

Weekly update - Minister for Climate Change

Finalised on 30 July for the week commencing 3 August

Date: 3 August
Time: 1:45-2:45pm
Location: Bowen House

Attendees: Hon James Shaw, Minister for Climate Change
Vicky Robertson, Secretary for the Environment
Anne Haira, Deputy Secretary, Partnerships and Customers, and Climate
Lindy Fursman, Chief Advisor, Climate Change
Roger Lincoln, Director, Climate Change
Katherine Wilson, Director, Climate Change
Justin Strang, Director, Office of the Chief Executive and Transition

For item 2: Fraser Wyeth, Manager, Climate Change
Kate Whitwell, Senior Analyst, Climate Change

For item 3: Fraser Wyeth, Manager, Climate Change
Scott Gulliver, Principal Analyst, Climate Change

	Agenda	Lead	Time
1	Context	Anne Haira	15 min
2	Establishing a market governance framework for the NZ ETS - paper 2020-B-06935 <i>What we need from you:</i> seek your agreement on the proposed objectives, scope, and timeline for market governance work programme.	Fraser Wyeth Kate Whitwell	10 min
3	s 9(2)(f)(iv)		

Upcoming meetings 3 - 14 August

Monday, 3 August	Thank you morning tea with the MfE Climate Change Directorate MfE Officials Meeting Sustainable Land Use Ministers Meeting
Tuesday, 4 August	Minister Parker - Climate Change Adaptation and the RM Panel Report
Wednesday, 5 August	WEBINAR: Leonie Live: A Conversation with Hon James Shaw (hosted by Property Council New Zealand - Sustainability in the Property Sector)
Wednesday, 5 August	Forestry Ministers meeting
Friday, 7 August	SPEAK: Kiwi Carbon Conversation (web nar)
Monday, 10 August	MfE Officials Meeting MFAT Officials Meeting
Tuesday, 11 August	SPEAK: Victoria University - Climate Change Panel 'What's next for NZ?'
Friday, 14 August	SPEAK: Manawatu Whanganui Regional Council

1. Strategic Priorities

1.1. Release of the National Climate Change Risk Assessment

You are releasing New Zealand's first National Climate Change Risk Assessment at midday on Monday, 3 August. In advance of the release, an embargoed copy of the report is being sent to key stakeholders and iwi/Māori who have been involved during the assessment process.

The Risk Assessment is an important step towards increasing New Zealand's resilience to climate change. It was one of the foundational actions recommended by the Climate Change Adaptation Technical Working Group, and the requirement to produce regular risk assessments is part of the core architecture of the Climate Change Response (Zero Carbon) Amendment Act.

The Risk Assessment provides the foundation for the National Adaptation Plan, which will be developed over the next two years and will respond to the most significant risks. On 6 August you will receive a briefing on the adaptation work programme, which sets out how we plan to deliver the NAP.

2. Updates for noting

2.1. Voluntary carbon offsetting guidance extension

In September 2019, the Ministry published voluntary offsetting guidance to provide certainty to organisations to aid them in making environmentally credible offsetting or carbon neutrality claims.

The guidance is due to expire on 31 December 2020. To provide certainty to organisations while we develop policy for voluntary carbon offsetting, we have extended the guidance until 31 December 2021. The extension of the guidance was approved by you in briefing note 2020-B-06463 on 19 May 2020.

The extension of the guidance allows for the lag between emissions occurring in 2020 and when they are measured, reported and offset. This guidance will be published on the Ministry's website on 4 August 2020 as a replacement to the original version.

3. Context

Domestic

3.1. New Zealand and international emissions prices

NZU prices retreated slightly from last week, falling to \$33.15 on Wednesday. Market commentators continue to see the lack of unit supply in the NZ ETS market as the main driver of higher prices.

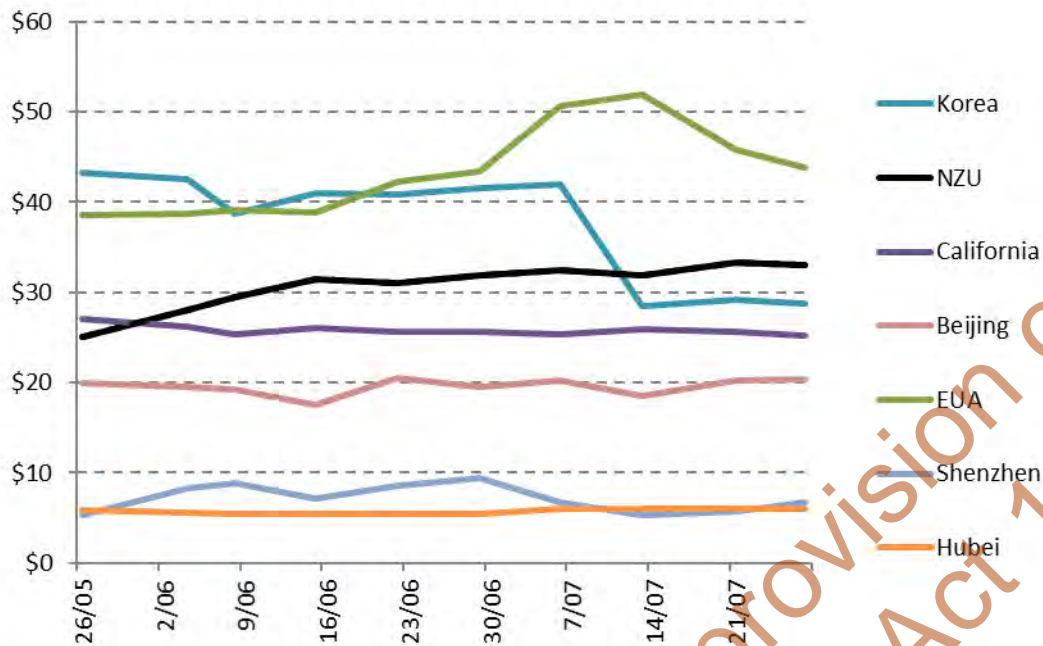
Prices in the EU ETS continued their decline from recent highs. Just a couple of weeks ago EUAs were trading at \$52 NZD. This week they have fallen back to \$45.28. This has been attributed to weaker than expected auction results in the EU ETS, as well as volatility in European financial markets from the potential impact of a resurgence of COVID-19 cases.

South Korean carbon allowances have remained steady this week, following recent, dramatic reductions in price. Oversupply in Korea's emissions trading scheme has been blamed for the volatility.

Table: Current emissions prices

NZU, EUA and California emissions prices (NZD/t CO ₂ e) as at 29 July 2020		
NZU	EUA	California
33.15	45.28	25.16

Chart: Recent trends in international emissions prices



International

3.2. Asia-Pacific Carbon Markets Roundtable

New Zealand is hosting the Asia-Pacific Carbon Markets Roundtable (APCMR) online on the 12th and 13th of August. This is the twelfth year that New Zealand has co-hosted this event. The APCMR is a progressive dialogue bringing together countries in the region to discuss the development of market mechanisms, share best practice, and address some of the key considerations for developing a carbon market in the Asia-Pacific region. This year's participating countries are Singapore, China, Australia, Japan, Mexico, Chile, Costa Rica, South Korea, Malaysia and Indonesia.

The APCMR provides an opportunity for New Zealand to influence the development of carbon markets in the region, and explore what future supply options may become available if we choose to access international units from the Asia-Pacific region in the future.

4. Upcoming key events/announcements involving MfE/MFAT

4.1. Public release of National Climate Change Risk Assessment – Monday 03 August

5. Upcoming briefings

Papers for week ending 7 August

Paper number	Issue or event	Lead	Further information
2020-B-06853	Considering climate resilience in Investment, Policy and Regulatory stewardship decisions	MfE	To provide the Minister with advice on how to ensure current and future policy and investment decisions are resilient to future climate change impacts, including evaluating whether current regulatory systems are well-prepared to meet these impacts.
2020-B-06934	Approval of Gazette notices for industrial allocation data collection	MfE	Asks for your approval of four notices to be submitted in the NZ Gazette. The notices call for data from a selection of industries who receive industrial allocation.
2020-B-07037	Key Points from Publication of NZ ETS Annual Reports 2019	MfE	This briefing provides information on key issues in reports to be published by the Environmental Protection Authority on Thursday 13 August. The annual reports provide information on the synthetic greenhouse gas (SGG) levy, and allocations, removals, emissions, and surrenders in the NZ ETS. The reports cover various reporting periods and some are a statutory requirement of the Climate Change Response Act 2002
2020-B-07059	Overall Approach to MfE's Adaptation Work Programme	MfE	This briefing provides our climate change adaptation work programme for 2020-2023. It reflects recent strategic framing discussions with you and includes reference to the application of the Climate Change Adaptation Technical Working Group recommendations.
2020-B-07051	Draft Cabinet Paper: Synthetic Greenhouse Gas Levy Amendments	MfE	Provides a draft Cabinet paper on updating the SGG levy for 2021.
2020-B-07064	Proactive release of ETS cabinet papers	MfE	Seeks approval to proactively release remaining NZ ETS Cabinet papers

6. Cabinet material being prepared for you

Paper number	Paper name	Committee	Description	Timeframes
2020-C-06595	Report back to DEV on climate-related financial disclosures	DEV - Economic Development	This Cabinet paper will present final policy recommendations to DEV, seeking agreement to issue drafting instructions to PCO.	DEV: 05-Aug-20 Cabinet: 10-Aug-20
s 9(2)(f)(iv)				
2020-C-06814	Synthetic Greenhouse Gas Levy Amendment Regulations 2020	CBC – Cabinet Business Committee	LEG paper to update the synthetic greenhouse gas levy rates by amending the Climate Change (Synthetic Greenhouse Gas Levies) Regulations 2013.	Lodge: 20-Aug-20 CBC: 24-Aug-20 Cabinet: 7-Sep-20

