (comprising senior MFAT and MPI representatives) had its inaugural meeting last week. The group agreed a joint framework, highlighting objectives (subject to some further refinement) and event scope, and identifying the priority work to be completed before the next governance meeting scheduled for the end of May. The group emphasised additional resources (particularly people) were needed now to help get this event off the ground. MFAT and MPI are securing internal and external resources (with costs to be covered within existing baselines) to support this project. The upcoming meetings in Bonn are a critical opportunity to pitch New Zealand's proposal to convene a COP24 Agriculture and Climate Change event, engage with interested partner countries and organisations, and obtain information on COP24 logistics.

2.6. UNFCCC Trust Fund

Officials are in the process of finalising a contribution from New Zealand to the UNFCCC Participation Trust Fund. The Trust Fund was set up at COP1 to support the participation of the representatives of developing-country Parties, in particular those that are least developed countries (LDCs) or small island developing States (SIDS) in the multilateral process. The UNFCCC Secretariat wrote to you in March seeking an urgent contribution to the Trust Fund to enable it to finance the participation of developing country delegates in 2018 UNFCCC negotiating sessions, including the upcoming meeting in Bonn. Working with MfE officials, MFAT has secured a contribution of \$NZ100,000 from Official Development Assistance. The contribution, on which Minister Peters' office has been consulted, is expected to be finalised and transmitted ahead of the 30 April commencement of the next UNFCCC negotiating session.

2.7. UNFCCC finalised the review of New Zealand's GHG inventory 1990-2015

The results of an UNFCCC in-depth technical assessment of the New Zealand's Greenhouse Gas Inventory 1990-2015 (the inventory) were published on the UNFCCC website on 6 April 2018. The inventory provides an account of national emissions of greenhouse gases for 1990-2015. The results of the inventory review are included in the Assessment Review Report. The expert review team and the UNFCCC secretariat acknowledged the high quality and timeliness of the responses from New Zealand. New Zealand's experts recognised the review as being helpful for improving the Inventory. The next inventory review will occur in 2019.

2.8. Prime Minister's visit to Paris

Rt Hon Jacinda Ardern completed a successful visit to Paris on Monday. Climate change was a key theme of Prime Minister's meeting with President Macron. The Prime Minister outlined the domestic agenda, including the recent decision on oil and gas exploration, as well as the climate change elements of her Pacific Mission. President Macron mentioned a number of French climate change initiatives in which he would welcome deeper NZ involvement (Climate Risk and Early Warning Systems, of which we are an observer; International Solar Alliance; the initiative in support of Adaptation and Protection of Biodiversity in the Pacific, being launched in New Caledonia on 4 May, for which the Prime Minister said New Zealand would need "significant representation"). The Prime Minister also delivered a well-received keynote speech on "Climate Change, Challenges and Opportunities: A Pacific Perspective" to a full audience at the Paris Institute of Political Studies. Officials are considering New Zealand involvement in the listed French initiatives and will liaise with your and Minister Peters' offices, as appropriate, on follow up.

2.9. Japan – New Zealand hydrogen collaboration continues

A recent delegation from MBIE travelled to Tokyo in March to reinforce the potential for New Zealand to partner with Japan in the area of renewable energy. There is a specific opportunity for New Zealand to position itself as an exporter of renewably sourced hydrogen. s 9(2)(b)(ii)

Japanese officials stressed the centrality of hydrogen to Japan's energy strategy to decarbonise energy consumption in Japan.

New Zealand officials highlighted the pilot Hydrogen Fuel Cell programme at Port of Tauranga and noted New Zealand's potential to use a combination of geothermal, wind, and solar energy to produce hydrogen and then store and export it through Port of Tauranga. New Zealand's potential to export clean, renewable hydrogen demonstrates an opportunity for us to work in partnership with Japan, in a priority area for both governments, and there is also potential to cooperate in international and regional fora to support the development of hydrogen. Officials are currently developing a New Zealand strategy on hydrogen as well as exploring the opportunity of an MOU on renewable energy with Japan.

