



s 9(2)(a)

Tēnā koe s 9(2)(a),

Thank you for your email of 26 June 2023 to the Ministry for the Environment (the Ministry) requesting the following under the Official Information Act 1982 (the Act):

1. *All documents relating to Carbon Neutral Government Programme Ministerial Group meetings*
2. *All documents relating to the meetings of the Climate Change Chief Executives Board*

*This request includes all briefings, agendas, minutes, appendixes, actions taken, assessments, and other documents relating to these meetings.*

*I refine this request solely to information created since 27 March 2023.*

As you are aware, on 25 July 2023, the Ministry extended the timeframes to respond to your request by 20 working days under section 15A(1)(b) of the Act, as consultations necessary to make a decision on the request were such that a proper response could not reasonably be made within the original timeframe.

The Ministry has identified three documents in scope of part one of your request, as listed in the attached document schedule.

One document is being released to you in full.

Some information within the remaining two documents has been withheld under the following sections of the Act:

- 9(2)(a) to protect the privacy of natural persons, including that of deceased natural persons.
- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

The Ministry has identified six documents in scope of part two of your request.

Some information within these six documents has been redacted as out of scope of your request, or withheld under the following sections of the Act:

- 9(2)(a) to protect the privacy of natural persons, including that of deceased natural persons.
- 9(2)(ba)(i) to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.
- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty.
- 9(2)(h) to maintain legal professional privilege.

In terms of section 9(1) of the Act, I am satisfied that, in the circumstances, the withholding of this information is not outweighed by other considerations that render it desirable to make the information available in the public interest.

Please note, in the document titled 'CNGP Ministerial Group Meeting – 29 March 2023,' on page one, where it states 'Minister Little expressed...' the below explanatory note has been provided by New Zealand Defence Force to give further context:

*The schedule and cost overruns referred to in the dashboard arise from the dependency on electricity networks and the requirement for them to be upgraded, both on Burnham Camp and in the Orion distribution network. These requirements were identified during the detailed planning phase of the coal boiler replacement.*

Please note, the information in scope of part two of your request contains a large amount of material, including Board papers and the Board's advice to the Climate Response Ministers Group (CRMG).

In the material provided for the 11 April 2023 CRMG meeting, the Board advised that New Zealand was no longer on track to meet the first emissions budget. This finding was in response to the Board's first six-monthly report on progress in the Emissions Reductions Plan, published in February, stating that meeting the first emissions budget is "finely balanced". This report was based on data and insights from December 2022. The December data did not include the estimated abatement impact from a number of policies in the Emissions Reduction Plan.

Subsequently in May 2023, the Board's advice was that New Zealand would land within the first emissions budget. This advice followed further analysis of policy impacts and the effect of methodological improvements to the way emissions are calculated, based on new data published in April 2023. Methodological improvements are made annually, to ensure emissions data remains accurate as new information and methods become available. The content in this meeting pack explains the effects of these methodological changes on whether New Zealand is on track to meet emissions budgets.

You have the right to seek an investigation and review by the Office of the Ombudsman of my decision to withhold information relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at: [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

Please note that due to the public interest in our work the Ministry for the Environment publishes responses to requests for official information on our [OIA responses page](#) shortly after the response has been sent. If you have any queries about this, please feel free to contact our Ministerial Services team: [ministerials@mfe.govt.nz](mailto:ministerials@mfe.govt.nz).

Ngā mihi,

A handwritten signature in black ink, appearing to read 'Lisa Daniell', written in a cursive style.

**Lisa Daniell**

Executive Director - Climate Change Chief Executives Board  
Ministry for the Environment | Manatū Mō Te Taiao

### Document schedule

Document no.	Document date	Content	Decisions	OIA sections applied
Part one				
1	29 March 2023	BRF- 2682 Carbon Neutral Government Programme Ministerial Group meeting, 29 March 2023 – papers and talking points	Released in part	S9(2)(a) S9(2)(f)(iv)
2	29 March 2023	Ministerial Meeting Notes 29 March 2023	Released in part	S9(2)(f)(iv)
3	29 March 2023	Talking points for CE – CNGP	Released in full	N/A
Part two				
4	29 March 2023	3.29 Board meeting pack	Released in part Please note, out of scope information has been redacted.	S9(2)(ba)(i) S9(2)(f)(iv) S9(2)(g)(i) S9(2)(h)
5	11 April 2023	04-11 CRMG meeting pack	Released in part Please note, out of scope information has been redacted.	S9(2)(a) S9(2)(h)
6	17 April 2023	4.17 Board meeting pack	Released in part	S9(2)(a) S9(2)(f)(iv) S9(2)(g)(i)
7	31 May 2023	5.31 Board meeting pack	Released in part	S9(2)(f)(iv) S9(2)(h)
8	31 May 2023	05-31 CRMG meeting pack	Released in part	S9(2)(a) S9(2)(f)(iv) S9(2)(h)
9	26 June 2023	6.29 Board meeting pack	Released in part	S9(2)(f)(iv) S9(2)(g)(i) S9(2)(h)



# Carbon Neutral Government Programme Ministerial Group meeting, 29 March 2023 – papers and talking points



Date Submitted:	29 March 2023	Tracking #: BRF-2682
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<b>To:</b>	<b>Action sought:</b>
Hon. Stuart NASH, Minister for Economic Development	Read ahead of meeting and confirm any amendments needed
Hon. James SHAW, Minister of Climate Change	Agree to forward to other CNGP Ministers

Actions for Minister's Office Staff	Forward Appendices 1-7 to other CNGP Ministers: Minister Robertson (Finance), Wood (Associate Finance), Minister Woods (Energy and Resources), and Minister Little (Public Service).  Return the signed report to the Ministry for the Environment.
Number of appendices: 6	Appendix 1: Meeting Agenda Appendix 2: The March 2023 CNGP Progress Dashboard Appendix 3: Analysis of Tranche 1 2021/22 emissions reporting s 9(2)(f)(iv) Appendix 5: Update for CNGP Minister's Meeting Appendix 6: Information for CNGP Ministers on Solar Panels in Schools Appendix 7: Proposed changes to Terms of Reference for the CNGP Ministerial Group

## Key Contacts

Position	Name	Cell phone	1st contact
Principal Author	s 9(2)(a)		
Responsible Manager	Rachel Cooper	021 209 4038	✓
Director	Hemi Smiler		

# Carbon Neutral Government Programme Ministerial Group meeting, 29 March 2023 – agenda and papers

## Key Messages

1. This briefing provides you with an agenda, papers and talking points ahead of the seventh meeting of the Carbon Neutral Government Programme (CNGP) Ministerial Group (the Group). This meeting is scheduled for 5:30-6:15pm on 29 March 2023, in Room EW 6.1.
2. The Group is made up of:
  - a. Hon. Stuart Nash, Minister for Economic Development (Chair)
  - b. Hon. James Shaw, Minister of Climate Change (Deputy Chair)
  - c. Hon. Grant Robertson, Minister of Finance
  - d. Hon. Megan Woods, Minister of Energy and Resources
  - e. Hon. Andrew Little, Minister for the Public Service.
3. Hon. Michael Wood, Associate Minister of Finance, will be attending the meeting on behalf of Hon. Grant Robertson.
4. Attached to this briefing are meeting papers to be circulated to other members of the Group:
  - a. Appendix 1: Meeting Agenda.
  - b. Appendix 2: The March 2023 CNGP Progress Dashboard.
  - c. Appendix 3: Analysis of Tranche 1 2021/22 emissions reporting.
  - s 9(2)(f)(iv)
  - e. Appendix 5: Update for CNGP Minister's Meeting.
  - f. Appendix 6: Information for CNGP Ministers on Solar Panels in Schools.
  - g. Appendix 7: Proposed changes to Terms of Reference for the CNGP Ministerial Group
5. You will be supported by officials from the Ministry for the Environment (MfE), the Ministry for Business, Innovation and Employment (MBIE), the Energy Efficiency and Conservation Authority (EECA), the Ministry of Education (MoE), Manatū Hauora, and Te Whatu Ora.

## Recommendations

We recommend that you:


a. **approve** the agenda

Yes/No

b. **agree** to forward the meeting papers (Appendices 1-7) to other CNGP Ministers.

Yes/No

## Signature

Hemi Smiler Director, Climate Strategy and Mitigation Policy	
Date	20 March 2022

Hon. Stuart NASH, Minister for Economic Development	
Hon. James SHAW, Minister of Climate Change	
Date	

## Appendix 1: Meeting Agenda

### Carbon Neutral Government Programme (CNGP) Ministerial Group 29 March 2023, 5:30 – 6:15pm , Room EW 6.1

	Last meeting	Current meeting	Next meeting
<b>Date</b>	9 November 2022	29 March 2023	29 August 2023
<b>Main items</b>	Ministry of Education (MoE) update on school emissions; State Sector Decarbonisation Fund (SSDF): Plan for deploying remaining capital; update on agency fleet transition progress; CNGP progress update.	Summary of Tranche 1 reporting on FY21/22 GHG emissions; Health sector emissions deep dive; Education sector report on solar panels in schools.	s 9(2)(f)(iv)
<b>Attendees:</b>			
<ul style="list-style-type: none"> <li>Hon. Stuart Nash, Minister for Economic Development (Chair)</li> <li>Hon. James Shaw, Minister of Climate Change (Deputy Chair)</li> <li>Hon. Megan Woods, Minister of Energy and Resources</li> <li>Hon. Michael Wood, Associate Minister of Finance</li> <li>Hon. Andrew Little, Minister for the Public Service</li> </ul>			
<b>Apologies:</b>			
<ul style="list-style-type: none"> <li>Hon. Grant Robertson, Minister of Finance</li> </ul>			

### Agenda

Item	Lead/Time
<b>1. Welcome</b> <ul style="list-style-type: none"> <li>Welcome to Minister Little, who is joining the Ministerial Group.</li> <li>Welcome to Minister Wood, who is standing in for Minister Robertson this meeting.</li> </ul>	Minister Nash
<b>2. The CNGP Progress Dashboard and 2021/22 emissions reporting analysis</b> <b>Purpose:</b> To provide Ministers with an overview of CNGP progress to date <b>Papers:</b> <ul style="list-style-type: none"> <li>The March 2023 CNGP Progress Dashboard (Appendix 2)</li> <li>Analysis of Tranche 1 2021/22 emissions reporting (Appendix 3)</li> </ul> <b>Discussion Points:</b> <ul style="list-style-type: none"> <li>The SSDF is nearly fully allocated, but many organisations are just starting to plan reduction initiatives, which often have long lead times. Organisations may find it difficult to meet their reduction targets without funding support. There is opportunity to identify the next tier of major emissions reduction initiatives, estimate their costs, and explore potential funding options.</li> </ul>	Minister Nash  15 mins



**Key Points – Tranche 1 reporting:**

- Tranche 1 agencies reported their emissions, reduction targets, and reduction plans, and all have made significant progress since last year.
- Overall FY21-22 emissions for Tranche 1 were 303,000 tCO<sub>2</sub>e, a 19% reduction compared to base year. Emissions will rise somewhat in the short term as organisations resume normal activities following COVID restrictions.
- 2025 and 2030 targets are on track, but reduction potential varies, and some targets are ambitious, particularly for agencies with hard to abate sources.
- Tranches 2 and 3 will report for the first time in December 2023 and includes a number of organisations with large emissions profiles.

**Key Points – Light vehicle fleet:**

- The total light vehicle fleet size remained unchanged since last quarter, at 16,368 vehicles. There has been a net reduction of 236 internal combustion engine (ICE) vehicles and a net increase of 236 electric vehicles (EVs).
- There has been an increase of 1,177 vehicles since December 2020 – a net increase of 1,424 EVs and decrease of 247 ICE vehicles.
- EVs are now 10.16% of the fleet (1,663), up 8.56% from 1.6% in December 2020, and up 1.44% from the previous quarter. The increase in EVs since December 2020 consists of 1,025 Battery Electric Vehicles (BEVs) (6.2%) and 399 Plug-In Hybrid Electric Vehicles (PHEVs) (2.4%).
- Commitments made in agency transition plans mean that the government light vehicle fleet will consist of around 41.4% EVs by the end of 2025 and total fleet numbers will reduce by around 5% to approximately 15,390 vehicles.

**Key Points – NABERSNZ:**

- Agencies are required to use an approved sustainable building rating system for buildings with a capital value of \$25 million and over. From 1 April 2023, the same standard will apply to buildings with a capital value over \$9 million.
- Organisations are required by a Cabinet decision to commence a NABERSNZ assessment at the next opportunity, such as a lease renewal. This means that 45% of buildings are not due for an assessment yet.
- 52% of buildings now have an assessment planned, underway or have been rated. 27% have been rated, with 18% achieving a 4-star rating or higher.
- 8% did not achieve a 4-star rating. Agencies will work with landlords to achieve the required rating over an agreed period and further assessments will be needed.