Released under the Provision of the Official Information Act 1982

7. Cabinet material we have been consulted on

Paper name	Agency	Committee	Our advice on the paper
Release of the Government Policy Statement on land transport 2021	MoT	DEV 5 August	<p>This paper seeks Cabinet agreement to release the final Government Policy Statement on land transport 2021/22-30/31 (GPS 2021). It attaches the final draft GPS 2021.</p> <p>The Ministry provided comment on a draft GPS in February 2020, before it was released for public consultation in March 2020. The final draft GPS incorporates public feedback. It provides for land transport investment in accordance with four strategic priorities: safety, better travel options, improving freight connections and climate change.</p> <p>From a climate change perspective the Ministry supports the prioritisation of the climate in the GPS 2021. As a whole, the focus on climate change is well timed with the climate programme we are working on. We provided suggestions on how MoT may better describe climate adaptation issues.</p> <p>The Ministry also provided feedback that impacts of land transport on aspects of environmental sustainability such as air quality, biodiversity and water quality are not adequately addressed in the GPS 2021. The Ministry wants to see some of these issues considered. The Ministry offered support to MoT in addressing these concerns. These concerns have been raised with Minister Mahuta and Minister Parker.</p>

Climate Implications of Policy Assessments (CIPA)

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

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

8. OIA requests

8.1. Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
<p>I would like to make a request under the Official Information Act 1982. The information requested is listed below, and is to be used for research purposes. If there is any way of processing these documents urgently that would be much appreciated.</p> <p>(1) Individual written submissions from the following organisations on the 2011 ETS Consultation (https://www.mfe.govt.nz/publications/climate-change/ets-review-2011-summary-submissions)</p> <ul style="list-style-type: none"> • Ballance Agri-Nutrients, Beef + Lamb NZ, Dairy NZ, Federated Farmers, Fertiliser Association NZ, Fonterra, Forest & Bird, Greenpeace NZ, Horticulture NZ, Local Government NZ, NZ Steel, Transpower <p>(2) Individual written submissions from the following organisations on the 'Gazetting New Zealand's 2050 Emissions Target Minister's Position Paper' (https://www.mfe.govt.nz/publications/rma/gazetting-new-zealands-2050-emissions-target-ministers-position-paper/gazetting-new#:~:text=A%2050%20per%20cent%20reduction%20of%20net%20greenhouse%20gases%20from,can%20plan%20and%20invest%20accordingly.)</p> <ul style="list-style-type: none"> • Beef + Lamb NZ, Dairy NZ, Federated Farmers, Fonterra, Greenhouse Policy Coalition, Greenpeace Aotearoa New Zealand Inc, NZ Steel 	s 9(2)(a)		20-D-01209	MfE	Tue 18 Aug
<p>Any information on by how much will this program will reduce the pace of global warming?</p>	s 9(2)(a)		20-D-01289	MfE	Fri 31 July (awaiting email address from requestor)

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
<p>This is a request for the following information under the terms of the Official Information Act.</p> <ul style="list-style-type: none"> - What was the agency's total greenhouse gas footprint in the most recent year in which records exist (if such records exist)? Please provide a breakdown of those emissions if they are available. - Does the agency have a policy of requiring employees and/or contractors to offset work-related emissions, eg domestic or international flights? - Does the agency have an emissions reduction plan, or emissions reduction targets, either in place or in development? If so, please provide details of the plan and/or targets. 	s 9(2)(a)	Stuff	20-D-01264	MfE	Tue 04 Aug
<p>Please provide all advice provided to Ministers in relation to the Manapouri Power Scheme, national grid upgrades and Tiwai Smelter.</p>	s 9(2)(a)		20-D-01284	MfE	Thu 06 Aug (likely to be extended)
<p>I'm requesting under the Official Information Act copies of any advice or estimates (including Climate Impact Assessments) supplied to Cabinet or the Climate Change Minister regarding the potential impact of post-Covid recovery spending and projects (including policies and legislation to aid the recovery) on New Zealand's emissions.</p>	s 9(2)(a)	Stuff	20-D-01224	MfE	Wed 19 Aug
<p>The majority of our carbon credits is from forests that have been planted post 1989?</p> <p>If this is correct, there is a significant amount of forests and other green spaces, that positively contribute to green house gases that are not included</p> <p>Have we ever calculated what New Zealands net balance is, re green house emissions if ALL positive impacts from forests pre 1989 and other green areas are taken into consideration.</p> <p>It seems that the emission trading scheme is focused on NEW forest areas post 1989, and takes no account or value of other green spaces and pre 1989 planted or naturally grown [original native forests and parks] forests.</p> <p>It would be great to know if NZ</p> <ol style="list-style-type: none"> 1. Has a net positive impact on green house gases 2. What the financial benefit would be to New Zealand if the numbers were worked on this basis 	s 9(2)(a)		20-D-01410	MfE	Tue 25 Aug

IN CONFIDENCE

8.2. Ministry of Foreign Affairs and Trade OIAs

Request	Correspondent	Organisation	Date due to send
<p>Briefings, analyses and cabinet papers related to climate migration between 2005 and 2018. This includes:</p> <ul style="list-style-type: none"> - Any proposed policy changes to accommodate persons displaced from other countries by climate change through amendments to existing immigration schemes or the introduction of new immigration schemes. - Documents showing how the conversation and language around climate migration developed between the aforementioned timeframe. - Considerations about implications for Māori and the role of Te Tiriti o Waitangi. - Information about the needs and requests of Tuvaluan and Kiribati communities in Aotearoa and abroad, and - Other documents of relevance <p>Please note that the following information is not requested:</p> <ul style="list-style-type: none"> - Personal emails - Public lectures and speeches <p>Briefings, analyses and cabinet papers related to climate migration between 2018 and 2020. This includes:</p> <ul style="list-style-type: none"> - Any proposed policy changes to accommodate persons displaced from other countries by climate change through amendments to existing immigration schemes or the introduction of new immigration schemes. - Documents showing how the conversation and language around climate migration developed in the aforementioned timeframe. - Any reports from attending the Wilton Park Forum on the impact of climate change in the Pacific, UK, December 2018. - Communication strategies to address public (mis)understandings of climate-induced migrants. - Government reports related to climate migration from the Pacific Islands Forum 2019 - Considerations about implications for Māori and the role of Te Tiriti o Waitangi. - Information about the needs and requests of Tuvaluan and Kiribati communities in Aotearoa and abroad, and - Other documents of relevance between 2018 - 2020. 	<p>s 9(2)(a)</p>	<p>Auckland University</p>	<p>4-Aug-20</p>

IN CONFIDENCE

Request	Correspondent	Organisation	Date due to send
<p>Please note that the following information is not requested:</p> <ul style="list-style-type: none"> - Cabinet Paper progress update: A New Zealand response to Pacific climate migration - Pacific climate change-related displacement and migration: A New Zealand action plan - Public lectures and speeches <p>Please further note that an additional request will follow this email requesting information from a broader timeframe. [@Topic]</p>			
<p>This is a request for the following information under the terms of the Official Information Act.</p> <ul style="list-style-type: none"> - What was the agency's total greenhouse gas footprint in the most recent year in which records exist (if such records exist)? Please provide a breakdown of those emissions if they are available. - Does the agency have a policy of requiring employees and/or contractors to offset work-related emissions, eg domestic or international flights? - Does the agency have an emissions reduction plan, or emissions reduction targets, either in place or in development? If so, please provide details of the plan and/or targets. 	s 9(2)(a)	Stuff	4 August-20
<p>Official advice provided by the Ministry of Foreign Affairs and Trade (MFAT) to the Minister of Trade and Export Growth between 1 July 2019 and 1 July 2020 (i.e. the date your request was received) regarding trade and climate discussions in the European Union–New Zealand Free Trade Agreement (EU-NZ FTA) negotiations.</p>	s 9(2)(a)	Stuff	10-Aug-20

IN CONFIDENCE

Weekly update - Minister for Climate Change

Finalised on 6 August for the week commencing 10 August

Date: 10 August
Time: 2:00-2:45pm
Location: Bowen House

Attendees: Hon James Shaw, Minister for Climate Change
Vicky Robertson, Secretary for the Environment
Anne Haira, Deputy Secretary, Partnerships and Customers
Lindy Fursman, Chief Advisor, Climate Change
Katherine Wilson, Director, Climate Change
Justin Strang, Director, Office of the Chief Executive and Transition
Matthew Cowie, Acting Director, Climate Change

For item 2: Lewis Stevens, Principal Analyst
Emma Corbett, Manager, Climate Change Adaptation
Fiona Newlove, Manager, Climate Change Adaptation

	Agenda	Lead	Time
1	Context	Anne Haira	5 mins
2	Adaptation work programme <u>What we need from you:</u> Indicate your priorities.	Katherine Wilson	15 mins
3	Adaptation funding and financing – chew session <u>What we need from you:</u> Feedback on option sets, objectives and principles.	Lindy Fursman	20 mins

Upcoming meetings 10 - 21 August

Monday, 10 August	MfE Officials Meeting MFAT Officials Meeting
Tuesday, 11 August	Genesis Energy - Working Session SPEAK: Victoria University - Climate Change Panel 'What's next for NZ?'
Friday, 14 August	SPEAK: Manawatū-Whanganui Regional Council
Monday, 17 August	MfE Officials Meeting MFAT Officials Meeting
Tuesday, 18 August	Meeting with DairyNZ - Jenny Cameron (General Manager Responsible Dairy)

1. Strategic Priorities

1.1. Roundup on public release of the National Climate Change Risk Assessment

On Monday 3 August you released New Zealand's first National Climate Change Risk Assessment (risk assessment). The response to the risk assessment's release has generally been very positive. We've had a huge amount of interest from local government, with over 50 officials attending a video call on the day of the release. We've also had a number of councils, including Councillors, getting in touch to request hard copies of the report. The Iwi Chairs Forum also requested hard copies for their hui this week, which we provided to them.