3. Upcoming briefings

Papers for your 27 April bag

| Issue or event | Lead | Further information |
|---|------|---|
| Talking points Speech at Southland Federated Farmers AGM 4th May 2018 | MfE | Talking points for Minister Shaw's speech at Southland Fed Farmers AGM 4th May 2018 |
| Final draft ENV paper on overarching framework for the climate change agenda and key upcoming decisions | MfE | Final draft of the climate change framework ENV paper for your comment before lodging on 3 May. |
| Climate Change Adaptation Technical Working Group FINAL Options Report | MfE | Submission of the CCATWG's Final Options Report to Minister Shaw |
| Climate Change Ministers meeting material | MfE | Final slides and talking points for 30 April meeting |
| Revised draft discussion document for the Zero Carbon Bill | MfE | Revised draft of discussion document following feedback from agencies. |

Papers for your 4 May bag

| Issue or event | Lead | Further information |
|--|------|--|
| Talking Points Speech at Dairy Farmers Forum 8 May 2018 | MfE | Talking Points for Minister Shaw speech at Dairy Farmers Forum 8 May 2018, Mystery Creek Hamilton |
| Final draft discussion document for the Zero Carbon Bill | MfE | Final draft discussion document to circulate with your colleagues. This incorporates early feedback from Climate Change Minister's meeting, and agencies comments. |
| ENV paper | MfE | Revised ENV paper incorporating your feedback for Ministerial consultation. |
| Talking points on ENV paper on overarching framework for the climate change agenda | MfE | Talking points for ENV Committee 8 May |

| | | | |
|----------------------------------|---------------------|-----|--|
| | | | <ul style="list-style-type: none"> - We have requested the opportunity to see the penultimate versions of the Cabinet paper and Report, which will provide a chance to include our formal agency comment. We will inform you of our response. |
| Measuring New Zealand's Progress | Joint Stats NZ, Tsy | CPC | <ul style="list-style-type: none"> - Previously we had been advised that the Cabinet paper on Measuring New Zealand's Progress, a joint paper of the Minister of Statistics and Finance, was scheduled to be considered at the Cabinet Priorities Committee meeting on 2 May. Agencies have been consulted on a draft paper, and officials are working through feedback to improve the paper and strengthen the connections to other work underway in this space. - As such, we have been informed the Cabinet paper has now been delayed, with the intention to present instead at the June Cabinet Priorities Committee meeting. |

Proactively Released

6. OIA requests

6.1. Ministerial (11 in total)

| Request | Correspondent | Organisation | Reference | Drafting agency | Due at your office/current status | Date due to send |
|--|---------------|----------------|------------|-----------------|------------------------------------|------------------|
| <p>1. A copy of each document (Cabinet paper and/or A3) you provided to Cabinet regarding progress.</p> <p>2. A copy of each document held in your office setting out the milestones for the 100-day plan, particularly the policies you are responsible for.</p> <p>3. A copy of each document held in your office tracking progress and/or milestones.</p> | s 9(2)(a) | National Party | 18-O-00361 | MFE | Provided to your office on 4 April | Tue, 10 Apr |
| <p>[Joint Requests] 1. - Can I please have any documents, briefing notes, notes taken, agendas, emails or other correspondence relating to the Minister's meeting with NZ Steel (27 February 2018).</p> <p>- Could the Minister also provide a summary of what was discussed during this meeting?</p> <p>- Can I please have a copy of any correspondence between the Minister's office and NZ Steel?</p> <p>2. - Can I please have any documents, briefing notes, notes taken, agendas, and emails or other correspondence relating to the Minister's meeting with Bluescope (22 February 2018).</p> <p>- Could the Minister also provide a summary of what was discussed during this meeting?</p> <p>- Can I please have a copy of any correspondence between the Minister's office and Bluescope?</p> | s 9(2)(a) | National Party | 18-O-00589 | MFE | Mon, 23 Apr | Fri, 27 Apr |
| A list of all briefings, reports, aide memoirs, weekly bullets/reports, and memos received by the Minister in his | s 9(2)(a) | Newsroom | 18-O-00595 | MFE | Wed, 25 Apr | Wed, 2 May |