**Decisions required:**

- **Note** CNGP progress to date.
- **Note** that the SSDF is nearly fully allocated and that there are limited future opportunities for decarbonisation funding.
- **Approve** the dashboard being sent to the Cabinet Priorities Committee (CPC).
- **Approve** the proactive release of this dashboard on MfE's website following its passage through CPC.

<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>	<p>Minister Shaw</p> <p>10 mins</p>
<p><b>4. Health Sector CNGP Deep Dive</b></p> <p><b>Purpose:</b> To provide CNGP Ministers with an update on work across the public health sector to support the CNGP, as requested at the 9 November 2022 meeting.</p> <p><b>Papers:</b></p> <ul style="list-style-type: none"> <li>• Update for CNGP Minister’s Meeting (Appendix 5)</li> </ul> <p><b>Key points:</b></p> <ul style="list-style-type: none"> <li>• Manatū Hauora reported its emissions, reduction targets and initiatives to the CNGP as a Tranche 1 organisation on 1 December 2022 and is on track to meeting its 2025 CNGP reduction target.</li> <li>• Te Whatu Ora will first report by 1 December 2024 at the latest and intends to use the 2022/2023 financial year as its base year if possible. As a new organisation, it is allowed a reporting extension of 12 months under CNGP rules.</li> <li>• Te Whatu Ora is on track to meet CNGP requirements and to meet targets in line with a 1.5°C pathway. It is making significant progress towards reporting on behalf of the public health sector. Work towards significant emission reductions, particularly relating to energy transition, is underway.</li> <li>• Te Whatu Ora is working through a procurement process for an emissions reporting and reduction planning tool. It currently has an estimated emissions footprint and an interim mitigation plan in place, but aims to improve these with more robust data in time for its first reporting milestone.</li> </ul>	<p>Te Whatu Ora</p> <p>Manatū Hauora</p> <p>15 mins</p>

<p><b>Discussion Points:</b></p> <ul style="list-style-type: none"> <li>Concerns have previously been raised about the health sector not fully utilising its notional allocation in the SSDF. These concerns have now been resolved and there are no health projects currently at risk. Health projects funded by the SSDF include lighting upgrades, fleet electrification, boiler replacements, chiller replacements, and energy efficiency initiatives for buildings. A programme is currently underway to replace all coal boilers in the health sector.</li> <li>Both Manatū Hauora and Te Whatu Ora are progressing their fleet transition journeys. Te Whatu Ora has about 4400 vehicles in its fleet and a programme manager is currently being sought to lead the national fleet transition. As of 1 February 2023, Manatū Hauora has 1 BEV and 4 PHEVs in its fleet of 5 vehicles, and Te Whatu Ora has 331 BEVs, 5 PHEVs, and 1005 Hybrid vehicles in its fleet.</li> </ul> <p><b>No decisions required.</b></p>	
<p><b>5. Information for CNGP Ministers on Solar Panels in Schools</b></p> <p><b>Purpose:</b> To provide CNGP Ministers with information on solar panels in schools, as requested at the 9 November 2022 meeting.</p> <p><b>Papers:</b></p> <ul style="list-style-type: none"> <li>Information for CNGP Ministers on Solar Panels in Schools (Appendix 6)</li> </ul> <p><b>Key points:</b></p> <ul style="list-style-type: none"> <li>MoE is aware of 226 state schools that have solar panels, based on information provided by 1672 schools in mid-2022.</li> <li>The high renewable share of electricity generation in New Zealand significantly decreases the emissions reduced by schools using solar panels.</li> <li>MoE does not specifically fund solar panel installation in schools. Schools can use Ministry-provided capital funding if all higher priority projects are funded first. Alternatively, schools can use non-Ministry funding sources such as entering into power purchasing agreements to cover the upfront costs.</li> <li>There are a number of asset management considerations, including that solar panels on existing structures can pose weathertightness problems, damage roofs and risk voiding asset warranties.</li> <li>MoE is focused on programmes that can achieve efficient and significant carbon reductions for schools, particularly on those that remove fossil fuels and reduce energy consumption. These include the Coal Boiler Replacement Programme and Ngā Iti Kahurangi – Improving Classrooms in Small and Remote Schools.</li> </ul> <p><b>No decisions required.</b></p>	<p>Ministry of Education</p> <p>5 mins</p>

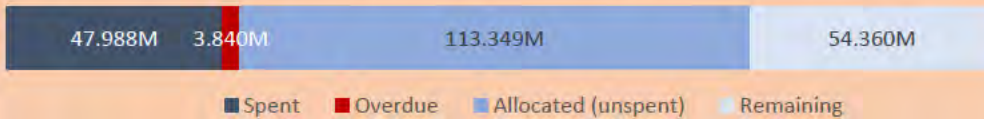
<p><b>6. Changes to the Terms of Reference</b></p> <p><b>Purpose:</b> To make procedural updates to the CNGP Ministerial Group Terms of Reference to reflect the change in membership and correct a Cabinet paper reference.</p> <p><b>Papers:</b></p> <ul style="list-style-type: none"> <li>• Proposed changes to Terms of Reference for the CNGP Ministerial Group (Appendix 7)</li> </ul> <p><b>Decisions required:</b></p> <ul style="list-style-type: none"> <li>• <b>Approve</b> the proposed changes to the CNGP Ministerial Group Terms of Reference.</li> </ul>	Minister Nash
<p><b>7. Any Other Business</b></p>	

## Appendix 2: The March 2023 CNGP Progress Dashboard

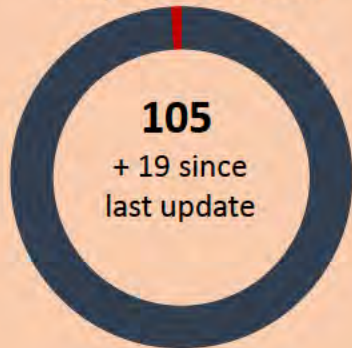
## State Sector Decarbonisation Fund (SSDF)

**Aim: Allocate all \$219.537m in SSD funding by June 2023**

Progress as of February 2023: \$165.178m (75%) allocated, on track to June 2023 aim  
Since last report: \$26.87m in funding for Tranches 11, 12 & 13 has been approved

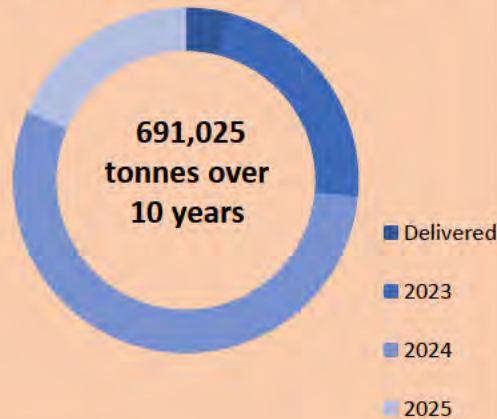


### Projects approved



■ On track ■ Receiving additional attention

### Estimated emissions reduction



## Policy milestones

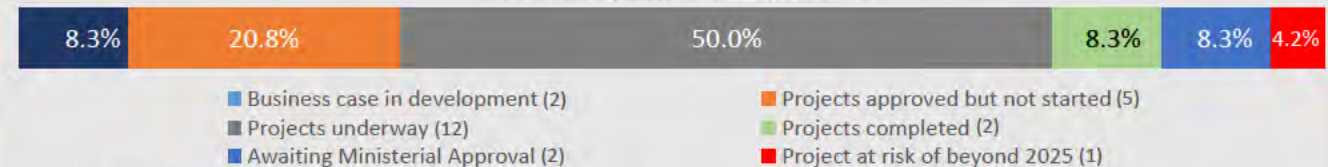
	Underway	Upcoming
<b>Offsetting</b>	Offsetting policy is in development	Offsetting Cabinet paper
<b>SSDF</b>	Tranche 14 project approval with ministers	SSDF funding fully allocated by June 2023

## Coal boilers

**Aim: Phase out the largest and most active coal boilers by the end of 2025**

Progress as at February 2023: 23/24 are projects are on track to be completed by the end of 2025  
Since last report: Two projects now awaiting approval in Tranche 14.  
Risks: NZDF's Burnham coal boiler will be operational (with lower load) until 2028/29. Refer to SSDF Tranche 14 project approval briefing for more information.

### Boiler projects by status



Note: Excludes 151 boiler replacements funded as part of the School Coal Boiler Replacement Programme

## Tranche 1 Reporting Summary – 2021/22

In December 2022, all Tranche 1 organisations reported their emissions, reduction targets, and reduction plans to the Ministry for the Environment. This represents a significant milestone for the Carbon Neutral Government Programme (CNGP). For 59% of organisations, this was the first time that they measured their emissions.

Overall, 2021/22 emissions for Tranche 1 were 303,000 tCO<sub>2</sub>e, representing a 19% reduction compared to base year emissions. This represents significant progress towards 2025 and 2030 reduction targets but also reflects the impacts of the COVID-19 pandemic on operational activities, and emissions are likely to increase in 2022/23.

All Tranche 1 organisations but one set gross emission reduction targets aligned with a 1.5°C reduction pathway and many are well advanced in their reduction initiatives.

71% of emissions were from the top three emitting organisations: the New Zealand Defence Force, the Department of Corrections, and New Zealand Police. Specific challenges for these top emitters include reducing transport fuel emissions and procurement of low emission technology that meets their specific operational needs.

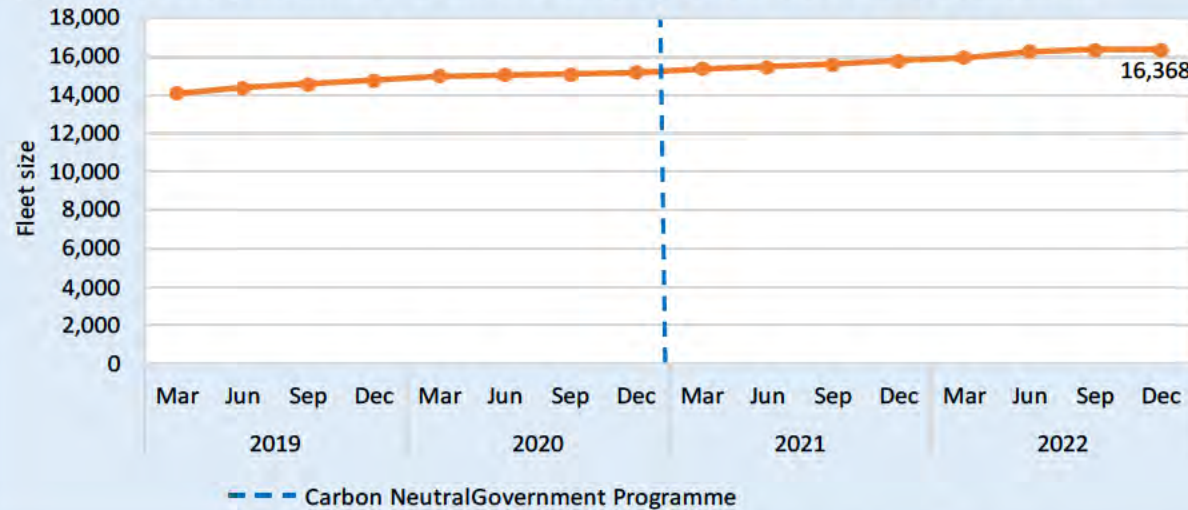
The biggest challenges for most other organisations are controlling the 'bounce back' in air travel emissions following COVID-19 restrictions and reducing electricity emissions.

\*Tranche 1 organisations include departments, departmental agencies and non-public service departments.

## Light vehicle fleet NZTA data – December 2022

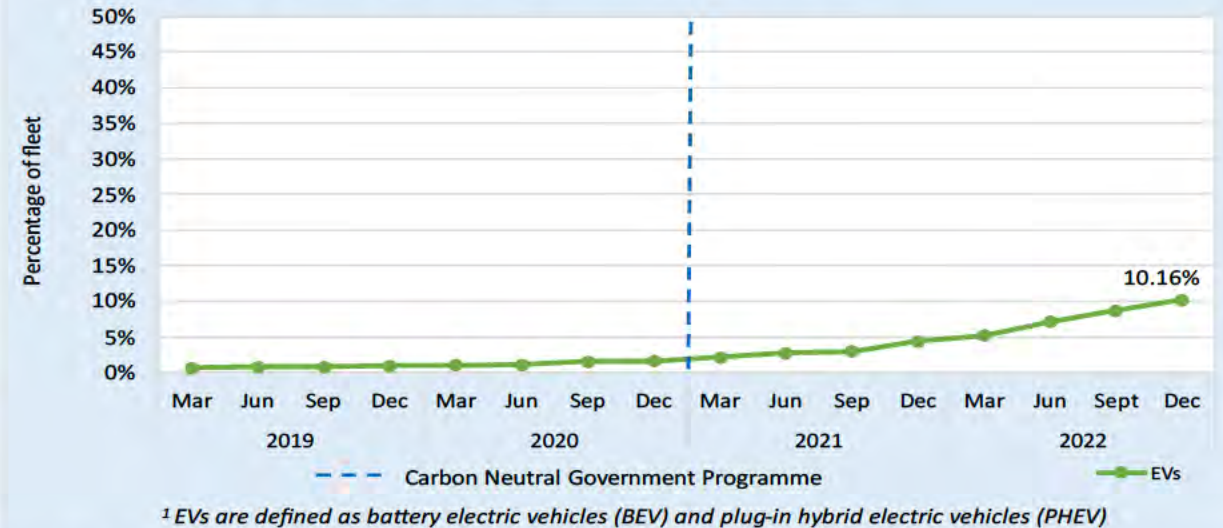
**Aim: reduce the size of the government fleet and transition to electric vehicles (EVs)<sup>1</sup>**

**Fleet size:** has increased by 1,177 vehicles (7.75%) since December 2020, a net increase of 1,424 EVs and a net decrease of 247 internal combustion engine (ICE) vehicles. Compared to last quarter's reporting the net differences are an increase of 236 EVs and a decrease of 236 ICE vehicles.