The Risk Assessment received fairly wide media coverage, with Stuff, the New Zealand Herald, the Spinoff, RNZ, Newshub and Newsroom all running articles. The release of the risk assessment was also welcomed by Local Government New Zealand, and by various experts involved in climate change research who were asked to comment on the report, including Judy Lawrence who was interviewed on RNZ (morning report) on Tuesday.

The risk assessment was tabled in Parliament on 6 August.

2. Updates for noting

2.1. Update on next CE Board meeting 26 August

At the Climate Change CE's Board meeting on 26 August we will update CEs on progress on the Emissions Reductions Plan (ERP). We will provide a high-level timeline through to the publication of the ERP and discuss the immediate next steps. The update will include summaries of work done to date on each of the key sectors (Energy, Transport, Building & Construction, Waste, Agriculture), the distributional impacts strategy and multi-sector strategy.

Other items on the agenda for the CE's meeting include progress on state sector decarbonisation and the latest quarterly Climate Action Plan report.

2.2. Update on NZ ETS auction project

We are working with the preferred supplier to develop the managed auction service so it is in place before the first auction, scheduled for March 2021. s 9(2)(j)

3. Context

Domestic

3.1. Fast-track consenting

Officials are currently reviewing four project applications made under the COVID-19 (Fast-track Consenting) Act 2020. As required under the Act, the Minister for the Environment has invited written comments from relevant Ministers which he will take into consideration when making a decision on whether to refer the applications to an expert consenting panel. We will provide advice to your office by 11 August on the climate change mitigation and adaptation implications of the following projects based on information provided in the applications:

- Northbrook Wanaka Retirement Village and Northbrook Arrowtown Retirement Village
- Tucker Beach to Arthur's Point to Arrowtown Cycle Trail

s 9(2)(f)(iv)

3.2. New Zealand and international emissions prices

NZU prices rose slightly from last week, increasing three percent to \$34.05 on Wednesday. Prices are gradually rising because of the unwillingness of unit holders to sell any significant volumes, and slowly accumulating demand. The fact that a significant volume of surplus units are held by foresters contributes to this, due to their long-term views and nature of the forestry business over decades, requires no immediate need to sell units.

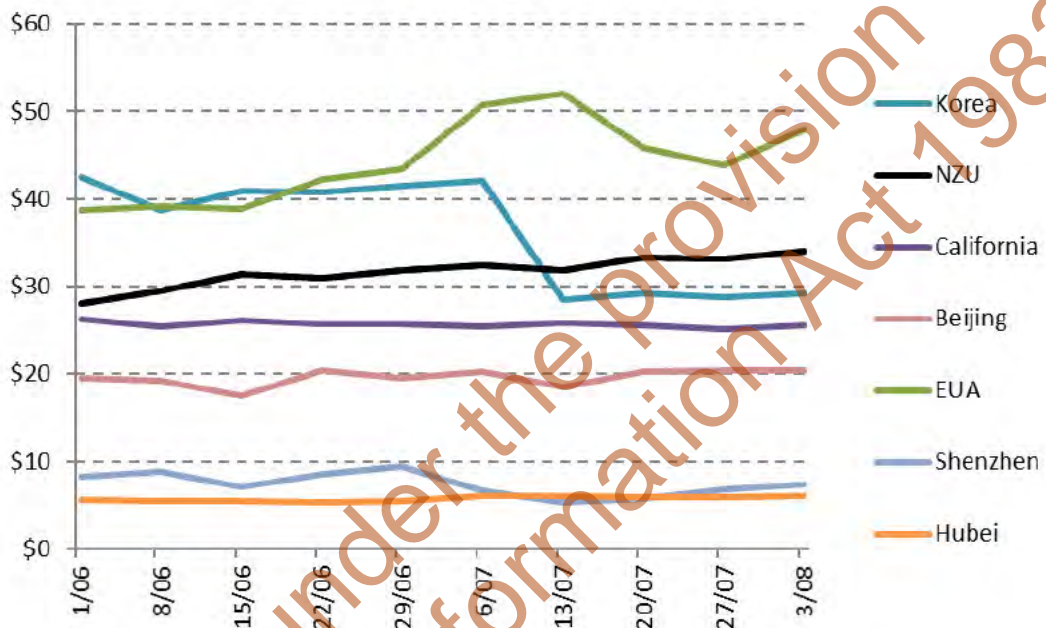
Prices in the EU ETS jumped this week amid reduced supply from sellers on the secondary market, and the start of a 50 percent drop in total August auction volumes from July.

Other ETS markets, including California and South Korea, remain relatively steady, despite any potential reduction in economic activity and emissions due to COVID-19.

Table: Current emissions prices

NZU, EUA and California emissions prices (NZD/t CO ₂ e) as at 05 August 2020		
NZU	EUA	California
34.05	47.91	25.53

Chart: Recent trends in international emissions prices



International

3.3. Seminar jointly hosted by the Global Green Growth Institute (GGGI) and New Zealand on Net Zero 2050 and Pacific Island Countries

On 4 August, our Embassy in Seoul and the GGGI hosted a virtual event to deepen South Korea’s understanding of climate action in New Zealand and Pacific Island countries. Key points of discussion included: COVID-19 green recovery opportunities; New Zealand’s transition to a low-emissions economy; how Pacific island countries are transitioning to low-emissions, climate-resilient development; and the growing need for greater access to climate finance. Key attendees included H.E. Ban Ki-moon, President of the Assembly and Chair of the Council of GGGI and Ms. Fekitamoeloa Katoa ‘Utoikamanu, Under-Secretary-General and UN High Representative for LDCs and SIDS. From New Zealand were Lisa Tumahai and Craig Weise, as well as your pre-recorded video, which was well received.

3.4. Irish Supreme Court requires Irish government to strengthen climate plan

In a landmark decision, the Irish Supreme Court has ruled that Ireland’s 2017 National Mitigation Plan does not meet the requirements of Ireland’s 2015 Climate Action and Low Carbon Development Act. In particular, the Plan was not specific enough on how the Government would

meet the Act's objective of transitioning to a low carbon climate resilient and environmentally stable economy by 2050. This follows a similar decision in the Netherlands last year where the Dutch Supreme Court ordered the government to cut greenhouse gas emissions by 25% from 1990 levels by the end of 2020.

While this is an important decision showing courts can intervene when governments are not meeting their legislative climate commitments, it will have limited impact on Ireland's targets. There has been a change in government since the 2017 Plan's release and the new government has already set more ambitious targets, including a commitment to achieving net zero emissions. Climate Action Minister and Green Party leader Eamon Ryan welcomed the court's ruling as a way to catalyse and empower Ireland to raise its climate ambition.

4. Upcoming key events/announcements involving MfE/MFAT

4.1. Climate-related financial disclosures (TBC)

5. Upcoming briefings

No papers for week ending 14 August

Papers for week ending 21 August

Paper number	Issue or event	Lead	Further information
2020-B-07094	NZ ETS Market Governance scope and timelines	Fraser Wyeth	To further define the scope of the work to be covered by the NZ ETS market governance work programme including high-level timelines and implications for legislative change to the CCRA

6. Cabinet material being prepared for you

Paper number	Paper name	Committee	Description	Timeframes
2020-C-06595	Report back to DEV on climate-related financial disclosures	DEV - Economic Development	This Cabinet paper will present final policy recommendations to DEV, seeking agreement to issue drafting instructions to PCO.	Cabinet: 10-Aug-20

s 9(2)(f)(iv)

Paper number	Paper name	Committee	Description	Timeframes
2020-C-06814	Synthetic Greenhouse Gas Levy Amendment Regulations 2020	CBC – Cabinet Business Committee	LEG paper to update the synthetic greenhouse gas levy rates by amending the Climate Change (Synthetic Greenhouse Gas Levies) Regulations 2013.	Lodge: 20-Aug-20 CBC: 24-Aug-20 Cabinet: 7-Sep-20

7. Climate Implications of Policy Assessments (CIPA)

The following table sets out current CIPAs that we are working with agencies on, where the CIPA requirements apply.

Paper name	Agency	Committee	Our advice on the GHG analysis
s 9(2)(f)(iv)			
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8. OIA requests

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<p>The majority of our carbon credits is from forests that have been planted post 1989?</p> <p>If this is correct, there is a significant amount of forests and other green spaces, that positively contribute to green house gases that are not included</p> <p>Have we ever calculated what New Zealands net balance is, re green house emissions if ALL positive impacts from forests pre 1989 and other green areas are taken into consideration.</p> <p>It seems that the emission trading scheme is focused on NEW forest areas post 1989, and takes no account or value of other green spaces and pre 1989 planted or naturally grown [original native forests and parks] forests.</p> <p>It would be great to know if NZ</p> <ol style="list-style-type: none"> Has a net positive impact on green house gases What the financial benefit would be to New Zealand if the numbers were worked on this basis 	s 9(2)(a)	Hindin Marquip Limited	20-D-01410	MfE	Tue 25 Aug
<p>Please provide all advice provided to Ministers in relation to the Manapouri Power Scheme, national grid upgrades and Tiwai Smelter.</p>	s 9(2)(a)		20-D-01284	MfE	Thu 03 Sep

8.2. Ministry of Foreign Affairs and Trade OIAs

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IN CONFIDENCE

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Released under the Official Information Act 1982

Weekly update - Minister for Climate Change

Finalised on 13 August for the week commencing 17 August

Date: 18 August
Time: 10:30-11:30am
Location: Bowen House

Attendees: Hon James Shaw, Minister for Climate Change
Vicky Robertson, Secretary for the Environment
Anne Haira, Deputy Secretary, Partnerships and Customers
Lindy Fursman, Chief Advisor, Climate Change
Matthew Cowie, Acting Director, Climate Change
Katherine Wilson, Director, Climate Change
Justin Strang, Director, Office of the Chief Executive and Transition

For item 3: Mark Storey, Manager, Climate Change

	Agenda	Lead	Time
1	Context	Anne Haira	10 min
2	Vote Climate work programme <i>What we need from you: Discussion about climate appropriations</i>	Katherine Wilson	20 min
3	Emissions reduction plan (ERP) <i>What we need from you: Discussion of our expectations for the 26 August meeting of Climate Change Chief Executives on the ERP, and of key milestones for the ERP work programme going forward.</i>	Justin Strang Mark Storey	10 min

Upcoming meetings 17 - 28 August

Tuesday, 18 August	MfE Officials Meeting
	Meeting with DairyNZ - Jenny Cameron (General Manager Responsible Dairy)
Monday, 24 August	MfE Officials Meeting
	Sustainable Land Use Ministers

1. Updates for noting

1.1. The Ministry for the Environment maintains Carbonreduce certification and meets emissions reduction target

The Ministry has just received its emissions inventory certification through the Toitū Carbonreduce programme for the third year in a row.