[COMMERCIAL IN-CONFIDENCE]

| Request | Correspondent | Organisation | Reference | Drafting agency | Due at your office/current status | Date due to send |
|--|---------------|----------------|------------|-----------------|-----------------------------------|------------------|
| capacity as Climate Change & Statistics Minister between 1 February 2018 and March 2018. | | | | | | |
| I request all advice to you or other ministers from Treasury, MBIE, MfE or other relevant departments on the effect on New Zealand and global CO2 and CO2-equivalent emissions of the new oil and gas policy announced by the Government last week. This includes short-term, medium-term and long-term effects. | s 9(2)(a) | FYI Request | 18-O-00662 | | Mon, 7 May | Mon, 14 May |
| <p>(1) Thursday 1 February: Meeting with Murray McClintock, Carbon Farm Limited (8 February 2018)</p> <p>(2) Thursday 1 February: Slide-pack for discussion on New Zealand Emissions Trading Scheme</p> <p>(3) Friday 2 February: Zero Carbon Bill Project - draft Cabinet paper on the Interim Climate Change Committee</p> <p>(4) Friday 2 February: Letters seeking suggestions for interim Committee membership</p> <p>(5) Wednesday 7 February: Briefing note for Ministers regional farm visit to Wairarapa</p> <p>(6) Wednesday 7 February: Climate Change Regional Snapshot – Wairarapa</p> <p>(7) Wednesday 7 February: Meeting with Gary Taylor, Environmental Defence Society, 16 February and</p> <p>(1) Tuesday 13 February: Zero Carbon Bill - Key messages for Ministerial consultation</p> <p>(2) Tuesday 13 February: Zero Carbon Bill: Letters seeking suggestions for membership of the interim Climate Change Committee.</p> <p>(3) Tuesday 13 February: Aide-memoire - Information on</p> | s 9(2)(a) | National Party | 18-O-00069 | MFE | Wed, 9 May | Wed, 16 May |

[COMMERCIAL IN-CONFIDENCE]

| Request | Correspondent | Organisation | Reference | Drafting agency | Due at your office/current status | Date due to send |
|---|---------------|----------------|------------|-----------------|-----------------------------------|------------------|
| California and agricultural emissions (4) Wednesday 14 February: Aide memoire: Forestry Ministers Meeting, 15 February 2018 | | | | | | |
| <ul style="list-style-type: none"> • Slide pack for discussion on New Zealand Emissions Trading Scheme (dated 4 December 2017) • Slide pack for discussion on New Zealand Emissions Trading Scheme – forestry and the NZ ETS (dated 4 December 2017) • Agricultural Emissions slide pack (dated 12 December 2017) • 2018 March Baseline Update for Climate Change Appropriations in Vote Environment (dated 15 February 2018) • Accounting for the NZ ETS in the Crown’s Accounts (dated 15 March 2018) • The NZ ETS price ceiling (dated 16 March 2018) • Refining New Zealand and Emissions Trading (dated 16 February 2018) | § 9(2)(a) | National Party | 18-O-00685 | MFE | Wed, 9 May | Wed, 16 May |
| <p>1 of 4</p> <p>(1) Wednesday 14 March: Talking points for Cabinet ENV paper, Interim Climate Change Committee terms of reference and appointment</p> <p>(2) Thursday 15 March: Slide pack on New Zealand’s role in international reporting on climate change</p> <p>(3) Friday 16 March: Climate Change and Agriculture: Key decisions, process and timeframes</p> <p>(4) Friday 16 March: Meeting with New Zealand Council of Trade Unions, 20 March</p> <p>(5) Friday 16 March: Accounting for the NZ ETS in the Crown's accounts</p> <p>(6) Friday 16 March: Aide-memoire: The impact of the international carbon markets on incentives for forestry</p> | § 9(2) | National Party | 18-O-00686 | MFE | Wed, 9 May | Wed, 16 May |