**Transitioning the fleet:**

- 10.16% of the light fleet is EV, up 8.59% from 1.7% in December 2020

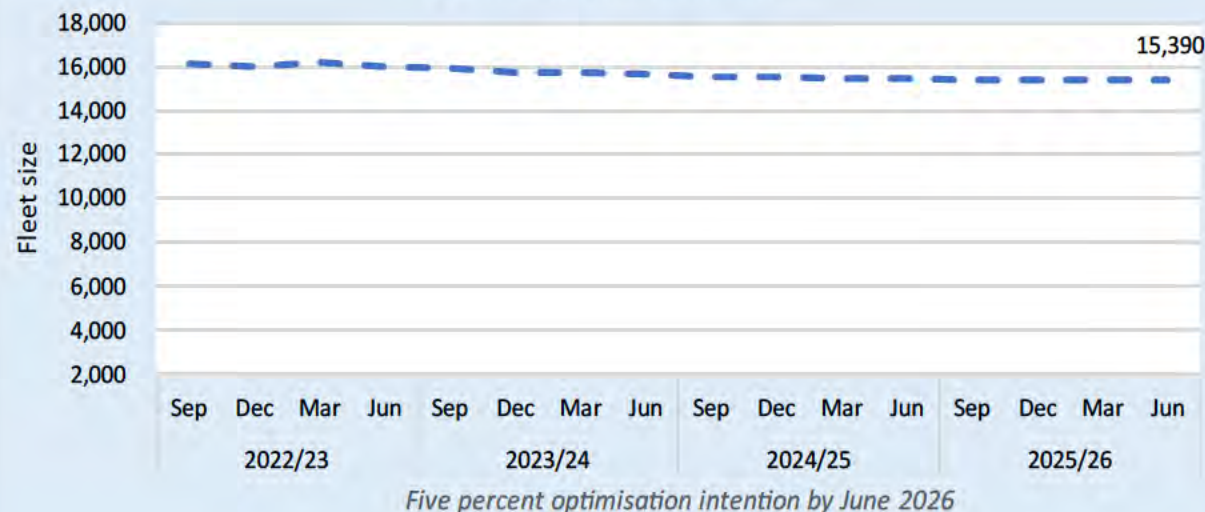


<sup>1</sup> EVs are defined as battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV)

## Light vehicle fleet agency supplied data – September 2022

*Agencies' light vehicle fleet transition intentions as indicated in fleet optimisation and transition plans<sup>2</sup>*

### Optimisation intentions



*Five percent optimisation intention by June 2026*

### Percentage of intended light fleet transition to EV

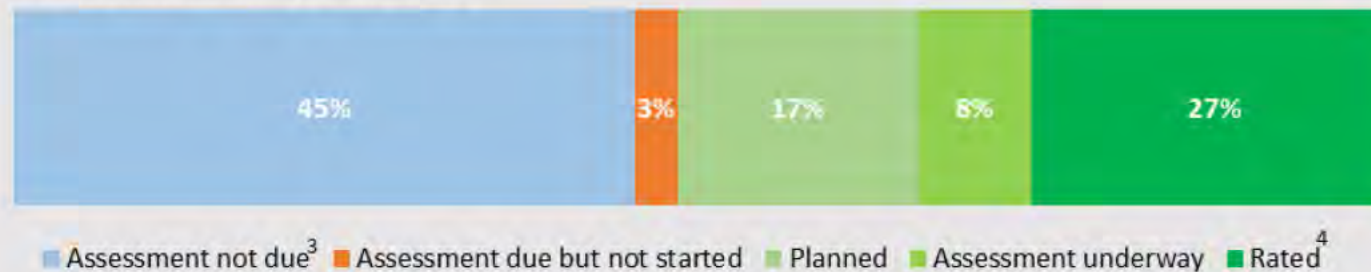


<sup>2</sup> Data provided by agencies with their annual transition plans is likely to differ slightly to NZTA data but may provide a reference for tracking progress against intentions

## NABERSNZ data - December 2022

**Aim: improve the energy efficiency of government office accommodation<sup>2</sup> by achieving 4 Star ratings or higher**

### NABERSNZ ratings completed

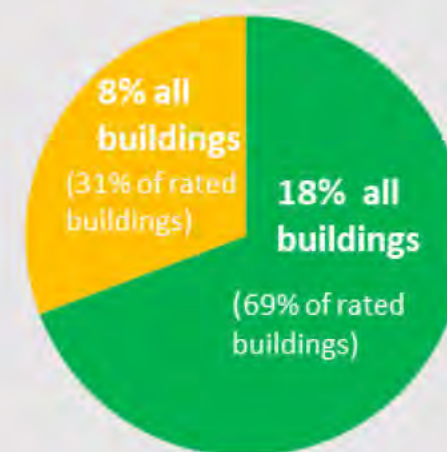


<sup>2</sup> Applies to government office accommodation where the area occupied is 2000m<sup>2</sup> or more  
<sup>3</sup> Assessments are not due until lease renewal or to be completed by December 2025 if no lease renewal due before end of 2025  
<sup>4</sup> A NABERSNZ assessment is undertaken over a 12 month period

### Buildings with a completed rating (18%):

- 18% of all buildings rated 4 Star or higher
- 8% of all buildings rated below 4 Stars<sup>5</sup>

<sup>5</sup> If a building is rated below 4 Stars, the agency will work with the landlord to achieve the required rating over an agreed period of time and further assessments will be required



### Percentage of buildings

- 4 star or above
- Less than 4 star



The Carbon Neutral Government Programme aims to accelerate emissions reductions in the Public Sector, demonstrating leadership to other sectors of the economy. 100% of Tranche 1 organisations (39 departments, departmental agencies and the Executive Branch) reported their 2021/22 financial year emissions to the Programme for the first time. Organisations are required to measure and report their emissions annually, and set emissions reduction targets and plans consistent with a 1.5 degree reduction pathway. Tranches 2 and 3 will report to the Programme in December 2023.

• **All emissions figures are reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e)**

## Progress towards emissions reduction targets



'Base year' represents the total emissions from base years of all organisations. Organisations can select a base year between FY15/16 and FY21/22.

303,179	-72,991 (-19%)	1.5 degree target	Combined org targets
Total emissions FY 21/22	Change since base year	2025 20%	22%
		2030 42%	42%

## Top 10 emissions sources

Source	Base year emissions	FY21/22 emissions	% of Tranche 1 total	% change since base year
<b>Scope 1</b>				
Agriculture (all emissions)	17,651	17,148	6%	-3%
Stationary combustion - natural gas and LPG	24,726	23,382	8%	-5%
Transport fuels - aviation	43,347	33,113	11%	-24%
Transport fuels - other (eg. shipping fuel)	26,869	20,622	7%	-23%
Transport fuels - vehicle fleet	63,595	52,930	17%	-17%
<b>Scope 2</b>				
Electricity	36,897	37,811	12%	2%
<b>Scope 3 (mandatory)</b>				
Air travel domestic	30,660	19,043	6%	-38%
Air travel international	54,644	20,803	7%	-62%
Waste (to landfill)	16,325	10,260	3%	-37%
<b>Scope 3 (other material)</b>				
Other (e.g. staff commuting, investments, leased assets)	10,409	11,205	4%	8%

## FY21/22 emissions by scope

Scope	Emissions (tCO <sub>2</sub> e)	% of Tranche 1 total
Scope 1	163,807	55%
Scope 2	37,821	13%
Scope 3 (mandatory)	77,156	26%
Scope 3 (other material)	21,296	7%

\*Scope 3 mandatory emissions include: business travel, freight, staff working from home, transmission and distribution losses from electricity, water, waste water and waste to landfill.

# Progress by organisation

Emissions reduction progress for each organisation is measured against their base year over time. Organisations set 2025 and 2030 reduction targets consistent with a 1.5 degree reduction pathway and based on the reduction potential within the organisation. The size and nature of the organisation's work affects the size of their emissions, the extent these can be reduced and the time this will take. To give a sense of the challenge, each organisation has rated the reduction potential of their top 3 emissions sources. Emissions are reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

Organisation information					FY 21/22 progress		Alignment to 1.5 degree targets		Progress towards reducing main emissions areas			
Organisation	FTEs	Expenditure (millions)	Base year	Base year emissions	Total gross emissions	Total change since base year	2025 target	2030 target	Top 3 emission sources	Reduction potential	Change since base year	Key reduction initiatives
Crown Law Office	215	\$82	19/20	247	122	-125 (-51%)	●	●	Air travel domestic Air travel international Purchased goods and services	*** *** ***	-17% 100% -39%	Reduce number of flights taken, reduce paper usage, explore Wellington accommodation options, reduce landfill waste
Department of Conservation	2,466	\$576	20/21	11,091	9,326	1,765 (-16%)	●	●	A1 jet fuel Diesel Wastewater	** ** *	7% -17% 38%	Remove remaining coal; investigate emerging technology such as heavy lift drones, fleet transition, hydrogen fuel cells
Department of Corrections	9,764	\$1,493	20/21	51,284	48,978	-2,306 (-4%)	●	●	Stationary combustion Agriculture Electricity	** ** **	-4% 3% -4%	Transition fossil fuelled boilers (stationary combustion), land use feasibility and options assessment (agriculture), energy efficiency (electricity)
Department of Internal Affairs (includes the Ministry for Ethnic Communities)	1,942	\$587	20/21	4,755	4,515	240 (-5%)	●	●	Air travel Electricity Natural Gas	** ** **	5% 2% 1%	Public reporting of Ministerial air travel, revision of travel policy, energy efficiency projects, gas hot water conversion, fleet transition to EVs
Department of the Prime Minister and Cabinet	305	\$157	19/20	925	816	-109 (-12%)	●	●	Air travel domestic Natural Gas distributed commercial Air travel long haul	*** ** ***	12% 44% -47%	Fleet optimisation and transition to EVs, revision of travel policy, updated motor vehicle policy, increase data quality
Education Review Office	222	\$35	20/21	690	465	225 (-33%)	●	●	Air travel domestic Transport fuels - vehicle fleet Domestic accommodation	** ** **	39% -12% 41%	Develop plans to achieve air travel reduction targets, fleet transition to EVs
Government Communications Security Bureau			18/19	2,707	1,760	-947 (-35%)	●	●				Details withheld under Section 6 of the Official information Act. Reduction plan under development
Inland Revenue	3,819	\$682	18/19	5,474	2,076	3,398 (-62%)	●	●	Freight (mail and courier) Electricity Air travel domestic	*** *** **	5% -42% 89%	Postal options analysis, fleet optimisation and transition to EVs, NABER NZ building assessments, LED lighting upgrades, waste management practices enhancements
Land Information New Zealand	812	\$178	19/20	927	436	-490 (-53%)	●	●	Natural Gas Electricity Staff working from home	*** ** **	4% 4% 977%	Looking at moving to a more energy efficient building, energy efficiency upgrades, revision of travel policy

# Progress by organisation

Emissions reduction progress for each organisation is measured against their base year over time. Organisations set 2025 and 2030 reduction targets consistent with a 1.5 degree reduction pathway and based on the reduction potential within the organisation. The size and nature of the organisation's work affects the size of their emissions, the extent these can be reduced and the time this will take. To give a sense of the challenge, each organisation has rated the reduction potential of their top 3 emissions sources. Emissions are reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