Our emissions for the 19/20 financial year were 660 tCO₂e, which is 49 per cent lower than last year's total of 1,287 tCO₂e and 50% lower than the base year (FY17/18) total of 1,324 tCO₂e.

Our original target in our 2018-2020 Sustainability Strategy was to reduce our emissions by 20 per cent by June 2020. We were on track to achieve this prior to COVID-19; however the impacts of COVID-19 and the subsequent travel restrictions for half the year contributed significantly to our 50 per cent reduction result.

The Ministry has set a new emissions reduction target of 50 per cent from our 2017 baseline by 2030 in our new 2023 Sustainability Strategy. We will be working hard to maintain the emissions reductions and have a plan in place to do this.

1.2. Updates to the Ministry for the Environment website to communicate New Zealand Emissions Trading Scheme reforms

The MfE website is being updated with a range of materials to help the public and participants to understand the reforms to the New Zealand Emissions Trading Scheme (NZ ETS). The updates include:

- Infographics which explain at a high level how the NZ ETS market works and how emissions budgets relate to the NZ ETS. These have already been shared widely on social media and have had good engagement.
- Four presentations that detail key NZ ETS reforms. The topics are auctioning, price controls, unit supply and industrial allocation.
- A new page explaining the regular annual decision-making process for unit supply.
- Proactive release of several NZ ETS Cabinet papers, which you agreed to the release of on 11 August 2020 (2020-B-07064 refers), but this has been delayed to coincide with the release of materials above.

Once these updates have been made, the Ministry will email NZ ETS stakeholders to let them know of the new material. The email is likely to be sent early in the week starting Monday 17 August.

1.3. Adaptation work programme

On Monday 10 August we had a conversation with you about our priorities for the climate change adaptation work programme. s 9(2)(f)(iv)

[Redacted content]

1.4. Forthcoming update to greenhouse gas emissions projections

Officials from MfE, the Ministry of Business, Innovation and Employment and the Ministry of Primary Industries (with other agencies contributing indirectly) are preparing an update to New Zealand's greenhouse gas (GHG) emissions projections out to 2050. This is the first update since *New Zealand's Fourth Biennial Report* (19 December 2019) and will reflect:

- recent policy decisions,
- ETS price settings
- the impact of COVID-19

When compiled, the updated GHG projections will be shared with the Climate Change Commission to assist in the preparation of advice on emissions budgets.

The projections will be used to support advice on:

- New Zealand's progress towards our first Nationally Determined Contribution,
- the 2050 Net Zero target
- the development of an Emissions Reduction Plan.

We anticipate that this update will be ready in October 2020 (date to be confirmed) and subsequently made publically available through MfE's website.

1.5. Fast-track consenting

Officials are currently reviewing an application made by Transpower under the COVID-19 (Fast-track Consenting) Act 2020: Clutha Upper Waitaki Lines Project – Project Works and Worker’s Village project. As required under the Act, the Minister for the Environment has invited written comments from relevant Ministers. The Minister will take these comments into consideration when making a decision on whether to refer the application to an expert consenting panel. We will provide advice to your office by 18 August on the climate change mitigation and adaptation implications of this project based on information provided in the application.

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the Official Information Act 1982

2. Context

2.1. Domestic New Zealand and international emissions prices

NZU prices were down slightly this week, falling back to \$33.57 on Wednesday. Market commentators and analysts continue to see the reluctance among unit holders to release NZUs for sale on the New Zealand carbon market as the main driver of current price movement.

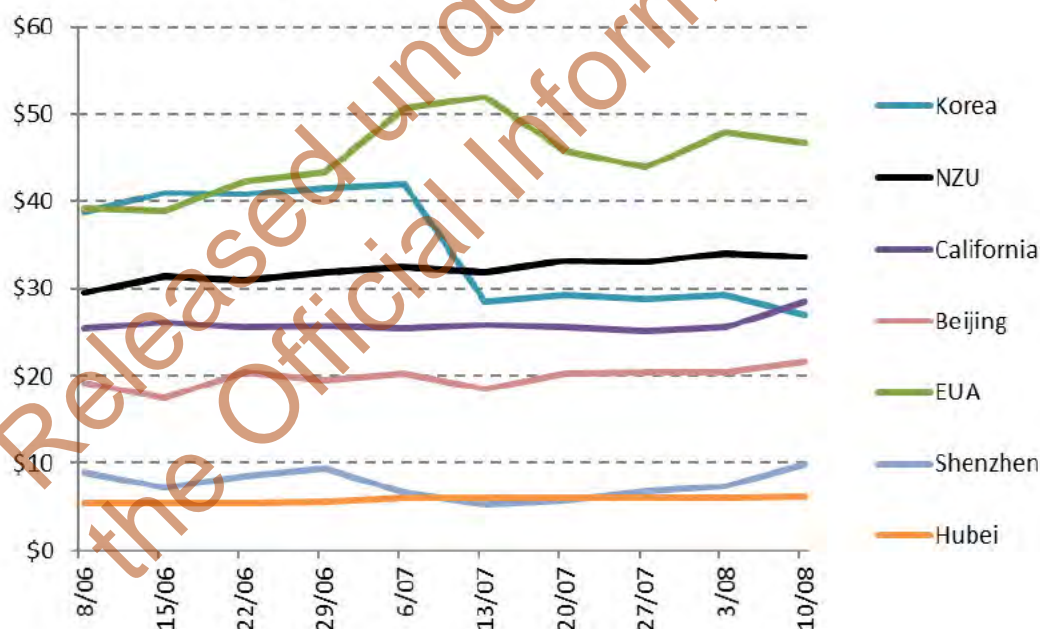
Prices in the EU ETS were variable this week. EUAs jumped earlier in the week, but slipped back to \$46.77 on Wednesday. Commentators see a link between recent higher EUA prices and increased levels of electricity-use in Europe, as summer heatwaves increase the demand of carbon-based thermal plants for air conditioning and cooling.

A linkage between the European Union and Swiss carbon markets is set to take place in September as planned.

Table: Current emissions prices

NZU, EUA and California emissions prices (NZD/t CO ₂ e) as at 12 August 2020		
NZU	EUA	California
33.57	46.77	28.48

Chart: Recent trends in international emissions prices



2.2. DOC have released their first Climate Change Adaptation Action Plan

The Department of Conservation (DOC) released its first Climate Change Adaptation Action Plan (the Plan) on 6 August 2020. The Plan recognises climate change as a significant risk to its current

and future operations and seeks to guide DOC's strategic planning and management activities with the aim of increasing resilience to climate change impacts over the next five years.

The Plan identifies actions across six different areas of DOC's business. These include Governance and Strategic; Evaluation and Reporting; Terrestrial Biodiversity; Aquatic Biodiversity; Heritage, Visitors and Infrastructure; Planning, Permissions and Land. Across these areas, the Plan focuses on identifying and prioritising information gaps, completing research and detailed risk assessments, implementing consistent and integrated internal policies and actions across all DOC functions, and reviewing and monitoring the implementation of those actions.

The Plan will inform the development of the National Adaptation Plan as it responds to a number of the 43 priority risks identified by the National Climate Change Risk Assessment. This includes for example the risk to indigenous ecosystems and species from the enhanced spread, survival and establishment of invasive species due to climate change.

2.3. Release of LGNZ case studies: Community engagement on climate change adaptation

Local Government New Zealand (LGNZ) has released three case studies that focus on the practical challenges councils are facing with engaging their communities on the impacts of climate change. The areas studied are: the Ruawai Flats of Kaipara, South New Brighton and Southshore in Christchurch, and South Dunedin.

The report makes a number of recommendations to central government for action. Some of the themes include a clearer policy and regulatory framework, more resourcing and access to experts (eg, through a contestable fund and a roving team of experts), access to information and tools to support communication of scientific information, and greater partnerships between local government, central government and the private sector. Many of the barriers and recommendations are consistent with what is coming out of our own work with councils in Dunedin and Hawke's Bay.

This case study references the MfE-led case study on South Dunedin which is currently in progress. While our study is a more in-depth look at some of the barriers and challenges with decision-making in South Dunedin, the conclusions of both case studies should be complementary. We are working with Dunedin City Council and Otago Regional Council to finalise a draft case study that we intend to share with you in the coming weeks.

3. Upcoming key events/announcements involving MfE/MFAT

3.1. Climate-related financial disclosures (date TBC)

We are working with your office on the announcement of the climate-related financial disclosures regime.

4. Upcoming briefings

Papers for week ending 21 August

Paper number	Issue or event	Lead	Further information
2020-B-07094	NZ ETS Market Governance scope and timelines	Fraser Wyeth	To further define the scope of the work to be covered by the NZ ETS market governance work programme including high-level timelines and implications for legislative change to the CCRA
2020-B-07105	Proactive release of Cabinet paper: Forestry-related decisions: delegation of power to a subgroup of Ministers	Scott Gulliver	This briefing seeks your approval to proactively release this Cabinet paper and minutes, and inform the Minister of Forestry and Minister of Finance. The Cabinet paper was approved by Cabinet on 29 June 2020.