[COMMERCIAL IN-CONFIDENCE]

| Request | Correspondent | Organisation | Reference | Drafting agency | Due at your office/current status | Date due to send |
|---|---------------|----------------|------------|-----------------|-----------------------------------|------------------|
| (7) Friday 16 March: Meeting notes for meeting with the McGuinness Institute on climate risk disclosure - 21 March 2018 (9) Tuesday 20 March: Third draft Cabinet Appointments and Honours Committee paper on Interim Climate Change Committee Membership (10) Wednesday 21 March: Talking points for Climate Budget Bids | | | | | | |
| 2 of 4 (1) Friday 9 March: Sustainable Wealth Creation Event 13 March 2018 (2) Friday 9 March: Climate Commission Budget Bid Details (3) Friday 9 March: Meeting notes: Mayor Goff Friday 16 March (4) Friday 9 March: Update on the climate finance work programme including a launch event for the landscape report work (5) Friday 9 March: Second draft Cabinet Appointments and Honours Committee paper on Interim Climate Change Committee membership (6) Friday 9 March: Zero Carbon Bill - Scope and engagement (7) Friday 9 March: 1 Pager testing content of agriculture cross party consultation document and deep dive session March 2018 (8) Wednesday 14 March: Talking points for Cabinet ENV paper, Interim Climate Change Committee terms of reference and appointment | s 9(2)(a) | National Party | 18-O-00688 | MFE | Wed, 9 May | Wed, 16 May |
| 3 of 4 (1) Wednesday 14 February: Aide memoire: Forestry Ministers Meeting, 15 February 2018 | s 9(2)(a) | National Party | 18-O-00689 | MFE | Wed, 9 May | Wed, 16 May |

[COMMERCIAL IN-CONFIDENCE]

| Request | Correspondent | Organisation | Reference | Drafting agency | Due at your office/current status | Date due to send |
|---|---------------|----------------|------------|-----------------|-----------------------------------|------------------|
| <p>(2) Thursday 15 February: 2018 March Baseline Update Submission for Climate Change appropriations in Vote Environment</p> <p>(3) Friday 16 March: Meeting with Melanie Seyfort, Communications Manager at Trees that Count (22 February 2018)</p> <p>(4) Friday 16 March: New Zealand Downstream Energy Conference, 14 March 2018</p> <p>Please also provide the following Cabinet Papers:</p> <p>(1) the Interim Climate Change Committee Terms of Reference and Appointment, and</p> <p>(2) the Emissions Trading Scheme: Climate Change (eligible industrial activities) Amendment Regulations 2018.</p> | | | | | | |
| <p>4 of 4</p> <p>(1) Thursday 22 February: Meeting brief: Jill Garing, New Zealand Carbon Farming (27 February 2018)</p> <p>(2) Thursday 22 February: Publication of Two Reports on the NZ ETS Market</p> <p>(3) Friday 23 February: Update - International Carbon Markets Project</p> <p>(4) Friday 23 February: Response to request for information on carbon budgets and work underway to prepare for them.</p> <p>(5) Friday 23 February: Zero Carbon Bill project: Updated draft cabinet paper and terms of reference for the Interim Climate Change Committee</p> <p>(6) Monday 26 February: Sustainable Wealth Creation Dinner with Sir Jonathon Porritt and Sir Rob Fenwick</p> <p>(7) Monday 26 February: Agenda for Ministerial Consultation with Minister O'Connor</p> | s 9(2)(a) | National Party | 18-O-00690 | MFE | Wed, 9 May | Wed, 16 May |

[COMMERCIAL IN-CONFIDENCE]

| Request | Correspondent | Organisation | Reference | Drafting agency | Due at your office/current status | Date due to send |
|--|---------------|----------------|------------|-----------------|-----------------------------------|------------------|
| (8) Wednesday 28 February: Zero Carbon Bill: Final draft Cabinet ENV paper and Interim Committee terms of reference for ministerial consultation | | | | | | |
| A copy of every Weekly Report received by you as Minister for Climate Change since 1 February 2018 | s 9(2)(a) | National Party | 18-O-00567 | MFE | Fri, 11 May | Fri, 18 May |
| <p>1. A copy of each document (Cabinet paper and/or A3) you provided to Cabinet regarding progress.</p> <p>2. A copy of each document held in your office setting out the milestones for the 100-day plan, particularly the policies you are responsible for.</p> <p>3. A copy of each document held in your office tracking progress and/or milestones.</p> | s 9(2)(a) | National Party | 18-O-00361 | MFE | Tue, 3 Apr | Tue, 10 Apr |