Organisation information					FY 21/22 progress		Alignment to 1.5 degree targets		Progress towards reducing main emissions areas			
Organisation	FTEs	Expenditure (millions)	Base year	Base year emissions	Total gross emissions	Total change since base year	2025 target	2030 target	Top 3 emission sources	Reduction potential	Change since base year	Key reduction initiatives
Manatū Taonga Ministry for Culture and Heritage	182	\$39	19/20	261	175	-86 (33%)	●	●	Air travel staff commuting Landfilled waste	** ** ***	-51% 26% 136%	Behavioural change initiatives to reduce air travel, adaptations to travel policies, carbon budgeting, data improvements, emissions reduction plan
Ministry for Pacific Peoples	134	\$31	21/22	86	86	0 (0%)	●	●	Air travel domestic Electricity Air travel international	** ** **	0% 0% 0%	Review travel policy, fleet monitoring and transition to hybrid vehicles, energy efficient upgrades, identify opportunities to reduce electricity use
Ministry for Primary Industries	3,539	\$767	18/19	11,162	4,264	-6,898 (62%)	●	●	Air travel domestic Diesel (vehicle fleet) Electricity	** ** **	-67% 6% 10%	Increase regional presence, change methods of travel, transition to EVs where suitable options exist, investigate lower emission alternatives for specialist vehicles
Ministry for the Environment	828	\$170	17/18	1,324	443	881 (-67%)	●	●	Air travel international Electricity Air travel domestic	*** ** **	78% -16% 77%	Various travel related initiatives, reducing waste to landfill including through procurement decisions, Green Star 6 rated office building.
Ministry for Women	36	\$14	18/19	133	13	-120 (90%)	●	●	Air travel international Air travel domestic Electricity	*** ** *	-100% 80% -21%	Review international and national travel requests against a range of criteria
Ministry of Business, Innovation and Employment	6,015	\$1,261	18/19	10,672	4,239	6,433 (-60%)	●	●	Air travel domestic Air travel international Electricity	*** *** **	58% -83% 5%	Align staff travel budgets and procedures with emissions reduction targets, fleet optimisation and transition, energy efficiency projects, property consolidation
Ministry of Defence	166	\$811	18/19	2,089	750	-1,339 (64%)	●	●	Air travel international Air travel domestic Business travel other (accommodation)	*** *** ***	-69% 78% -62%	Reduce air travel with new travel policy, use EV or hybrid vehicles for business travel, regular internal emissions reporting
Ministry of Education	4,085	\$3,150	18/19	5,744	4,047	1,697 (-30%)	●	●	Air travel Transport fuels - vehicle fleet Electricity	** *** **	44% -46% 1%	Update travel policy, flight reporting, fleet transition to EVs, uptake of EV taxis and rental cars, coms & staff engagement, building energy efficiency, waste management plan
Ministry of Foreign Affairs and Trade	1,742	\$1,525	18/19	33,578	23,383	-10,195 (30%)	●	●	Air travel international Electricity Freight	*** ** **	-53% 13% 26%	Introduction of digital diplomacy technology, revision of travel policy, energy efficiency measures, investigation of solar for Ministry owned properties, fleet transition where practicable.

# Progress by organisation

Emissions reduction progress for each organisation is measured against their base year over time. Organisations set 2025 and 2030 reduction targets consistent with a 1.5 degree reduction pathway and based on the reduction potential within the organisation. The size and nature of the organisation's work affects the size of their emissions, the extent these can be reduced and the time this will take. To give a sense of the challenge, each organisation has rated the reduction potential of their top 3 emissions sources. Emissions are reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

Organisation information					FY 21/22 progress		Alignment to 1.5 degree targets		Progress towards reducing main emissions areas			
Organisation	FTEs	Expenditure (millions)	Base year	Base year emissions	Total gross emissions	Total change since base year	2025 target	2030 target	Top 3 emission sources	Reduction potential	Change since base year	Key reduction initiatives
Ministry of Health (includes the Cancer Control Authority)	863	\$721	19/20	1,966	1,344	-622 (-32%)	●	●	Travel Electricity Waste	*** ** **	-45% 45% -73%	Revision of travel policy, digital transformation, energy efficient upgrades, waste streaming improvement, fleet transition to fully hybrid electric by 2025
Ministry of Housing and Urban Development	332	\$75	20/21	213	156	56 (-27%)	●	●	Air travel domestic Electricity staff working from home	** ** **	30% -17% 9%	Energy saving initiatives, identify ways to reduce travel emissions, improve waste data collection, staff engagement and communication
Ministry of Justice	4,233	\$732	20/21	10,679	11,560	881 (8%)	●	●	Electricity Waste (to landfill) Air travel domestic	** ** **	1% 6% 2%	Fleet transition to EVs, waste audits, improve waste guidelines, reduce electricity consumption, update travel policy, behaviour change initiatives, improve data quality
Ministry of Social Development	8,800	\$1,565	18/19	6,235	5,451	784 (-13%)	●	●	Electricity Air travel Fleet	** *** ***	3% -23% 56%	Energy audits and efficiency, update travel policy, investigate air travel budgets, fleet transition to EVs, review courier use and consolidate and digitalise, waste audit and campaign
Ministry of Transport	241	\$55	19/20	370	135	-234 (-63%)	●	●	Air travel Natural Gas distributed commercial Electricity	*** * **	-82% 19% -3%	Revision of travel policy and implementation of carbon budgets, development of a property strategy, energy audit of office space
National Emergency Management Agency	150	\$37	19/20	253	307	53 (21%)	●	●	Air travel domestic Natural Gas distributed commercial Electricity	* *** **	25% N/A 167%	Fleet optimisation and transition to hybrid electric vehicles, revision of travel policy, updated motor vehicle policy, increase data quality
New Zealand Customs Service	1,519	\$198	19/20	2,705	1,834	-872 (-32%)	●	●	Transport fuels - vehicle fleet Travel Electricity	** ** **	11% 54% -8%	Fleet optimisation and transition to EVs, behaviour change initiatives to reduce travel, investigate energy efficiency upgrades for buildings
New Zealand Defence Force	11,891	\$3,147	16/17	147,364	118,163	29,201 (-20%)	●	●	Transport fuel Air travel stationary energy (e.g. coal, natural gas, diesel)	** ** **	23% -66% 5%	Commercial fleet transition, investigate alternative fuels viability, revised travel policy, development of energy and waste management strategies
New Zealand Police	14,899	\$2,280	18/19	48,785	47,648	-1,138 (-2%)	●	●	Transport fuels - vehicle fleet (petrol) staff commuting Electricity	** ** **	-10% 3% 6%	Update fleet strategy, develop and introduce Sustainability Strategy, NABER NZ assessments, EV transition trials, engage with suppliers for desired outcomes

# Progress by organisation

Emissions reduction progress for each organisation is measured against their base year over time. Organisations set 2025 and 2030 reduction targets consistent with a 1.5 degree reduction pathway and based on the reduction potential within the organisation. The size and nature of the organisation's work affects the size of their emissions, the extent these can be reduced and the time this will take. To give a sense of the challenge, each organisation has rated the reduction potential of their top 3 emissions sources. Emissions are reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

Organisation information					FY 21/22 progress		Alignment to 1.5 degree targets		Progress towards reducing main emissions areas			
Organisation	FTEs	Expenditure (millions)	Base year	Base year emissions	Total gross emissions	Total change since base year	2025 target	2030 target	Top 3 emission sources	Reduction potential	Change since base year	Key reduction initiatives
New Zealand Security Intelligence Service			18/19	1,799	1,338	-461 ( 26%)	●	●				Details withheld under Section 6 of the Official information Act. Reduction plan under development
Oranga Tamariki Ministry for Children	4,665	\$1,406	21/22	6,676	6,676	0 (0%)	●	●	Transport fuels vehicle fleet Electricity staff commuting	*** ** **	0% 0% 0%	Fleet optimisation and transition to EVs, smart vehicle booking system, home insulation and double glazing
Parliamentary Counsel Office	83	\$20	19/20	35	18	-17 ( 49%)	●	●	Air travel Electricity Waste (to landfill)	** ** **	-93% 4% 0%	Focus on opportunities to reduce top emission sources of travel, electricity & waste
Serious Fraud Office	78	\$14	21/22	102	102	0 (0%)	●	●	Air travel Electricity Natural Gas	** ** ***	0% 0% 0%	Revision of travel options, energy efficiency projects, energy efficient upgrades, alignment of WFH policy, explore reduction opportunities
Social Wellbeing Agency	31	\$7	19/20	102	28	-74 ( 73%)	●	●	Air travel Electricity Waste (to landfill)	*** ** **	-97% 6% 0%	Introduce carbon budgeting, revision of travel policy, behaviour change initiatives to reduce energy use and waste
Statistics New Zealand	1,496	\$228	18/19	2,926	1,293	1,633 (-56%)	●	●	Air travel Electricity staff working from home	*** ** **	69% 41% 12%	Air travel emission budgets, travel request forms, intranet education on behaviour change, recruit Sustainability Advisor, environmental programme
Te Arawhiti	189	\$50	18/19	332	328	-4 ( 1%)	●	●	Air travel domestic Waste (to landfill) Business travel other (rental cars)	** *** **	-8% 85% 69%	Development of travel guidance, revision of WFH policy, revision of sustainable accommodation partners, waste education programme, waste audit
Te Kawa Mataaho Public Service Commission	193	\$44	21/22	207	207	0 (0%)	●	●	staff commuting Electricity Natural Gas	** ** **	0% 0% 0%	Energy audit, carbon budgets for travel, develop a carbon policy to change behaviour and minimise energy waste around the building
Te Puni Kōkiri	424	\$87	18/19	1,142	562	-580 ( 51%)	●	●	Air travel domestic Transport fuels vehicle fleet Electricity	** *** **	-56% 42% -3%	Fleet transition to EVs, air travel reductions, staff education on waste disposal
Te Tai Ōhanga The Treasury	556	\$109	18/19	1,129	135	994 (-88%)	●	●	Air travel Staff working from home Electricity	*** * **	96% 149% 77%	Ambitious travel policy, regular waste audits, settings in place to maximise energy efficiency

### Overview

This report provides the Minister of Finance, the Minister for Climate Change and the Associate Minister of Finance with an update on progress under the Government's \$219.54m\* State Sector Decarbonisation (SSD) Fund.

\*of which \$0.58m has been allocated to the Ministry for the Environment, leaving EECA responsible for \$218.96m.

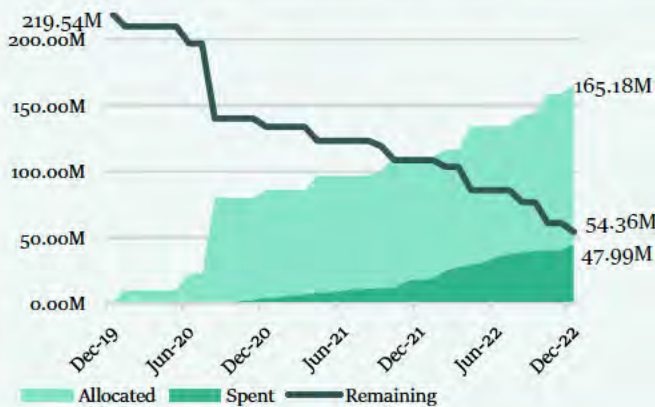
### Recent Activity

- We are finalising the Tranche 14 project approval briefing which will be sent to Ministers in early March. This tranche includes projects to the value of \$49.972 million, with associated emissions reductions of 254,676 tonnes over ten years.
- Should Ministers approve this funding, there will be **\$9(2) (f)(iv)**

### Potential Risks

- No additional projects are at risk of delivery since the November update. NZDF's Burnham coal boiler replacement project is now the only project that remains at risk of delivery due to significant price overruns. The Tranche 14 approval briefing will include advice on options to support this project going forward.
- Te Whatu Ora - Waitemata have revised their project due to difficulty procuring second hand electric vans. They will now purchase seven new electric vans and will no longer require charging infrastructure (repurposing this portion of SSD Funding to support fleet costs). Total SSD Funding remains unchanged as Te Whatu Ora - Waitemata will bear any additional costs for the project out of their own budget. Refer to Appendix Two for further details.