4.1. Cabinet material being prepared for you

Paper number	Paper name	Committee	Description	Timeframes
2020-C-06814	Synthetic Greenhouse Gas Levy Amendment Regulations 2020	CBC – Cabinet Business Committee	LEG paper to update the synthetic greenhouse gas levy rates by amending the Climate Change (Synthetic Greenhouse Gas Levies) Regulations 2013.	Lodge: 20-Aug-20 CBC: 24-Aug-20 Cabinet: 7-Sep-20
2020-C-06947	Request to bring forward funding for Climate Change Commission	CBC – Cabinet Business Committee	Seeks approval to bring forward funding from out-years for the Climate Change Commission to carry out recently requested work (methane and NDC) and meet its additional responsibilities under the ETR amendment bill. These require additional resourcing as they were not part of the original work programme.	Lodge: 20-Aug-20 CBC: 24-Aug-20 Cabinet: 7-Sep-20

5. Cabinet material we have been consulted on

Paper number	Paper name	Committee	Description	Timeframes
s 9(2)(f)(iv)				

5.1. Climate Implications of Policy Assessments (CIPA)

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

Paper name	Agency	Committee	Our advice on the GHG analysis
Climate Change (Forestry Sector) Regulations	MPI		The CIPA requirements are likely to apply to this proposal as it relates to forestry carbon capture and storage. Emissions impact analysis will be carried out closer to when this set of proposals is taken to Cabinet (Q1 2021).

6. OIA requests

6.1. Ministerial

Request	Correspondent	Organisation	Reference	Drafting agency	Due at your office/current status	Date due to send
<p>This is a request under the OIA for all documents, emails and correspondence relating to the national climate change risk assessment within the time period of 1 May 2020 and 5 August 2020. This includes documents relating to decisions of which risks should be included and why, and in particular which risks were decided not to be included in the report. I am particularly interested in documents and correspondence relating to agriculture and correspondence/documents relating to considering agricultural-related climate risks and/or benefits.</p> <p>I would also like to request copies of the Climate Change Weekly Updates (to the Minister of Climate Change) for the same time period, along with any correspondence relating to them</p>	s 9(2)(a)		20-O-01506 James Shaw	MfE	Thu 27 Aug	Thu 03 Sep

Released under the provision of the Official Information Act 1982

6.2. Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
<p>I would like to make a request under the Official Information Act 1982. The information requested is listed below, and is to be used for research purposes. If there is any way of processing these documents urgently that would be much appreciated.</p> <p>(1) Individual written submissions from the following organisations on the 2011 ETS Consultation (https://www.mfe.govt.nz/publications/climate-change/ets-review-2011-summary-submissions)</p> <ul style="list-style-type: none"> • Ballance Agri-Nutrients, Beef + Lamb NZ, Dairy NZ, Federated Farmers, Fertiliser Association NZ, Fonterra, Forest & Bird, Greenpeace NZ, Horticulture NZ, Local Government NZ, NZ Steel, Transpower <p>(2) Individual written submissions from the following organisations on the 'Gazetting New Zealand's 2050 Emissions Target Minister's Position Paper' (https://www.mfe.govt.nz/publications/rma/gazetting-new-zealands-2050-emissions-target-ministers-position-paper/gazetting-new#:~:text=A%2050%20per%20cent%20reduction%20of%20net%20greenhouse%20gases%20from,can%20plan%20and%20invest%20accordingly.)</p> <ul style="list-style-type: none"> • Beef + Lamb NZ, Dairy NZ, Federated Farmers, Fonterra, Greenhouse Policy Coalition, Greenpeace Aotearoa New Zealand Inc, NZ Steel 	s 9(2)(a)		20-D-01209	MfE	Tue 18 Aug
<p>I'm requesting under the Official Information Act copies of any advice or estimates (including Climate Impact Assessments) supplied to Cabinet or the Climate Change Minister regarding the potential impact of post-Covid recovery spending and projects (including policies and legislation to aid the recovery) on New Zealand's emissions.</p>	s 9(2)(a)	Stuff	20-D-01224	MfE	Wed 19 Aug

IN CONFIDENCE

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
<p>The majority of our carbon credits is from forests that have been planted post 1989?</p> <p>If this is correct, there is a significant amount of forests and other green spaces, that positively contribute to green house gases that are not included</p> <p>Have we ever calculated what New Zealands net balance is, re green house emissions if ALL positive impacts from forests pre 1989 and other green areas are taken into consideration.</p> <p>It seems that the emission trading scheme is focused on NEW forest areas post 1989, and takes no account or value of other green spaces and pre 1989 planted or naturally grown [original native forests and parks] forests.</p> <p>It would be great to know if NZ</p> <ol style="list-style-type: none"> 1. Has a net positive impact on green house gases 2. What the financial benefit would be to New Zealand if the numbers were worked on this basis 	s 9(2)(a)		20-D-01410	MfE	Tue 25 Aug
<p>Please provide all advice provided to Ministers in relation to the Manapouri Power Scheme, national grid upgrades and Tiwai Smelter.</p>	s 9(2)(a)		20-D-01284	MfE	Thu 03 Sep
<p>This is a request under the OIA for all documents, emails and correspondence relating to the national climate change risk assessment within the time period of 1 May 2020 and 5 August 2020. This includes documents relating to decisions of which risks should be included and why, and in particular which risks were decided not to be included in the report. I am particularly interested in documents and correspondence relating to agriculture and correspondence/documents relating to considering agricultural-related climate risks and/or benefits.</p> <p>I would also like to request copies of the Climate Change Weekly Updates (to the Minister of Climate Change) for the same time period, along with any correspondence relating to them</p>	s 9(2)(a)		20-D-01505 Departmental	MfE	Thu 03 Sep

IN CONFIDENCE

6.3. Ministry of Foreign Affairs and Trade OIAs

Request	Correspondent	Organisation	Date due to send
Official advice provided by the Ministry of Foreign Affairs and Trade (MFAT) to the Minister of Trade and Export Growth between 1 July 2019 and 1 July 2020 (i.e. the date your request was received) regarding trade and climate discussions in the European Union–New Zealand Free Trade Agreement (EU-NZ FTA) negotiations.	s 9(2)(a)	Stuff	21-Sep-20

Released under the provision of
the Official Information Act 1982

IN CONFIDENCE

Request	Correspondent	Organisation	Date due to send
<p>Briefings, analyses and cabinet papers related to climate migration between 2005 and 2018. This includes:</p> <ul style="list-style-type: none"> - Any proposed policy changes to accommodate persons displaced from other countries by climate change - through amendments to existing immigration schemes or the introduction of new immigration schemes. - Documents showing how the conversation and language around climate migration developed between the aforementioned timeframe. - Considerations about implications for Māori and the role of Te Tiriti o Waitangi. - Information about the needs and requests of Tuvaluan and Kiribati communities in Aotearoa and abroad, and - Other documents of relevance <p>Please note that the following information is not requested:</p> <ul style="list-style-type: none"> - Personal emails - Public lectures and speeches <p>Briefings, analyses and cabinet papers related to climate migration between 2018 and 2020. This includes:</p> <ul style="list-style-type: none"> - Any proposed policy changes to accommodate persons displaced from other countries by climate change - through amendments to existing immigration schemes or the introduction of new immigration schemes. - Documents showing how the conversation and language around climate migration developed in the aforementioned timeframe. - Any reports from attending the Wilton Park Forum on the impact of climate change in the Pacific, UK, December 2018. - Communication strategies to address public (mis)understandings of climate-induced migrants. - Government reports related to climate migration from the Pacific Islands Forum 2019 - Considerations about implications for Māori and the role of Te Tiriti o Waitangi. - Information about the needs and requests of Tuvaluan and Kiribati communities in Aotearoa and abroad, and - Other documents of relevance between 2018-2020. <p>Please note that the following information is not requested:</p> <ul style="list-style-type: none"> - Cabinet Paper progress update: A New Zealand response to Pacific climate migration - Pacific climate change-related displacement and migration: A New Zealand action plan - Public lectures and speeches <p>Please further note that an additional request will follow this email requesting information from a broader timeframe. [@Topic]</p>	<p>s 9(2)(a)</p>	<p>Auckland University</p>	<p>Part 1 of 2 sent 4/08</p>

Released under the Official Information Act 1982

Weekly update - Minister for Climate Change

Finalised on 21 August for the week commencing 24 August

Date: 24 August
Time: 1:45-2:45pm
Location: Bowen House

Attendees: Hon James Shaw, Minister for Climate Change
Vicky Robertson, Secretary for the Environment
Anne Haira, Deputy Secretary, Partnerships and Customers
Katherine Wilson, Director, Climate Change
Justin Strang, Director, Office of the Chief Executive and Transition

	Agenda	Lead	Time
1	Context	Anne Haira	10 min
2	Vote Climate work programme <u>What we need from you:</u> Continued discussion about climate appropriations	Katherine Wilson	20 min

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Upcoming meetings 24 August – 4 September

Monday, 24 August	MfE Officials Meeting
	Sustainable Land Use Ministers
Monday, 31 August	Sustainable Land Use Ministers
	MfE Officials Meeting
Tuesday, 1 September	Meeting with Dr Rod Carr

1. Updates for noting

1.1. Draft Government response to Productivity Commission's inquiry report into local government funding and financing

We are reviewing a draft Government response, prepared by the Department of Internal Affairs (DIA), to the Productivity Commission's *Local government funding and financing* report. The Minister of Local Government has indicated a preference for a high-level, thematic response, rather than addressing each of the report's recommendations in detail. We agree in principle with a high-level response. However, we will advise DIA that we think the draft response should explicitly address climate change adaptation, as it was identified in the Commission's report as a key challenge for local government. This would provide the opportunity to signal linkages to MfE work programmes, such as the development of a National Adaptation Plan and responding to the recommendations of the Resource Management Review Panel. It is intended that an updated draft response will be considered by the next Government early in its term, in order to agree and proceed with a work programme.

1.2. Embedding climate change resilience into central government decision making – working with the Infrastructure Commission

We recently met with the Infrastructure Commission (InfraCom) as part of our work to embed climate resilience into Government decision-making.