6.2. Ministry for the Environment OIAs (3 in total)

| Request | Correspondent | Organisation | Reference | Date due to send |
|---|---------------|---------------|------------|------------------|
| <p>1. Beca Infrastructure Ltd. Unpublished. National Greenhouse Gas Inventory from Wastewater Treatment and Discharge. Report commissioned by the Ministry for the Environment in 2007.</p> <p>2. SCS Wetherill Environmental. Unpublished. National Greenhouse Gas Inventory from the Waste Sector 1990–2020. Report commissioned by the Ministry for the Environment in 2002.</p> | s 9(2)(a) | E3 Scientific | 18-D-00570 | Mon, 23 Apr |
| All advice MFE has prepared for the Minister for Climate Change regarding the possible financial cost to, or impact on, the economy as a result of the implementation of a “Zero Carbon Act”, or policy changes that would see a shift to a net zero carbon economy, since 26 October 2017. | s 9(2)(a) | Act Party | 18-D-00592 | Tue, 1 May |
| We request any advice from the Ministry for the Environment to Ministers of the Crown or other Government | s 9(2)(a) | PEPANZ | 18-D-00665 | Tue, 15 May |

[COMMERCIAL IN-CONFIDENCE]

| Request | Correspondent | Organisation | Reference | Date due to send |
|---|---------------|--------------|-----------|------------------|
| Departments, from the period starting 1 November 2017 to today's date, that relates to: <ul style="list-style-type: none">• how ceasing new petroleum exploration and production in New Zealand may affect the domestic and global emission profiles, including the risk of 'carbon/emissions leakage' of petroleum activities. | | | | |

Proactively Released



Weekly update - Minister for Climate Change

Finalised on 26 April for the week commencing 30 April

Date: 30 April
Time: 1.45-3.45 pm
Location: Office of the Minister for Climate Change

Attendees: Hon James Shaw, Minister for Climate Change
Penny Nelson, Deputy Secretary, Environmental Performance, Innovation & Climate
James Walker, Deputy Secretary, Partnerships and Customers
Roger Lincoln, Director, Climate Change
Janine Smith, Manager, Climate Change Policy
Paul Alexander, Transition Hub Director
Craig Salmon, Manager, Climate Change Policy

For item 4: Zoe Mack, Analyst Climate Change Policy
Tamara Linnhoff, Principal Analyst, Transition Hub, Climate Change Policy

| | Agenda | Lead | Time |
|--------------------------|---|-----------------------------|--------|
| 1 | Introduction <ul style="list-style-type: none">- Actions from the CC ministers' meeting | Penny Nelson | 20 min |
| 2 | Climate Change Framework paper <ul style="list-style-type: none">- Feedback from ministerial consultation | Janine Smith | 5 min |
| 3 | Zero Carbon Bill: <ul style="list-style-type: none">- Consultation update | James Walker | 15 min |
| 3 | CC ministers' meeting (8 May ENV committee): <ul style="list-style-type: none">- Purpose discussion, supporting material- Economic impact and transition narrative | Janine Smith/Paul Alexander | 35 min |
| Discussion topics | | | |
| 4 | Zero Carbon Bill: <ul style="list-style-type: none">- Next steps on discussion document- Commission and the ETS | Janine Smith | 35 min |