### Funding Allocation to Date



### Number of Projects by Type



Committed CO2 Reductions:

**69,103 tonnes p.a.**

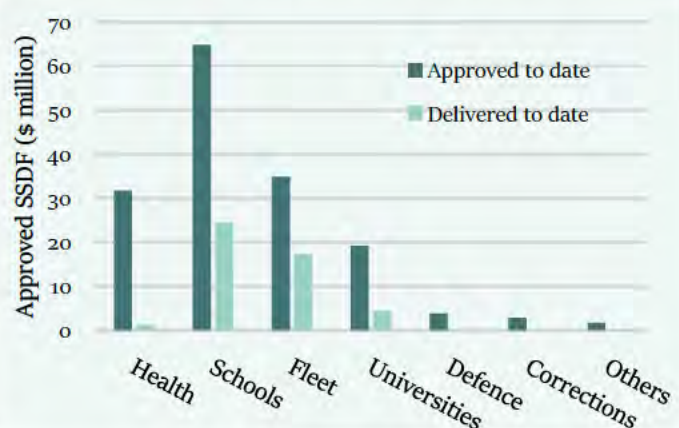
Delivered CO2 Reductions:

**6,304 tonnes p.a.**

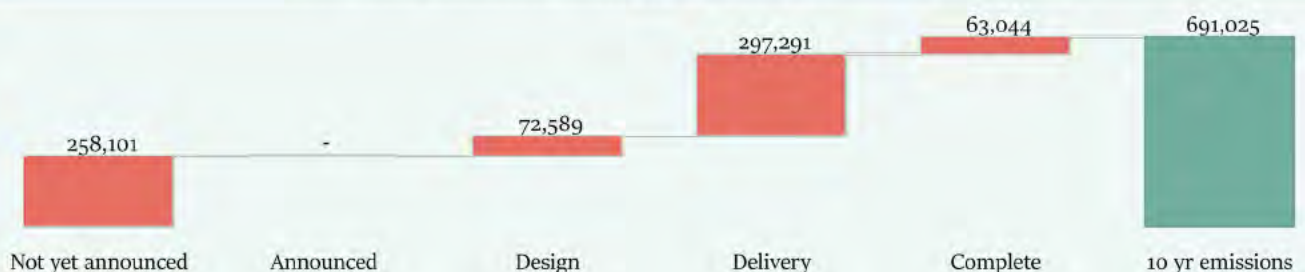
### SSDF Financial Milestones by Status



### Funding Approved to Date by Sector



### SSD Fund Emissions Savings by Project Status (10 yr t CO<sub>2</sub>)



## Appendix One: State Sector Decarbonisation Fund (SSDF) spend profile by Vote as of 28 February 2023

Vote	SSD Funding	Total funding paid out to date	Percentage of funding allocated spent	Overdue	Forecast Spend 2022/23	Forecast Spend 2023/24	Forecast Spend 2024/25
Education	64.924M	24.534M	38%	0.000M	21.739M	13.414M	5.237M
Business, Science, and Innovation*	31.691M	9.549M	30%	0.000M	11.099M	11.038M	0.005M
Health	42.688M	4.446M	10%	0.000M	11.846M	8.264M	18.132M
Conservation	4.245M	4.245M	100%	0.000M	0.000M	0.000M	0.000M
Defence Force	4.823M	0.459M	10%	3.840M	0.262M	0.262M	0.000M
Corrections	4.086M	0.676M	17%	0.000M	0.581M	0.000M	2.829M
Social Development	3.416M	1.094M	32%	0.000M	2.322M	0.000M	0.000M
Police	2.080M	0.644M	31%	0.000M	1.056M	0.380M	0.000M
Agriculture, Biosecurity, Fisheries, and Food Safety	1.553M	0.070M	5%	0.000M	1.406M	0.077M	0.000M
Parliamentary Service	1.290M	0.650M	50%	0.000M	0.640M	0.000M	0.000M
Revenue	1.015M	1.015M	100%	0.000M	0.000M	0.000M	0.000M
Maori Development	0.493M	0.493M	100%	0.000M	0.000M	0.000M	0.000M
Statistics	0.108M	0.108M	100%	0.000M	0.000M	0.000M	0.000M
Labour Market	0.561M	0.561M	100%	0.000M	0.000M	0.000M	0.000M
Education Review Office	0.135M	0.000M	0%	0.000M	0.135M	0.000M	0.000M
Internal Affairs	1.487M	0.075M	5%	0.000M	1.412M	0.000M	0.000M
CNGP Establishment	<b>0.580M</b>	<b>0.580M</b>	<b>100%</b>				
<b>Total</b>	<b>165.178M</b>	<b>48.619M</b>	<b>29%</b>	<b>3.840M</b>	<b>52.498M</b>	<b>33.435M</b>	<b>26.203M</b>

\*these are for Crown entity projects that are spread across portfolios

## Appendix Two: State Sector Decarbonisation Fund (SSDF) At Risk Projects as of 31 January 2023

Organisation	Sector	Location	Project	Date of drawdown approval	Project Cost (\$m)	SSD Funding (\$m)	Co-funding	Original completion date	Project status
<b>NZ Defence Force</b>	Defence Force	Burnham	Coal boiler replacement	16/06/2020	9.600	3.840	40%	26/04/2024	Project projected to be significantly over budget. EECA and NZDF are working to resolve this given the commitment to remove all coal boilers from the State sector by 2025.

## Appendix Three: State Sector Decarbonisation Fund (SSDF) Resolved At Risk Projects as of 31 January 2023

Organisation	Sector	Location	Project	Date of drawdown approval	Project Cost (\$m)	SSD Funding (\$m)	Co-funding	Original completion date	Project status
<b>Te Whatu Ora - Waitemata</b>	Health	Fleet	Electric vehicles (10) & charging infrastructure	26/06/2021	0.316	0.158	50%	31/05/2022	Te Whatu Ora – Waitemata will now use the funding to purchase 7 new EV vans, rather than second hand vans. They will not require charging infrastructure for these due to existing infrastructure from previous projects. They will bear any additional costs for the project out of their own budget



## Appendix 3: Analysis of Tranche 1 2021/22 emissions reporting

### Executive summary

1. In December 2022, all Tranche 1 organisations<sup>1</sup> in the Carbon Neutral Government Programme (CNGP) reported their emissions, reduction targets, and reduction plans to the Ministry for the Environment (MfE). This represents a significant programme milestone and was the first time that 59% of organisations measured their emissions.
2. Overall, 2021/22 emissions for Tranche 1 were 303,000 tCO<sub>2</sub>e, representing a 19% reduction compared to base year emissions. This represents significant progress towards 2025 and 2030 reduction targets but also reflects the impacts of COVID-19 restrictions on operational activities. Emissions are likely to increase in 2022/23 before a downwards trajectory is expected in subsequent reporting periods.
3. All Tranche 1 organisations but one set gross emission reduction targets aligned with a 1.5°C reduction pathway and many are well advanced in their reduction initiatives.
4. 71% of emissions were from the three organisations with the largest emission profiles: the New Zealand Defence Force (NZDF), the Department of Corrections (Corrections), and the New Zealand Police (Police). Specific challenges for these three include reducing transport fuel emissions and procurement of low emission technology that meets their specific operational needs.
5. The biggest challenges for most other organisations are controlling the ‘bounce -back’ in air travel emissions following COVID-19 restrictions and reducing electricity emissions.
6. In 2023, the CNGP is focusing on:
  - a. working with organisations to address system wide emission reduction barriers in key areas
  - b. supporting Tranche 2 and 3 organisations<sup>2</sup> to report for the first time in December 2023 including a number of organisations with large emission profiles
  - c. improving the operational efficiency of the CNGP to support the nearly 100 organisations across the programme to meet their reporting requirements and implement reduction initiatives through guidance, capability building and accountability.
  - d. identifying areas where system levers can support organisations to obtain the data they need and influence reductions in their own emissions and their supply chains.

<sup>1</sup> Tranche 1 organisations are Public Service Departments, Departmental Agencies, and the Executive Branch.

<sup>2</sup> Tranche 2 organisations are Crown Agents and School Boards of Trustees. Trance 3 organisations are Tertiary Institutions, State Owned Enterprises, the Offices of Parliament, the Legislative Branch, and the Reserve Bank of New Zealand.

7. To date, the State Sector Decarbonisation Fund (SSDF) has provided the primary source of co-funding to support agencies emissions reductions requirements under the CNGP. This funding has bridged the financial gap between capital cost of equipment replacements with low emissions alternatives. As the SSDF approaches full allocation (on track for 30 June 2023), the CNGP secretariat (MfE, the Energy Efficiency and Conservation Authority (EECA), and the Ministry for Business, Innovation and Employment (MBIE)) is currently considering opportunities to continue to support state sector agencies to deliver their emissions reduction plans.

## All Tranche 1 CNGP organisations reported their emissions in December 2022

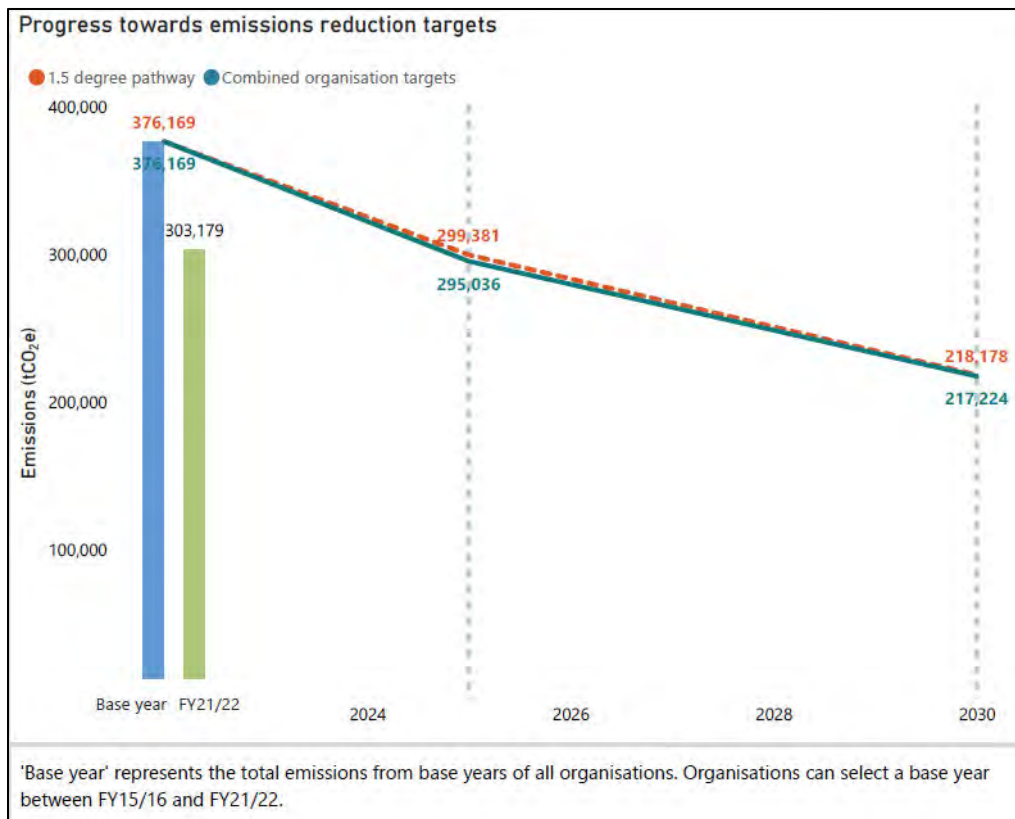
8. Tranche 1 CNGP organisations were mandated by Cabinet to report their emissions, reduction targets, and reduction initiatives to the Programme Lead by 1 December 2022.
9. Tranche 1 CNGP organisations reported 303,000 tCO<sub>2</sub>e for 2021-22.<sup>3</sup> This is a significant milestone for the CNGP, marking the first year of emissions reporting for the programme. 23 Tranche 1 organisations (59%) were not measuring their emissions prior to the establishment of the CNGP.
10. The emissions of two departmental agencies were incorporated into their host agency reports, resulting in 37 separate reports representing 39 Tranche 1 organisations. All 2021-22 and base year emissions were independently verified.
11. All Tranche 1 organisations, except one, set gross emission reduction targets for 2025 and 2030 that are aligned with a 1.5°C reduction pathway and CNGP reduction target guidance. The Ministry for Pacific Peoples did not set targets aligned to a 1.5°C reduction pathway due to the impact of COVID-19 restrictions on base year air travel emissions (their main emission source) and the importance of re-establishing talanoa (face-to-face engagement) as a culturally significant way of engaging with stakeholders. All Tranche 1 organisations have commenced their emission reduction journey and many organisations are well advanced in identifying and planning reduction initiatives.
12. Overall, Tranche 1 participants reduced their emissions by 73,000 tCO<sub>2</sub>e (19%) from base year. This is the equivalent of taking 27,000 cars off the road for a year<sup>4</sup> and represents significant progress towards 2025 and 2030 reduction targets (Figure 1). It also reflects the impacts of COVID-19 restrictions on operational activities.

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<sup>3</sup> This total encompasses Scope 1, Scope 2, and mandatory Scope 3 emissions. An additional 64,124 tCO<sub>2</sub>e of Scope 3 (other material) emissions were reported but were not included within the scope of the relevant organisation's emission reduction targets.