InfraCom are responsible for delivering a new 30-year infrastructure strategy by the end of 2021 which will cover wide issues related to infrastructure provision, although climate change is a key consideration. InfraCom is currently undertaking an infrastructure needs assessment which they will use to inform the 30-year strategy. We understand this will be produced over the next few months, to be finalised in early 2021 and we've asked to input into this. To inform the needs assessment, InfraCom is planning to survey infrastructure providers (including central and local government) in the next couple of months. We will work closely with them to ensure we don't duplicate with the requests for information we are planning to send out later this month to reporting organisations (including infrastructure providers) under the Climate Change Response Act to inform the National Adaptation Plan.

As InfraCom develop a framework to guide future infrastructure decisions, we will work with them on ensuring climate resilience is factored into investment decisions.

1.3. Asia-Pacific Carbon Markets Roundtable

The Asia-Pacific Carbon Markets Roundtable (APCMR) was held virtually on the 12th-13th August. Participating countries included Japan, Costa Rica, Singapore, Malaysia, Indonesia, Chile, Australia, Mexico, the Republic of Korea and New Zealand. Participants shared their recent carbon market developments, including the impact of COVID-19 on their carbon market initiatives, and held a discussion on technical developments required for cooperation under Article 6 of the Paris Agreement.

The event highlighted an appetite from countries in the region to develop pilots under Article 6.2 of the Paris Agreement, and raised potential areas of cooperation for building market capabilities in the Asia Pacific region. These areas include developing options for compatibility between carbon market registries, exploring co-benefits of market cooperation, and enhancing the availability of information.

Following the group's interest in using this forum for more active forms of cooperation beyond information sharing, MfE officials are looking to organise a follow-up to this roundtable later this year/early next year to maintain momentum. We will likely invite two additional countries to participate in the roundtable given their experience with carbon markets and their interest in cooperating with other countries in the region: Fiji and Papua New Guinea. Japan is interested in co-hosting the next in-person event with New Zealand when it is able to proceed. New Zealand has co-hosted this roundtable for the last 11 years.

2. Context

Domestic

2.1. BlueScope cites electricity and carbon costs as factors in potential closure of New Zealand Steel's Glenbrook mill

COMMERCIALLY SENSITIVE

New Zealand Steel's parent company BlueScope, has announced jobs will be lost through an intended restructure of its operations after an AUD\$5.8m loss in 2019/20. BlueScope stated its steel-making business faces substantial challenges 'made more uncertain by public policy settings', including electricity and carbon costs, as well as the forced COVID-19 shutdown. The company is considering an AUD\$197m writedown of New Zealand and Pacific Island holdings, based on reduced expected earnings.

BlueScope's ongoing strategic review is due to complete in three weeks. Substantial redundancies are expected imminently at its Glenbrook and Ōtāhuhu operations, which employ around 1,400 staff in generally high-skilled and high-paying jobs. The company has stated if restructuring is not successful in restoring profitability, the Glenbrook mill would be closed.

s 9(2)(b)(ii)

2.2. New Zealand and international emissions prices

NZU prices remained relatively steady this week, rising to \$33.90 on Wednesday. Like last week, demand for NZUs remains relatively high, with supply constrained by unit holders being reluctant to sell on the view that unit prices will continue to rise.

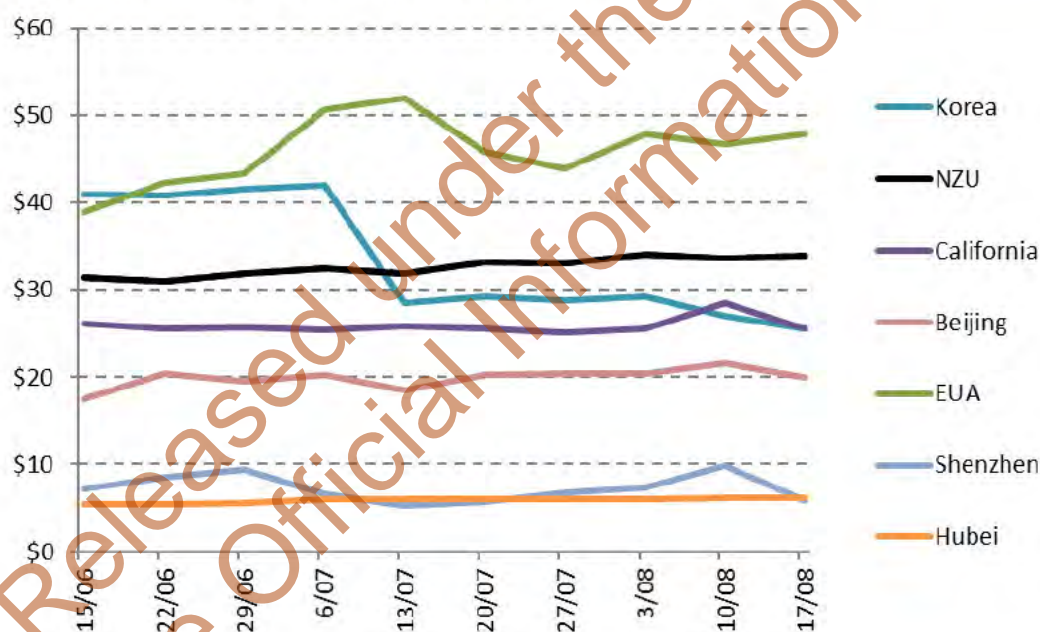
Prices in the EU ETS increased this week on the back of a stronger European Union Allowance (EUA) auction performance. The Western Climate Initiative (WCI), however, continued to see California carbon allowances (CAAs) trading just above the scheme's price floor. Despite the current low prices for CAAs, there is some optimism that demand will increase in the coming months, with market analysts attributing a better economic outlook from COVID-19 driving greater interest in carbon credits.

South Korea's carbon market has continued to struggle, with Korea allowance unit (KAU) prices falling again this week to \$25.59 (NZD). Just two months ago, KAUs were trading at over \$40. This week the government's KAU auction failed to sell out, representing the fourth consecutive auction that has gone undersubscribed. This reflects the extent to which Korea's carbon market is oversupplied and the reduced demand for allowances.

Table: Current emissions prices

NZU, EUA and California emissions prices (NZD/t CO ₂ e) as at 19 August 2020		
NZU	EUA	California
33.90	48.00	25.23

Chart: Recent trends in international emissions prices



2.3. Changes to industrial allocation data collection

You have agreed to the publication of four Gazette Notices calling for data from a selection of emissions-intensive, trade-exposed industries. Data collected from this process will inform decisions later this year on a review of industrial allocation policy.

Initially the manufacture of iron and steel was selected as one of the four activities [2020-B-06859]. We subsequently recommended this activity be replaced with producing protein meal because investigating this activity would better highlight issues with industrial allocation policy due to more likelihood of changes in market structure and fuel profile [2020-B-06934].

A problem has now been identified with the regulations defining the activity of producing protein meal. This has the consequence that new data will not be able to be compared with data from 2010.

We ask that you agree to change your decision on the call for data from producing protein meal to the production of burnt lime. Burnt lime is the physical and chemical transformation through the calcining of calcium and magnesium sources. It is a primary input to the concrete making process. It is has the highest emissions intensity of all emissions-intensive, trade-exposed activities at 9,791.31 tCO2/\$1 million of revenue. This is more than twice the emissions intensity of aluminium smelting. There has been significant industry consolidation since 2010 and there is evidence of fuel switching from coal to natural gas.

It will be possible to start the data collection process early in the week of 24 August if you approve the change.

Do you agree to use your powers under section 161D of the Climate Change Response Act 2002 to call for data from persons performing the industrial activity of producing burnt lime, instead of producing protein meal?

Yes / No

International

2.4. Fiji confirms it will participate in the Agreement on Climate Change, Trade and Sustainability (ACCTS)

New Zealand's Chief Negotiator for ACCTS met virtually with Fijian counterparts on 6 August. Fiji was one of the countries to announce the launch of negotiations last year, s 6(a)

New Zealand also shared the four non-papers to facilitate discussions across the negotiating agenda, and promoted our campaign for the WTO Fossil Fuel Reform Statement at the 12th WTO Ministerial Conference. Fiji's participation in ACCTS broadens its base, s 6(a)

2.5. Fiji's climate action shifts to domestic delivery, but impacted by COVID-19

s 6(a)

3. Upcoming key events/announcements involving MfE/MFAT

3.1. Climate-related financial disclosures (date TBC)

We are working with your office on the announcement of the climate-related financial disclosures regime.

4. Upcoming briefings

Papers for week ending 28 August

Paper number	Issue or event	Lead	Further information
2020-B-07094	NZ ETS market governance scope and timelines	MfE	To further define the scope of the work to be covered by the NZ ETS market governance work programme including high-level timelines and implications for legislative change to the CCRA

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5. Cabinet material being prepared for you

Paper number	Paper name	Committee	Description	Timeframes
2020-C-06814	Synthetic Greenhouse Gas Levy Amendment Regulations 2020	CBC – Cabinet Business Committee	LEG paper to update the synthetic greenhouse gas levy rates by amending the Climate Change (Synthetic Greenhouse Gas Levies) Regulations 2013.	CBC: 24-Aug-20 Cabinet: 7-Sep-20
2020-C-06947	Request to bring forward funding for Climate Change Commission	CBC – Cabinet Business Committee	Seeks approval to bring forward funding from out-years for the Climate Change Commission to carry out recently requested work (methane and NDC) and meet its additional responsibilities under the ETR amendment bill. These require additional resourcing as they were not part of the original work programme.	CBC: 24-Aug-20 Cabinet: 7-Sep-20

6. Cabinet material we have been consulted on

Climate Implications of Policy Assessments (CIPA)

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

Paper name	Agency	Committee	Our advice on the GHG analysis
Climate Change (Forestry Sector) Regulations	MPI		The CIPA requirements are likely to apply to this proposal as it relates to forestry carbon capture and storage. Emissions impact analysis will be carried out closer to when this set of proposals is taken to Cabinet (Q1 2021).