Actions from previous meeting

- **PCE report:** MfE to check which recommendations from the report can be taken on board
- **Prod Comm report:** MfE to provide summary/key take-aways from the report (expect to receive an embargoed copy Tuesday 24 April)
- **ZCA Background material (eg modelling):** to be released proactively by MfE
- MfE to provide advice on 2050 target options vis-à-vis NDCs
- **Framework paper on climate:** MfE to update to reflect discussions with the office
- **Adaptation report:** Office to check with PMO about releasing the report at a later date. MfE to confirm go-ahead with the release of the report, and availability of co-chairs if the release is pushed back later than 2 May. Office and MfE to coordinate preferred plan for the release of the report.
- **Slide pack for Climate Change Ministers meeting:** MfE to update the slides to reflect the discussion with the Minister, and send a copy to the office by 1pm on Thursday, and a revised copy for Ministers' weekend bag (10am Friday).
Office to send agenda and slides to other offices for the 30 April Climate Change Ministers meeting on Friday 27 April
- MfE to provide advice to the Minister on the relationship between splitting a target by gas and commitments under the Paris Agreement.
- MfE to respond to questions from the office relating to the modelling (less time-sensitive if the discussion on modelling is pushed to 8 May)

Upcoming meetings 30 April – 11 May

- 30 April** Climate Change Ministers
MfE Officials
Sir Peter Gluckman
Alistair Barnett, International Committee on Flood Risk Management
International Investor Dialogue: Gala Dinner
- 1 May** Speech NZ Investor Dialogue CEO Forum
Todd Muller
- 2 May** DPMC Andrew Kibb ewhite (National Risk Register & Sustainable Development Goals)
Mercury CEO Fraser Whineray (with Minister Woods)
- 3 May** Contact Energy
Pastoral Greenhouse Gas Research Consortium (PGGRC)
- 4 May** Speech Southland Federated Farmers AGM and Conference
Visit to Venture Southland (Invercargill)
- 7 May** Bill McKibben
MfE Officials
- 8 May** Speech Dairy Farmers Forum
- 9 May** Speech Energy Management Association of New Zealand (EMANZ) Conference
MfE Officials (TBC)
- 10 May** Central and Local Government Forum
Governor General Dame Patsy Reddy
Ākina Foundation
- 11 May** Speech LGNZ Metro Sector Meeting

1. Key decisions for you to make this week

- a. **Lodge Cabinet Paper: approval to consult on NZ ETS technical regulation changes**
- b. **Lodge Climate Change Framework Cabinet Paper**
- c. **Climate Change Ministers Meeting Approach**

2. Material for you to be aware of this week

Domestic

2.1. New Reserve Bank Governor Adrian Orr echoes Mark Carney in Radio New Zealand interview

In one of his first interviews, newly appointed Reserve Bank Governor, Adrian Orr spoke extensively about climate risks and the transition. He spoke along the same lines as Mark Carney's speech last week, highlighting the potential impacts of the transition on financial stability. He noted that if assets such as fossil fuel reserves are revalued in an abrupt, rather than smooth way, this can create a shock to financial stability. For this reason, Orr said that "the transition needs to start today".

Orr stressed the need for "corporates, companies, banks, boards and regulators" to start thinking long-term about how their actions affect future generations. He spoke about how the NZ Super Fund was able to do exactly that through its strategy of engaging with firms, and excluding firms who were unlikely to meaningfully engage.

Orr also highlighted the domestic risks to financial stability, pointing in particular to the concentration of debt and assets on bank balance sheets in the areas of real estate and agriculture - particularly dairy. This is in line with the findings of the Reserve Bank's 2017 Financial Stability Report. Although Orr did not make the link between these areas of risk and climate change, it is clear that climate change (and the Government's policy responses to climate change) may impact on both the dairy sector and real estate.

This reinforces the importance of ensuring the Reserve Bank takes climate risk into account as part of its assessment of financial stability, given the potential impact of climate change and policy on these systemically important sectors (dairy and real estate). It also suggests that the Government needs to consider this interrelationship when making policy decisions, as much as possible.

As part of our work on climate finance, we will continue to monitor how the Reserve Bank and Treasury approach climate risk. As part of our work on climate risk disclosure, we will need to consider how to engage New Zealanders on climate risk more generally. There is a real potential to leverage the leadership and expertise of Adrian Orr, and we will continue to think about opportunities to do so.