<sup>4</sup> Based on 2.7 tCO<sub>2</sub>e per car per year (source data from Ministry of Transport and Ministry for the Environment)

**Figure 1: Overall Tranche 1 emissions, targets and progress**

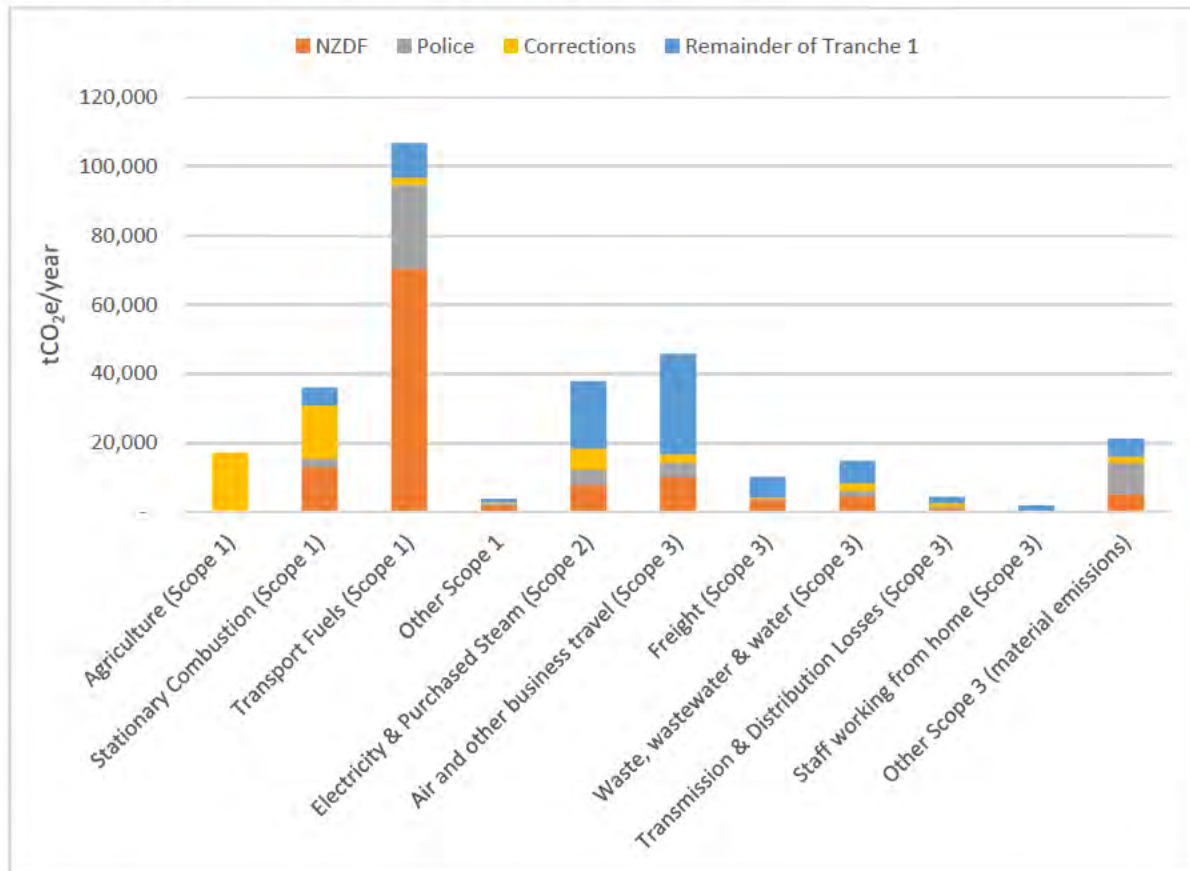


13. The biggest reductions by percentage have been achieved in international air travel (62%) and domestic air travel (38%). These reductions should be viewed within the context of COVID-19 travel restrictions. It is expected that 2022/23 air travel emissions will somewhat increase due to the lifting of restrictions. Many organisations are proactively working on travel policy to avoid returning to pre-pandemic levels while balancing expectations around face-to-face engagement.
14. Tranche 2 and 3 CNGP organisations are expected to report their annual emissions for the first time by 1 December 2023, for the 2022/23 financial year.

### The top 3 emitting organisations are responsible for most Tranche 1 emissions

15. 71% of Tranche 1 emissions are from three organisations, reflecting their significant operational activities. The organisation with the largest emissions profile is NZDF (39% of Tranche 1 emissions), followed by Corrections (16%) and Police (16%). These three organisations also account for 90% of direct (Scope 1) emissions.
16. The main emission sources for these three organisations collectively are transport fuels (45%), stationary combustion (14%), electricity (9%) and agriculture (8%). These organisations account for 89% of these four emission sources (Figure 2).

Figure 2: Total emissions reported in 2021-22 – Tranche 1 organisations



17. NZDF, Corrections, and Police identified some common barriers to implementing emission reduction initiatives, including availability of low emission alternatives and infrastructure, operational, and funding constraints. A key focus for the CNGP secretariat is working with organisations with large emissions profiles to identify system wide levers and support that can be used to address these issues where appropriate.
18. **New Zealand Defence Force:** The majority of NZDF emissions are from the combustion of transport fuels associated with the NZDF's large fleet of ships, aircraft, and heavy vehicles (60%). These emissions have reduced by 23% in 2021/22 compared to NZDF's base year of 2016/17 and overall NZDF emissions have reduced by 20%. These reductions reflect both reduction initiatives underway and temporary capability gaps and constraints on operational activities due to COVID-19 restrictions. The extent to which emissions reductions from the base year can be considered permanent is currently unknown. NZDF has identified a comprehensive range of reduction initiatives but achieving its emission reduction targets will be very challenging. Significant barriers include the nature and location of NZDF operations (e.g., locations around the globe, extreme conditions, where local infrastructure has been damaged or destroyed), limited low emission fuel options appropriate for military operations, the cost of transitioning operational capability to low emissions alternatives where they exist, and supply chain and infrastructure constraints.

19. **Department of Corrections:** The largest emission sources for Corrections are agriculture (35%) and stationary combustion (31%) (fossil fuel boilers for heating and hot water). Corrections provides rehabilitation and training opportunities for post-release employment through agriculture and is the only Tranche 1 organisation reporting agricultural emissions. Corrections agricultural emissions reduced by 3% from its base year of 2020/21. These initial reductions are a product of operational decisions. Further consideration is required to assess the trade-offs for any significant change to agriculture operations and may impact on the ability of Corrections to achieve reduction targets. Corrections has identified a decarbonisation pathway to 2025 that includes transitioning boilers at three pilot sites to low emission alternatives, which will inform larger-scale boiler transitions and lead the way to its 2030 target. Barriers to implementation include funding availability, supply chain challenges, and infrastructure and operational constraints to implementing low emission boiler alternatives.
20. **Police:** The largest source of Police emissions is fuel for road and maritime fleets (48%), which decreased by 10% in 2021/22 from its base year of 2018-19. The drivers for this reduction are constraints on operational activities during COVID-19 restrictions and changes to operational fleet. Police have identified a range of reduction initiatives to reduce emissions from its vehicle fleet and other sources. The speed of transition to a low-emission organisation is dependent on several external constraints such as the availability of low emission vehicles that can fulfil diverse operational requirements, capability, funding models, and supply chain and infrastructure constraints. Police is also a national and international response service, which means that it has a reduced ability to predict and reduce operational emissions. Police is continuing to investigate initiatives to reduce emissions which will determine its ability to meet its targets.

#### **Travel is the highest emission source for most Tranche 1 organisations<sup>5</sup>**

21. Air travel is the highest source of emissions for 23 out of 37 agencies. Air travel and other travel emissions accounted for 15% of total emissions in 2021-22 (6% domestic air travel, 7% international air travel, 2% other travel related emissions). In organisations' base years, travel related emissions accounted for 25% of total emissions.
22. The Ministry of Foreign Affairs and Trade (MFAT) and NZDF are the biggest contributors to travel emissions accounting for 23% and 22% of total travel emissions respectively. Most travel emissions for these two organisations are associated with international air travel.
23. There was a 51% reduction in air travel emissions from organisations' base years to 2021/22. This reduction is largely due to reduced travel during the COVID-19 restrictions, although about half of Tranche 1 organisations' have a base year that overlaps with the pandemic. If air travel was to return to pre-pandemic levels across Tranche 1 organisations, their travel emissions

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<sup>5</sup> Analysis of top emission sources excludes contributions from the Government Communications Security Bureau and the New Zealand Security Intelligence Service due to security restrictions on releasing a breakdown of emission sources for these organisations.

could more than double in from 2021/22 to 2022/23. Some increase in air travel is anticipated managing the projected air travel increase is a priority emission reduction focus area for most organisations. This is particularly challenging for organisations for whom travel is integral to operational activities and for those seeking to re-engage with key stakeholders following pandemic disruption.

24. The Ministry for Primary Industries (MPI) is one example of an organisation actively seeking to manage increases in travel emissions as services and activities are strategically built back after pandemic restrictions. MPI has a target to reduce emissions from international and domestic travel by at least 30% in 2022-23 compared with their base year. Its first step to achieving this has been the development and roll out of an emission projection tool across MPI. This tool is supporting each business unit and branch to develop a good picture of the emissions involved in business activities such as travel, and to then apply mitigations to plan its engagement approaches and how it is organised to deliver across New Zealand and internationally.

### **Electricity is an important emission source for Tranche 1 organisations**

25. Electricity emissions account for 12% of total reported emissions in 2021-22, representing a 2% increase on base year emissions. Top contributors to electricity emissions include NZDF (21%), MFAT (20%), Corrections (16%), and Police (11%). 98% of MFAT's reported electricity emissions arise outside New Zealand, often in countries with more carbon intensive electricity grids.
26. Electricity use is not separated into specific activities, but most use is associated with the operation of buildings (heating, lighting, and plug loads). Some sources of electricity use are expected to decrease over time (e.g., heating and lighting) as organisations undertake building efficiency measures. We expect that other sources, such as charging electric vehicles, will increase. We anticipate that decarbonisation of the electricity grid will assist organisations to decrease electricity emissions over time despite increased demand in some areas.
27. Inland Revenue (IR) is an example of an organisation actively working to reduce electricity emissions associated with building use. Over the past three years, IR has consolidated from three sites to one in the Wellington CBD, from three sites to two in Auckland, and is currently planning to reduce from three sites to two in Christchurch. They have also surrendered several floors within multi-level buildings. IR is undertaking NABERSNZ assessments on buildings over 2,000 square metres and, as leases for older properties expire, considering opportunities for more modern accommodation which include features such as maximising natural light, lighting control systems, energy efficient air-conditioning, modern insulation, low water use fixtures and appliances, and more convenient stairways to reduce elevator use.

### **Most organisations reduced their emissions compared to their base year**

28. All but two Tranche 1 organisations reduced their gross emissions in 2021/22 compared to their base year. National Emergency Management Agency emissions increased by 21% due to the organisation responding to a number of complex emergencies and contributing to the recovery from these events throughout 2021/22 (e.g., severe weather events in the West Coast and in Tairāwhiti). Ministry of Justice emissions increased by 8% reflecting reduced operations during



their base year of 2020/21 due to the COVID-19 pandemic but a return to near full capacity in the 2021/22 year as an essential service that was minimally affected by 2021 lockdowns.

### Organisations are in early stages of measuring value chain (Scope 3 other material) emissions

29. Value chain emissions (Scope 3 other material) emissions are not a mandatory CNGP reporting source but can be a significant source of emissions for many organisations, for example, emissions from purchased goods and services and embodied emissions. The nature and scope of these emissions varies between organisations, and it will take a significant amount of time for organisations to fully understand, report on, and reduce these emissions. Approximately 60% of Tranche 1 organisations reported some other material Scope 3 emissions in 2022, with approximately half of those emissions associated with staff commuting and half from purchased goods and services.

### The role of the SSDF

30. The \$219.54 million SSDF, administered by EECA has provided the primary source of co-funding to support emissions reductions across the CNGP, bridging the financial gap for organisations to deliver decarbonisation projects.
31. Funding is available to all of Tranches 1 and 2, other Crown Entities, Tertiary Education Institutions, and previously, District Health Boards.<sup>6</sup> State Owned Enterprises are excluded.
32. All of the tagged capital contingency is on track to be allocated by 30 June 2023. We estimate that the combined emissions reduction impact of the funding will be around 945,699 tonnes over ten years<sup>7</sup>. To date, Ministers have approved \$165.178 million in funding, with \$49.972 million pending approval in the SSDF Tranche 14 approval briefing. Should Ministers approve this funding, there will be \$4.387 million remaining.
33. The immediate focus of the SSDF has been to phase out the 43 coal boilers remaining across the state sector, which span 24 sites<sup>8</sup>. This is progressing well, and officials expect only one coal boiler (at NZDF's Burnham site) to remain in use beyond 2025. s 9(2)(f)(iv)
34. As the SSDF approaches full allocation, the CNGP secretariat is considering opportunities to continue to support state sector organisations in delivering their emissions reductions plans. This is likely to include expanding support for fleet electrification, which EECA and MBIE expect to provide further advice to Ministers on in the SSDF Tranche 15 approval briefing.

<sup>6</sup> Eligibility for SSDF fleet capital is restricted to agencies that are mandated to comply with the All of Government Vehicles contract.

<sup>7</sup> Many assets have a lifespan of longer than ten years, meaning that the actual emissions reduction impact per dollar of capital investment in alternatives will be long-lasting.

<sup>8</sup> This excludes coal boilers across the state schooling sector, which come under the Ministry of Education-led Coal Boiler Replacement Programme.