s 9(2)(f)(iv)

7. OIA requests

7.1. Ministerial

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IN CONFIDENCE

7.2. Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send
Please provide all advice provided to Ministers in relation to the Manapouri Power Scheme, national grid upgrades and Tiwai Smelter.	s 9(2)(a)		20-D-01284	MfE	Thu 03 Sep
This is a request under the OIA for all documents, emails and correspondence relating to the national climate change risk assessment within the time period of 1 May 2020 and 5 August 2020. This includes documents relating to decisions of which risks should be included and why, and in particular which risks were decided not to be included in the report. I am particularly interested in documents and correspondence relating to agriculture and correspondence/documents relating to considering agricultural-related climate risks and/or benefits. I would also like to request copies of the Climate Change Weekly Updates (to the Minister of Climate Change) for the same time period, along with any correspondence relating to them	s 9(2)(a)		20-D-01505 Departmental	MfE	Thu 03 Sep

7.3. Ministry of Foreign Affairs and Trade OIAs

Request	Correspondent	Organisation	Date due to send
Official advice provided by the Ministry of Foreign Affairs and Trade (MFAT) to the Minister of Trade and Export Growth between 1 July 2019 and 1 July 2020 (i.e. the date your request was received) regarding trade and climate discussions in the European Union–New Zealand Free Trade Agreement (EU-NZ FTA) negotiations.	s 9(2)(a)	Stuff	21-Sep-20

Request	Correspondent	Organisation	Date due to send
<p>Briefings, analyses and cabinet papers related to climate migration between 2005 and 2018. This includes:</p> <ul style="list-style-type: none"> - Any proposed policy changes to accommodate persons displaced from other countries by climate change - through amendments to existing immigration schemes or the introduction of new immigration schemes. - Documents showing how the conversation and language around climate migration developed between the aforementioned timeframe. - Considerations about implications for Māori and the role of Te Tiriti o Waitangi. - Information about the needs and requests of Tuvaluan and Kiribati communities in Aotearoa and abroad, and - Other documents of relevance <p>Please note that the following information is not requested:</p> <ul style="list-style-type: none"> - Personal emails - Public lectures and speeches <p>Briefings, analyses and cabinet papers related to climate migration between 2018 and 2020. This includes:</p> <ul style="list-style-type: none"> - Any proposed policy changes to accommodate persons displaced from other countries by climate change - through amendments to existing immigration schemes or the introduction of new immigration schemes. - Documents showing how the conversation and language around climate migration developed in the aforementioned timeframe. - Any reports from attending the Wilton Park Forum on the impact of climate change in the Pacific, UK, December 2018. - Communication strategies to address public (mis)understandings of climate-induced migrants. - Government reports related to climate migration from the Pacific Islands Forum 2019 - Considerations about implications for Māori and the role of Te Tiriti o Waitangi. - Information about the needs and requests of Tuvaluan and Kiribati communities in Aotearoa and abroad, and - Other documents of relevance between 2018-2020. <p>Please note that the following information is not requested:</p> <ul style="list-style-type: none"> - Cabinet Paper progress update: A New Zealand response to Pacific climate migration - Pacific climate change-related displacement and migration: A New Zealand action plan - Public lectures and speeches <p>Please further note that an additional request will follow this email requesting information from a broader timeframe. [@Topic]</p>	<p>s 9(2)(a)</p>	<p>Auckland University</p>	<p>Part 1 of 2 sent 4/08</p> <p>Part 2 in preparation</p>

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Weekly update - Minister for Climate Change

Finalised on 27 August for the week commencing 31 August

Date: 31 August
Time: 1:45-2:45pm
Location: Bowen House

Attendees: Hon James Shaw, Minister for Climate Change
Vicky Robertson, Secretary for the Environment
Anne Haira, Deputy Secretary, Partnerships and Customers
Matthew Cowie, Acting Director, Climate Change
Katherine Wilson, Director, Climate Change
Justin Strang, Director, Climate Change

	Agenda	Lead	Time
1	Context	Anne Haira	20 min
2	ETS market governance revised scope and timelines – paper 2020-B-07094 <i>What we need from you:</i> seek your agreement on the proposed objectives, scope, and timeline for market governance work programme.	Fraser Wyeth, Manager, Climate Change	10 mins
3	Information requests from reporting organisations: baseline adaptation preparedness <i>What we need from you:</i> confirmation we can send these.	Katherine Wilson	5 mins
4	Climate Change work programme	Katherine Wilson	20 mins

Upcoming meetings 31 August – 11 September

Monday, 31 August	Sustainable Land Use Ministers
	MfE Officials Meeting
	Meeting with Minister Parker
Tuesday, 1 September	Meeting with Dr Rod Carr
Monday, 7 September	MfE Officials Meeting
	Sustainable Land Use Ministers

1. Updates for noting

1.1. Preparing to request information on your behalf from reporting organisations under section 5ZV of the Climate Change Response Act

We are preparing to send out the first request for information from reporting organisations under section 5ZW of the Climate Change Response (Zero Carbon) Amendment Act 2019 early in the week of 31 August. Last week, we provided your office with:

- the questions, which are being sent as a survey using MS Forms
- the cover email containing the link to the survey
- a spreadsheet showing the public/private split of reporting organisations (note that the majority of the organisations are publicly-owned infrastructure providers).

The survey questions were tested with a subset of reporting organisations including central and local government, the New Zealand Lifelines Council, Watercare, and Wellington Water, who confirmed these are likely to require minimal resourcing to respond to. In response to their feedback, we have added an opportunity to provide additional detail beyond the high-level questions. The draft questions were also shared with the Infrastructure Commission who are developing a survey to send out to infrastructure/asset owners, to ensure the surveys are aligned.

We will be sending this request to the majority of reporting organisations (approximately 500). Recipients will have six weeks to respond. We are now planning for the next stage of more detailed requests targeted at specific organisations. The responses to this first request will help us to determine who to target in that second request, which we intend to send out before the end of the year.

1.2. IAG 2018 – 2020 Climate Change Survey results

IAG has released a report outlining the results from its third survey of New Zealanders about climate change. It canvases New Zealanders' expectations of what is coming, what it means to them and how the country might respond to climate change.

The survey finds that in 2020:

- 45% of New Zealanders believe that our response to climate change is on the right track, which is 4% more than the 2019 survey.

- more New Zealanders thought we will be able to reduce emissions and meet our targets (39%) and reduce the impacts of climate change (41%).
- 48% believe that the government should buy out property owners severely impacted by climate change.
- there was a 7% decline in the number of people who thought some people may have to move from where they live as a result of climate change. This suggests a better understanding of potential climate change impacts, a more positive outlook on how New Zealand might address those impacts or a combination of both.

The 2020 survey included a number of questions about COVID-19. Key findings included:

- 35% of New Zealanders thought climate change is more important because of COVID-19 and 53% of survey participants thought climate change needed to be part of the economic recovery plan.

These results suggest there is still an expectation that as a country we will continue to have momentum in addressing the impacts of climate change and meet our emissions targets regardless of the implications of COVID-19.

s 9(2)(ba)(i)

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2. Context

Domestic

2.1. New Zealand and international emissions prices

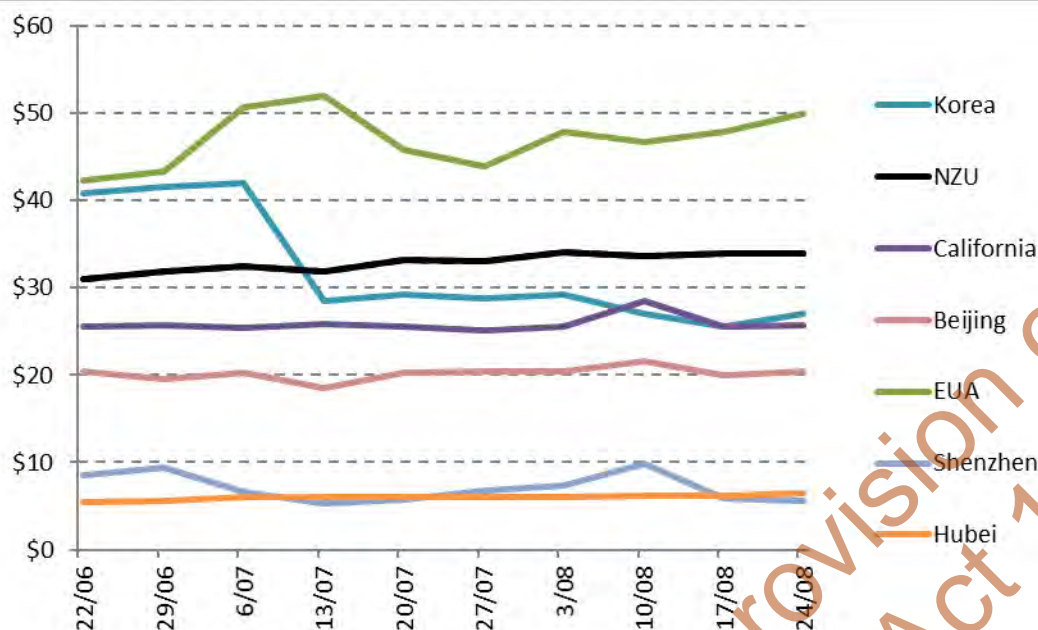
NZU prices are relatively steady at the moment. On Wednesday, the spot price of NZUs climbed to \$34.04. Market observers note the limited supply from forestry coming onto the market, despite the record high prices for units. This could point to larger foresters expecting prices to rise in the future. Such a dynamic could continue to constrain supply on the market until auctioning begins early next year.

EUAs continued their price increase, breaking \$50 (NZD) on Wednesday. The surge has been attributed to increasing optimism in the wider EU market. However, commentators note that upcoming auctions in September will increase the available supply in the scheme, which could level or drive down prices.