2.2. New reports released by The Commonwealth Climate and Law Initiative on climate risk and director's duties


The Commonwealth Climate and Law Initiative (CCLI) is a research and outreach programme examining the legal basis for directors and trustees to take account of climate

risks (including physical, transition and liability risks) under prevailing statutory and common laws. CCLI released four reports last week on Australia, Canada, South Africa, and the United Kingdom. These are the first comprehensive legal assessments of the discharge of directors' duties in relation to climate risks.

The Australian report notes that "There is little doubt that climate change has evolved rapidly in recent years to become an issue that presents a foreseeable – moreover material – risk of harm to corporations in many sectors of the Australian economy, within mainstream planning and investment horizons."

ClientEarth lawyer Alice Garton, speaking in relation to Australian law, said: "Despite it becoming an accepted norm that climate change may present financial risks to companies, some directors remain reluctant to embrace climate risk analysis and disclosure. This may be because of a misconstrued fear of liability for forward-looking climate risk disclosures, or a misconception that considering 'environmental' issues such as climate change conflicts with prioritising the company's financial success. These reports show that the law is no barrier to considering climate risk – in fact it requires this of directors where that risk is material and foreseeable. And the current trajectory suggests that directors will be held to ever more stringent standards in relation to their assessment and management of climate risk. As a director, your duties are to present and future shareholders."

s 9(2)(h)



International

2.3. French High-Level Dialogue on biodiversity and climate change in the Pacific

French President Emmanuel Macron is Hosting a High-Level Dialogue on biodiversity and climate change in the Pacific at the Pacific Community (SPC) in Nouméa, New Caledonia on Friday 4 May. The Leaders of all SPC members (22 Pacific Island country and territories, plus New Zealand, Australia, and USA), along with heads of the Pacific Islands Forum Secretariat (PIFS), the Pacific Islands Forum Fisheries Agency (FFA), and the Secretariat of the Pacific Regional Environment Programme (SPREP), have been invited to the Dialogue. Minister Peters is expected to represent New Zealand at the Dialogue, and will receive briefing on a range of relevant issues, including climate change, from MFAT.

2.4. Prime Minister's op-ed on climate action published in French, German and British media

MFAT officials, with the World Resources Institute, arranged for the Prime Minister's op-ed on climate action to be run in media outlets during her Europe visit last week. It was released in French and German outlets, culminating in the piece being run in the Guardian Online,

titled 'The Commonwealth can kick-start a global offensive on climate change' ahead of the Commonwealth Heads of Government meeting. It highlighted New Zealand's leadership on climate change, including new government policies. It also emphasised New Zealand's active role in building international cooperation on climate action, such as establishing the Global Research Alliance on Agricultural Greenhouse Gases and championing coalitions like the Powering Past Coal Alliance, Towards Carbon Neutrality coalition and Friends of Fossil Fuel Subsidy Reform.

3. Cabinet material being prepared for you

| Paper name | Lead agency | What this paper covers | Our suggested timeframes |
|---|-------------|--|--|
| Overarching framework for the climate change agenda (previously titled Climate change objectives) | MfE | Paper seeking Cabinet agreement to an overarching framework and 2020 outcomes for the climate change agenda. | Lodge 3 May ENV 8 May Cabinet 14 May |
| NZ ETS Cabinet Paper: Proposed NZ ETS technical regulation updates for 2018 | MfE | Paper seeking Cabinet approval to release consultation document on NZ ETS regulation changes | Lodge 3 May ENV 8 May Cabinet 14 May |
| NZ ETS Cabinet Paper: Climate Change (Forestry Sector) Regulations 2008: approval to consult on proposed amendments | MPI/MfE | Seeks approval to publicly consult on twelve amendments to the Climate Change (Forestry Sector) Regulations 2008. These technical amendments relate to the forestry sector in the New Zealand Emissions Trading Scheme (NZ ETS) and improve operational settings for NZ ETS forestry participants. | Lodge 17 May ENV 22 May Cabinet 28 May |
| Consultation on the Zero Carbon Bill | MfE | Paper seeking Cabinet paper to release a consultation document on the Zero Carbon Bill. | Lodge 17 May ENV 22 May Cabinet 28 May |