### Focus areas for the CNGP in 2023

35. Tranche 1 results provide valuable insights into priority areas for the CNGP in 2023. The number of organisations reporting their emissions will increase significantly in 2023 with Tranche 2 and 3 organisations reporting for the first time. Resulting focus areas for the CNGP secretariat in 2023 will include the following:
- a. Considering opportunities to continue to support CNGP organisations to deliver their emissions reductions plans as funding available through the State Sector Decarbonisation Fund diminishes. Officials will work to identify the most impactful policy approaches to address remaining emissions across the state sector and will provide further advice to Ministers.
  - b. Providing continued support to CNGP organisations to reduce emissions in key areas such air travel, transport, stationary combustion, and electricity, including facilitating engagement to help identify and address system-wide barriers where appropriate. Supporting organisations to pro-actively manage a projected increase in air travel emissions following the easing of COVID-19 restrictions will be a focus of training and resource sharing as this is a priority area for most CNGP organisations.
  - c. Supporting Tranches 2 and 3 to meet 2023 reporting deadlines, including a number of organisations with large emission profiles (e.g., Te Whatu Ora, Waka Kotahi, Kāinga Ora, and schools). This will include supporting agencies to measure and verify their emissions, set targets, and plan reduction initiatives, as well as providing guidance in areas of specific interest to these organisations (e.g., embodied carbon and construction).
  - d. Providing effective support to the nearly 100 CNGP organisations and improve operational efficiency of the programme. This is expected to include procurement of a streamlined reporting and analysis tool, reassessing methods of engagement and support, continuing the training programme, and improving methods for sharing resources and best practice between organisations.
  - e. Providing guidance to support organisations to engage with and influence their wider value chain. This is an area where the programme has significant potential to drive improvements in the wider economy through influence and leadership.



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## Appendix 5: Update for CNGP Minister's Meeting

# Update for CNGP Minister’s Meeting

<b>Date:</b>	6 March 2023		
<b>Security classification:</b>	In Confidence	<b>Tracking number:</b>	HNZ00009934

Name	Position	Email / Telephone
Dr. Andrew Old	Deputy Director-General Public Health Agency   Te Pou Hauora Tūmatanui Manatū Hauora – Ministry of Health	andrew.old@health.govt.nz
Tracey Maisey	Tracey Maisey Interim Chief Strategy, Planning and Performance Te Whatu Ora – Health New Zealand	tracey.maisey@health.govt.nz
Vicktoria Blake	Interim Head of Sustainability Te Whatu Ora – Health New Zealand	vicktoria.blake@health.govt.nz 027 268 5905 (1st contact)

## Purpose

1. This paper provides an update on work across the public health sector to support the Carbon Neutral Government Programme (CNGP), to be discussed at an upcoming meeting of CNGP Ministers – date to be confirmed.

## Executive summary

2. At the CNGP Ministerial Group meeting on 9 November 2022, CNGP Ministers requested to do a deep dive into the health sector at the next meeting.
3. Manatū Hauora and Te Whatu Ora, alongside other agencies in the health sector, must meet CNGP reporting directions, with Tranche 1 agencies required to report annually from 1 December 2022, and Tranche 2 organisations to report from 1 December 2023. Te Whatu Ora has been given a 12-month extension as it is a new organisation and therefore is not required to report until 1 December 2024.
4. Manatū Hauora, the Ministry of Health, reported its emissions, reduction targets and initiatives to the CNGP as a Tranche 1 organisation on 1 December 2022.
5. Manatū Hauora will meet its 2023 CNGP requirements as a Tranche 1 organisation and is on track to meeting the 2025 CNGP reduction target.
6. Te Whatu Ora – Health New Zealand will report as a Tranche 2 organisation on 1 December 2024 at the latest, with the intention of using the 2022/2023 financial year as its baseline if practicable.

7. Te Whatu Ora is on track to meet CNGP requirements and to set and meet targets in line with a 1.5-degree pathway (setting targets to limit the global average temperature increase to 1.5 °C above pre-industrial levels).
8. Te Whatu Ora is making significant progress on enabling and embedding reporting on behalf of the public health sector, as a Tranche 2 organisation. Work towards significant emission reductions, particularly relating to energy transition, are already underway.
9. A summary of the health sector's CNGP progress, actions, and next steps is provided in Annex 1.

## Background

1. CNGP Ministers requested a deep dive on the approach to reducing emissions in the health sector at their 9 November 2022 meeting, after undertaking a similar exercise on the education sector, supported by the Ministry of Education. Manatū Hauora reports for itself as a Tranche 1 organisation, with Te Whatu Ora, on behalf of the public health system, as a Tranche 2 organisation. We acknowledge that other crown entities that make up part of the health sector, such as Pharmac and New Zealand Blood Service, are also required to report under Tranche 2. These entities have not been included within this report, focusing on Manatū Hauora and Te Whatu Ora. Te Aka Whai Ora is an independent crown entity and is not required to report under CNGP.
2. The positioning of the health sector as a sustainable and climate resilient system is set within a fabric of domestic and international policies, commitments, and agreements. To meet these established obligations, system change must be strategic, swift, and consistent.
3. The health system must enable a just transition by ensuring any activities undertaken to meet sustainability principles are climate resilient and do not exacerbate health inequities or compromise the delivery of safe and timely healthcare.
4. The health system experiences barriers to the speed at which it can meet CNGP requirements and other sustainability intentions, due to:
  - a. its significant role in COVID-19 response
  - b. competing priorities for capital investment
  - c. issues relating to electricity capacity for both stationary energy and fleet transition requirements.
  - d. the whole health system is undergoing significant reform. Te Whatu Ora was established on 1 July 2022 and currently working through its establishment and settling in phase.
5. To combat barriers and enable decarbonisation in line with a 1.5-degree pathway, the health sector recommends the following:
  - a. Enable the reinvestment of potential mandatory carbon offset cost into a public sector decarbonisation fund, potentially for the first five years of the programme (i.e., until 2030). As an example, offset cost is estimated at \$8.2M

in 2025, based on Te Whatu Ora energy use alone, and that is after achieving reductions through the programme business case for stationary energy transition currently being progressed. This OPEX spend could be reinvested into the public sector to ensure decarbonisation can remain a priority for the hard to fund and/or manage activities that are required.

- b. Investigate and resolve ongoing issues with the planning and funding of local electricity networks to ensure that when additional capacity requirements are forecast, whole of life costs and revenues are fairly balanced between organisations and entities (e.g., lines companies and public sector agencies).
6. Discussions are currently underway between Manatū Hauora, Te Whatu Ora, and Te Aka Whai Ora | Māori Health Authority as to how the three organisations will work together in the environmental sustainability and climate resilience space, under which CNGP compliance sits.

## The health sector's CNGP requirements

7. Tranche 1 organisations (including Manatū Hauora) were directed to measure greenhouse gas emissions from 2021/22 onwards, verify and report on these emissions and set gross emissions targets and reduction plans by 1 December 2022. Manatū Hauora has met the first reporting deadline and will continue to report to the CNGP on an annual basis.
8. The timeline for Tranche 2 organisations (including Te Whatu Ora) is a year later than Tranche 1. Tranche 2 organisations have been directed to measure carbon emissions from 2022/23 onwards, verify and report on emissions and set gross emissions targets and reduction plans by December 2023. Te Whatu Ora is exempt from the CNGP requirements for its first financial year following its establishment but may choose to meet some or all of the requirements earlier. Te Whatu Ora is working toward using the 2022/2023 financial year as a baseline pending successful data collection and reporting activities through the first year of organisational transition.
9. The health system's approach to environmental sustainability is broader than meeting CNGP direction, as indicated through interim planning, and illustrated in Annex 1.

## How does this paper address Te Tiriti o Waitangi?

10. Any work in the environmental sustainability and climate resilience space reinforces Te Tiriti o Waitangi principles through its acknowledgement of ka ora te taiao, ka ora te tāngata, the inherent connection between a healthy environment and human health and wellbeing.
11. As the environment is one of the determinants of health, responding to climate change will deliver broader benefits to population health and improve equity, enabling our key system shifts under Pae Ora.

## Summary of CNGP progress, actions, and next steps

12. We are providing three A3s (Annex 1) for the CNGP Ministers' meeting to summarise the progress the health sector has made, work already underway, and next steps. They are:



- a. Te Whatu Ora Emissions Reporting and Reductions as a Tranche 2 CNGP Organisation
- b. Leading and Supporting our Sector
- c. Manatū Hauora Corporate Emissions and Reductions as a Tranche 1 CNGP Organisation

13. Attendees at the CNGP Ministers' meeting will be confirmed, alongside the invitation to the Minister of Health to attend at their discretion.

## **Annex 1:**

Update for CNPG Ministers Meeting:

- a. Te Whatu Ora Emissions Reporting and Reductions as a Tranche 2 CNGP Organisation
- b. Leading and Supporting our Sector
- c. Manatū Hauora Corporate Emissions and Reductions as a Tranche 1 CNGP Organisation

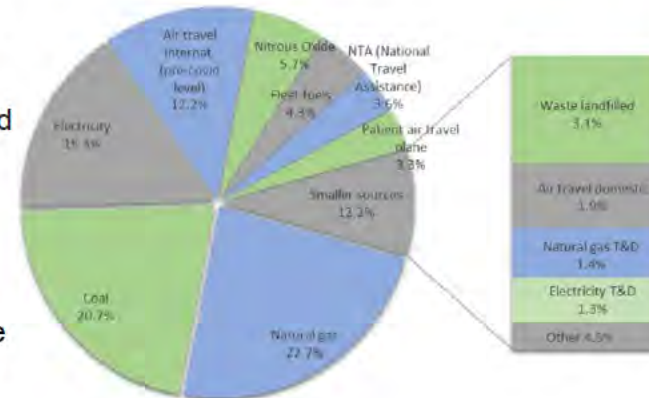
# Annex 1: (A) Te Whatu Ora Emissions Reporting and Reductions as a Tranche 2 CNGP Organisation

Tranche 2 organisations have been directed from 2022/23 to measure and report their emissions and submit a reduction plan by December 2023. As it is a new entity, Te Whatu Ora has been given a 12-month exemption and must measure from 2023/24 and report from December 2024.

We are enabling and embedding reporting and planning on behalf of hospitals and health system supporting services

## Emissions measurement and reporting

- As at 30 June 2022, fewer than half of District Health Boards were measuring or reporting on greenhouse gas emissions, most meeting ISO 14064:2006. Despite this, the data collected has enabled Te Whatu Ora to make a hospital-centric national estimation of its emissions footprint.
- Figure 1: Te Whatu Ora's greenhouse gas emissions by source. Total estimated national emissions are 258,000 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>-e; a common unit of measure for combined greenhouse gases)
- Te Whatu Ora has developed a standardised Emission Reporting Framework which outlines the approach to reporting the organisation will take, including a phased approach to more difficult to measure emissions sources.
- Te Whatu Ora is working to procure an emissions reporting tool to enable it to easily collect and report on emission information from all of parts of the organisation under its operational control and is embedding reporting processes in BAU work programmes for emissions associated with energy use, transport, anaesthetic gases, and other material emission sources with data sourced directly from suppliers.
- Emissions reporting will have the ability to inform from national, regional, local, and specific business unit/hospital perspectives.



## Emissions reduction and sustainability planning

- Te Whatu Ora has released its interim intention for environmental sustainability and climate resilience both in Te Pae Tata interim New Zealand Health Plan, and on its website.
- Te Whatu Ora has created an interim work programme in line with CNGP requirements and actions set out in Te Pae Tata.
- This plan focuses on three key priorities:
  - Health System Decarbonisation** - to reduce health system carbon emissions in line with a 1.5-degree scenario
  - Environment in all Practices** - to realise co-benefits that include the environment alongside health, equity, social and economic values
  - Health System Resilience and Adaptation** - to ensure sector resilience by planning for and adapting to the impacts of climate change.

We are already undertaking significant emissions reductions in hospitals

## Energy transition

- Stationary energy use accounts for an estimated 65% of Te Whatu Ora greenhouse gas emissions
- A coal conversion programme is currently in place:
  - two coal boilers conversions recently completed in Timaru.
  - seven coal boiler conversions underway: two in Christchurch, three in Wairau and two in Ashburton
  - 13 remaining coal boilers have a conversion programme in place
  - All coal boilers will be replaced by June 2025
- A Stationary Energy Transition Programme Business Case was approved by the Te Whatu Ora Board in December 2022. It aims to transition remaining fossil fuel boilers to low emissions technologies.
- An application for Tranche 14 of the State Sector Decarbonisation Fund has been made to co-fund the capital investment required to achieve an estimated 23,000 tCO<sub>2</sub>-e emissions reduction (or 14% of energy emissions).
- Solar and other opportunities will be investigated as part of ongoing scoping activities, however no reports are currently available.



## Fleet transition

- Te Whatu Ora has a fleet of 4,000+ vehicles. By early 2023 over 400 of these will be Battery Electric Vehicles.
- A Te Whatu Ora fleet optimisation and transition strategy, and subsequent business case, are expected by mid-2024 which will bring the entire fleet together and further enable the transition.

## Environment in all Practices

- The health sector's emissions are significantly influenced by energy use, medical gas and refrigerant use, travel and transport.
- Adding procurement and supply chain activities to the scope of what is measured could add as much as 70 percent to the existing footprint. To understand and minimise this footprint, Te Pae Tata outlines actions relating to understanding the full procurement life cycle, specifically including, and enforcing, environmental sustainability and climate resilience policies in contracts.
- Te Whatu Ora staff are genuinely concerned with waste across the sector, particularly single-use medical devices and plastics. Waste is also known to carry adverse health impacts stemming from soil, water, and air pollution. Te Pae Tata requires the development of nationally consistent best practice for waste management.