Table: Current emissions prices

NZU, EUA and California emissions prices (NZD/t CO ₂ e) as at 26 August 2020		
NZU	EUA	California
34.04	51.71	25.64

Chart: Recent trends in international emissions prices



2.2. Report on Investment in natural hazards mitigation released

The Department of Internal Affairs released a report on Investment in natural hazards mitigation as part of the Community Resilience Group work earlier this month. The report was prepared by New Zealand Institute of Economic Research (NZIER).

The report estimates that natural hazards have cost the economy upwards of \$3.7 billion per year in damages over the past 10 years and the Government more than \$0.8 billion per year on responding to and reducing impacts of hazard events. If hazards events continue at the rate they have over the past 10 years, Crown liabilities are projected to increase to between \$2.8 and \$3.7 billion by 2050. Climate change is expected to add further annual Crown liability, especially for floods (estimated \$4.2 to \$5.1 million).

The report concludes that hazards with most scope for cost-effective mitigation are flooding, monitored landslips and less-widespread wildfire, which can be targeted at known at-risk locations. It further recommends widespread stakeholder engagement on mitigation measures and a more transparent accounting system to monitor spending on natural hazards to inform future policies.

The findings of the report will inform the ongoing work on Community resilience, on which we will report back to you in December 2020.

2.3. Natural Forest Plot Measurement Programme about to get underway

The Natural Forest Plot Measurement Programme (NFPMP) is run collaboratively between the Ministry and the Department of Conservation (DOC) taking an all-of-government approach to data collection within the conservation estate and on private land. It supports the collection of carbon and biodiversity data for national and international reporting, conservation management and policy development. The NFPMP provides a platform for monitoring potential abatement towards

our climate change targets from our conservation estate. It also provides DOC with consistent information for reporting on biodiversity targets and to improve conservation outcomes. It is delivered under a Memorandum of Understanding between the Ministry and DOC, and is scheduled to get underway next month.

3. Upcoming key events/announcements involving MfE/MFAT

3.1. Climate-related financial disclosures (date TBC)

We are working with your office on the announcement of the climate-related financial disclosures regime.

4. Upcoming briefings

Papers for week ending 4 September

Paper number	Issue or event	Lead	Further information
2020-B-07129	International Platform on Sustainable Finance – foreword for signature	MfE	This paper is seeking your agreement to sign a foreword for the International Platform on Sustainable Finance's upcoming public report
2020-B-07126	Timetable for industrial allocation review	MfE	Provides a suggested timetable for how the review industrial allocation could proceed in 2021, and overview of upcoming decisions on the review.

Papers for week ending 11 September

Paper number	Issue or event	Lead	Further information
2020-B-07124	Proactive release of Cabinet paper 'Climate-related financial disclosures'	MfE	The briefing seeks your agreement to proactively release the Cabinet paper, Climate-related financial disclosures, and the related Cabinet minutes and Regulatory Impact Assessment.

5. Cabinet material being prepared for you

Paper number	Paper name	Committee	Description	Timeframes
2020-C-06947	Request to bring forward funding for Climate Change Commission	CBC – Cabinet Business Committee	Seeks approval to bring forward funding from out-years for the Climate Change Commission to carry out recently requested work (methane and NDC) and meet its additional responsibilities under the ETR amendment bill. These require additional resourcing as they were not part of the original work programme.	CBC: 7-Sep-20
2020-C-06809	Setting regulations for auctioning in the New Zealand Emissions Trading Scheme	CBC – Cabinet Business Committee	Seeks approval to set the rules for auctioning in the NZ ETS as regulations under the Climate Change Response Act.	CBC: 21-Sep-20

6. Cabinet material we have been consulted on

Paper name	Agency	Committee	Our advice on the paper

Climate Implications of Policy Assessments (CIPA)

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

Paper name	Agency	Committee	Our advice on the GHG analysis
Climate Change (Forestry Sector) Regulations	MPI		The CIPA requirements are likely to apply to this proposal as it relates to forestry carbon capture and storage. Emissions impact analysis will be carried out closer to when this set of proposals is taken to Cabinet (Q1 2021).
s 9(2)(f)(iv)			
Order in Council Referral of Transpower Clutha Upper Waitaki Lines Project application to an expert consenting panel under the Fast-track Consenting Act	MfE		<p>The CIPA requirements do not apply to this proposal as the decision to refer this project to an Expert Consenting Panel will not have a direct emissions impact. Likely emissions implications of this project have been considered at a high-level during the formal application process, and are also expected to be considered by the Panel if referred.</p> <p>The completion of the Clutha Upper Waitaki Lines Project will result in significant long-term emissions reductions as it will help raise New Zealand's total share of renewable energy. This project will enable more renewable electricity to be sent northward, helping to displace non-renewable electricity generation. The project facilitates further renewable energy developments in the Otago-Southland region and will likely support further emissions reductions by contributing to the electrification of process heat and transport in other parts of the South Island.</p> <p>Based off scenario modelling of the emissions impact of Tiwai aluminium smelter closing undertaken by the Interim Climate Change Committee and the Ministry of Business, Innovation and Employment, this project is estimated to result in an annual emissions reduction in the medium to long term of 300 to 500 thousand tonnes of carbon dioxide equivalent (kt CO₂-e). Although this estimate is subject to a high level of uncertainty, the actual emission reductions are likely to be larger as it is a conservative estimated impact. It does not account for further emission reductions from additional electrification of process heat and transport. Additional grid expansions would also result in further emissions reductions.</p>

7. OIA requests

7.1. Ministerial

Request	Correspondent	Organisation	Reference	Drafting agency	Due at your office/current status	Date due to send	Progress
<p>This is a request under the OIA for all documents, emails and correspondence relating to the national climate change risk assessment within the time period of 1 May 2020 and 5 August 2020. This includes documents relating to decisions of which risks should be included and why, and in particular which risks were decided not to be included in the report. I am particularly interested in documents and correspondence relating to agriculture and correspondence/documents relating to considering agricultural-related climate risks and/or benefits.</p> <p>I would also like to request copies of the Climate Change Weekly Updates (to the Minister of Climate Change) for the same time period, along with any correspondence relating to them</p>	s 9(2)(a)		20-O-01506 James Shaw	MfE	Thu 27 Aug	Thu 03 Sep	ER: Lachlan Brown

7.2. Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Drafting agency	Date due to send	Progress
Please provide all advice provided to Ministers in relation to the Manapouri Power Scheme, national grid upgrades and Tiwai Smelter.	s 9(2)(a)		20-D-01284 Departmental	MfE	Thu 03 Sep	ER: Lachlan Brown Being led by Water directorate
This is a request under the OIA for all documents, emails and correspondence relating to the national climate change risk assessment within the time period of 1 May 2020 and 5 August 2020. This includes documents relating to decisions of which risks should be included and why, and in particular which risks were decided not to be included in the report. I am particularly interested in documents and correspondence relating to agriculture and correspondence/documents relating to considering agricultural-related climate risks and/or benefits. I would also like to request copies of the Climate Change Weekly Updates (to the Minister of Climate Change) for the same time period, along with any correspondence relating to them	s 9(2)(a)		20-D-01505 Departmental	MfE	Thu 03 Sep	ER: Lachlan Brown
Would you please forward me a copy of the following publication: Beets, P.N; Kimberley, M,O; Gouldin. C.J; Garrett, I.G.; Oliver, G.R.; Paul T.S.H. 2009: Natural forest plot data analysis; carbon stock analyses and re-measurement strategy. Available on request from the Ministry for the Environment.	s 9(2)(a)		20-D-01605 Departmental	MfE	Tue 15 Sep	ER: Lachlan Brown

7.3. Ministry of Foreign Affairs and Trade OIAs

Request	Correspondent	Organisation	Date due to send
Official advice provided by the Ministry of Foreign Affairs and Trade (MFAT) to the Minister of Trade and Export Growth between 1 July 2019 and 1 July 2020 (i.e. the date your request was received) regarding trade and climate discussions in the European Union–New Zealand Free Trade Agreement (EU-NZ FTA) negotiations.	s 9(2)(a)	Stuff	21-Sep-20

Request	Correspondent	Organisation	Date due to send
<p>Briefings, analyses and cabinet papers related to climate migration between 2005 and 2018. This includes:</p> <ul style="list-style-type: none"> - Any proposed policy changes to accommodate persons displaced from other countries by climate change - through amendments to existing immigration schemes or the introduction of new immigration schemes. - Documents showing how the conversation and language around climate migration developed between the aforementioned timeframe. - Considerations about implications for Māori and the role of Te Tiriti o Waitangi. - Information about the needs and requests of Tuvaluan and Kiribati communities in Aotearoa and abroad, and - Other documents of relevance <p>Please note that the following information is not requested:</p> <ul style="list-style-type: none"> - Personal emails - Public lectures and speeches <p>Briefings, analyses and cabinet papers related to climate migration between 2018 and 2020. This includes:</p> <ul style="list-style-type: none"> - Any proposed policy changes to accommodate persons displaced from other countries by climate change - through amendments to existing immigration schemes or the introduction of new immigration schemes. - Documents showing how the conversation and language around climate migration developed in the aforementioned timeframe. - Any reports from attending the Wilton Park Forum on the impact of climate change in the Pacific, UK, December 2018. - Communication strategies to address public (mis)understandings of climate-induced migrants. - Government reports related to climate migration from the Pacific Islands Forum 2019 - Considerations about implications for Māori and the role of Te Tiriti o Waitangi. - Information about the needs and requests of Tuvaluan and Kiribati communities in Aotearoa and abroad, and - Other documents of relevance between 2018-2020. <p>Please note that the following information is not requested:</p> <ul style="list-style-type: none"> - Cabinet Paper progress update: A New Zealand response to Pacific climate migration - Pacific climate change-related displacement and migration: A New Zealand action plan - Public lectures and speeches <p>Please further note that an additional request will follow this email requesting information from a broader timeframe. [@Topic]</p>	<p>s 9(2)(a)</p>	<p>Auckland University</p>	<p>Part 1 of 2 sent 4/08</p> <p>Part 2 in preparation</p>

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