## (B) Leading and Supporting our Sector

The health sector is leading and enabling significant change in and beyond its boundaries

### Environmental sustainability and emissions reduction

- a) Te Whatu Ora endorsed its first policy related to environmental sustainability and climate resilience in August 2022 which outlines how it will meet CNGP requirements. This policy, and future policies, will reinforce Te Tiriti o Waitangi principles through the acknowledgement of ka ora te taiao, ka ora te tāngata, the inherent connection between a well environment and human health and wellbeing. It acknowledges the whakapapa of tāngata whenua to the natural environment, and their role as kaitiaki.
- b) Embedding environmental sustainability and climate resilience in operations and decision making will generate broader co-benefits. For example, collective efforts towards emissions reduction targets will create an overall healthier environment which supports population health and wellbeing, reducing the health impacts associated with climate change and the subsequent healthcare demand.
- c) The health system has a responsibility to ensure that it is leading by example due to its role as health promoters, planners, and providers.

### Improving building standards

- a) Te Whatu Ora has updated its Design Guidance Notes, which includes a summary of sustainability expectations for all new hospital buildings, including:
  - (i) minimising embodied and operational carbon,
  - (ii) maximising design features to reduce energy consumption, and
  - (iii) precluding the use of fossil fuels (excluding emergency backup).
- b) All future projects will carry out a verified life cycle analysis and complete energy modelling during concept design

### Engaging the sector

- a) How Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora will work together on climate change is still being determined. However, all three agencies recognise its importance due to potential co-benefits realisation through appropriate action. A decision is expected in early 2023.
- b) Te Whatu Ora is creating a centralised unit to advise the organisation on environmental sustainability and climate resilience. A working group is currently in place fulfilling this role until the organisational operating model is confirmed, working across the motu to support the continuation of work started by a number of District Health Boards.
- c) Te Whatu Ora, with Iwi Māori and other stakeholders, will co-design a framework for Te Whatu Ora's approach to climate change, service resilience and environmental sustainability, as indicated as an action in Te Pae Tata.
- d) There are many examples of specific hospitals and staff groups across the system taking action to reduce emissions through various grassroots initiatives, specifically those related to waste management and transportation mode shift. A publication is expected in October 2023 which will highlight some of these achievements.
- e) We are supporting and will continue to support grassroots approaches and learn lessons to share and influence future/whole of organisation approaches.

The health sector is strengthening climate resilience

### Opportunities for population health improvements

- a) In Aotearoa New Zealand, a healthy environment is integral to tāngata whenua. Linked to whakapapa, the natural environment is considered a tāonga under Article II of Te Tiriti o Waitangi (Te Tiriti), needing protection as part of Te Tiriti responsibilities. The Māori Health Promotion Framework Te Pae Māhutonga highlights the importance of Waiora as a foundation for human health. More recently the International Union for Health Promotion and Education's Rotorua Statement highlighted the importance of indigenous knowledge and local environmental action for human health globally<sup>1</sup>
- b) Interventions must be ambitious to limit global warming to 1.5 degrees above pre-industrial levels. The public expects the health sector to provide leadership in the response to climate change, as well as other environmental focus areas.
- c) There is substantial evidence outlining the health co-benefits to individuals and populations with well-planned climate (and other environmental) action; while public-health focused initiatives can, in turn, have benefits for climate resilience and mitigation.
- d) Co-benefits such as increasing use of active and public transport to reduce greenhouse gas emissions and improve cardiovascular health. Encouraging local product procurement to reduce transport costs and emissions, with added benefits to the local economy. Consuming diets with a greater emphasis on plants and non-processed foods that produce less greenhouse gas emissions per kilogram and have added benefits to our health. Population health co-benefits are also available when removing fossil fuel burning stationary energy plant by reducing effects of air pollution on human health. The health system can play a significant role in promoting and supporting climate action initiatives due to the population health and subsequent service delivery requirement reduction that could be achieved through successful action.
- e) Co-benefits of sustainability are not limited to actions that reduce carbon emissions. For example, policies and actions that maintain the life supporting capacity of freshwater resources contribute to human health both directly and indirectly.

### Health system resilience and adaptation

- a) New and increasing health risks, more frequent and extreme adverse weather events, and higher temperatures, along with changing expectations and demands, mean the health system needs to prepare to adapt and respond to climate change.
- b) To support this, Manatū Hauora has previously published guidance on preparing heat health plans. Work is currently underway to understand the specific impacts of high temperatures on health in a New Zealand context, with a view to being able to provide guidance around heat threshold temperatures across the country.
- c) Going forward, Manatū Hauora is taking the lead on the Health National Adaptation Plan to fulfil its requirements in [Aotearoa New Zealand's first National Adaptation Plan](#). They are working closely with the sector to create the first version of this plan.
- d) Te Whatu Ora will take the Lead on Climate Health Action Plans and will work with both internal and external stakeholders to scope these plans early 2023.

<sup>1</sup> [Rotorua Statement for Closing Plenary Revised \(1\).pdf \(iuhpe2019.com\)](#)

## (C) Manatū Hauora Corporate Emissions and Reductions

Tranche 1 organisations were instructed from 2021/22 to measure and report their emissions, and submit a reduction plan by December 2022

Manatū Hauora has met its 2022 CNGP Requirements as a Tranche 1 organisation

Manatū Hauora is projected to meet its 2025 CNGP reduction target

### Reporting of Greenhouse Gas Emissions

- In January 2022, Manatū Hauora published its base-year Greenhouse gas (GHG) emissions report and inventory. In consultation with the Ministry for the Environment (MfE), it was determined that the base-year should fall outside COVID-19 to reflect as close to business as usual. Thus, the base for this GHG emissions report was set as 1 March 2019 – 29 February 2020. This baseline report is available on Manatū Hauora's website.
- The Manatū Hauora annual report for financial year 2021/22 articulated the Ministry's commitment to moving to net zero carbon emissions ([see page 189](#)).
- Manatū Hauora successfully met the reporting timeframes as a Tranche 1 agency under CNGP reporting.

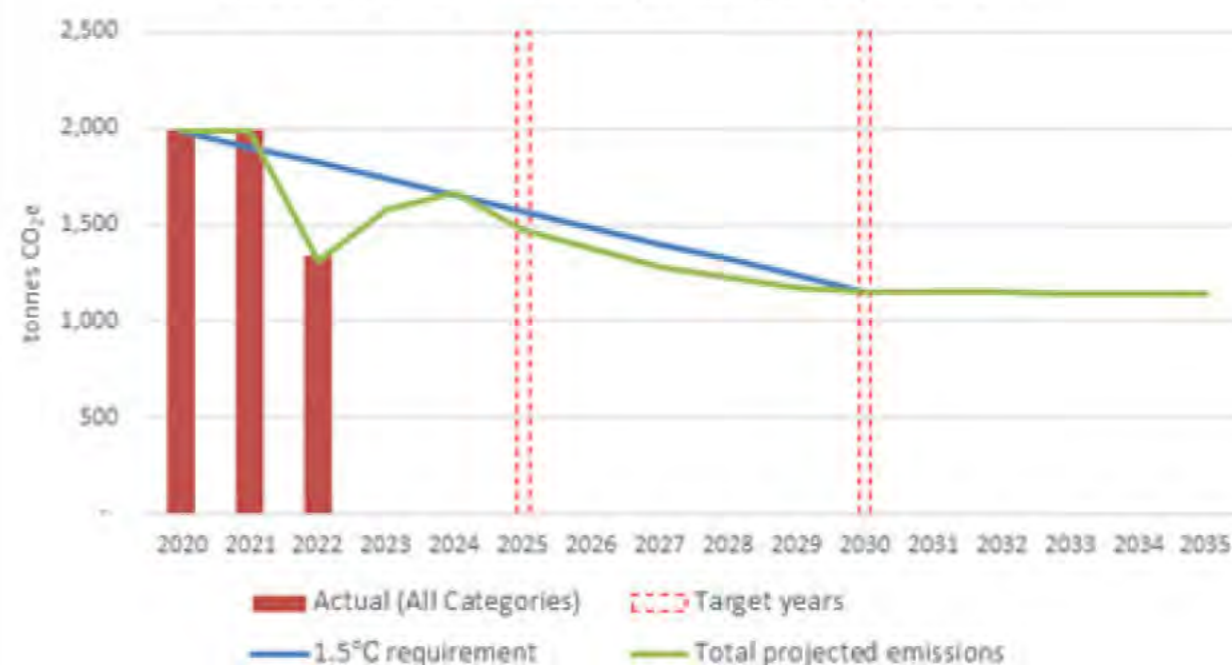
### Progress to Date

- For the 2021/22 financial year, Manatū Hauora's total GHG emissions were 1344 t-CO<sub>2</sub>e.
- This is a 31.7% reduction from our baseline year of 1966 t-CO<sub>2</sub>e.
- Several emission sources significantly reduced for the 2021/22 year. It is recognised that a number of these were as a result of the impact of the COVID-19 pandemic. These included:
  - freight emissions reduced by 88%
  - waste to landfill reduced by 73%
  - fleet emissions reduced by 69%
  - air travel-based emissions reduced by 47%.
- In contrast, due to the need to take on short-term office accommodation in Wellington to host an increased workforce, electricity-based emissions increased by 45%.
- Manatū Hauora expects a post COVID-19 increase in travel, as signalled in the reduction plan graph, but expects new travel policies and technology platforms to assist lowering travel volumes from 2024 onwards. Manatū Hauora is confident that the 2025 and 2030 targets and reduction initiatives set out under the reductions plan are achievable and sufficient to meet our obligations

### Carbon Emissions Reduction Plan

- Manatū Hauora has developed and submitted its first carbon emissions reduction plan. This sets out its commitment to achieving the 1.5°C target reduction pathway for 2025 and 2030.
- As shown by the graph on the right, in order to achieve the 2025 and 2030 targets Manatū Hauora will require a reduction in emissions from its baseline volume of 1966 t-CO<sub>2</sub>e to 1553 t-CO<sub>2</sub>e (21%) and 1140 t-CO<sub>2</sub>e (42 %) respectively.
- Manatū Hauora's largest sources of emissions for the 2021/22 financial year were travel-based sources (air travel, hotels, taxi etc at 69%), electricity (16%), working from home (12%) and waste (2%).

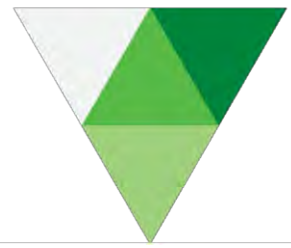
Absolute GHG emissions (all Categories) for MOH



### Key Reduction Initiatives

- In order to achieve significant and sustainable reductions for the calendar year of 2023, Manatū Hauora will be focussing its actions in four key areas:
  - Travel** - reviewing travel rules and guidance to ensure sustainability is included as a key consideration when making the decision to travel, as well as continuing to modernise digital services to ensure this can be used as an alternate option to travel
  - Fleet** - completing the fleet optimisation work where the initial fleet size of 15 has been reduced to 11 with further reduction to nine planned. Five of the current fleet are hybrid/electric with the remaining to be transitioned to low emission vehicles by 2025/26
  - Waste** - reducing waste stream across Manatū Hauora's property portfolio through engaging with Manatū Hauora's supply chain and workforce
  - Electricity** - improving electricity efficiency through better thermal and lighting management. In addition, when looking to renegotiate new leases, properties with NABERSNZ energy efficiency ratings of 5 stars will form part of Manatū Hauora's decision-making framework.

## **Appendix 6: Information for CNGP Ministers on Solar Panels in Schools**



## Briefing Note: Information for CNGP Ministers on Solar Panels in Schools

<b>To:</b>	Hon Jan Tinetti, Minister of Education		
<b>Date:</b>	1 March 2023	<b>Priority:</b>	Medium
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1302795
<b>Drafter:</b>	Elliot Jones	<b>DDI:</b>	+64444638712
<b>Key Contact:</b>	Jacqueline Sheppard	<b>DDI:</b>	+64444631533

### Purpose of Report

This paper provides information on solar panels in schools for Carbon Neutral Government Programme (CNGP) Ministers, as requested at the 9 November 2022 CNGP Ministers meeting.

### Summary

- The Ministry does not specifically fund solar panels installation. Schools can use Ministry provided capital funding if all higher priority projects are funded first. Alternatively, schools can use non-Ministry funding sources such as entering into power purchasing agreements to cover the upfront costs.
- The high renewable share of electricity generation in New Zealand significantly decreases the emissions reduced by using solar panels at schools.
- Any potential energy and financial savings from the use of solar panels at schools is limited due to the overall profile of energy use at schools. Schools use the most energy in winter when solar generation is lowest and use less energy in summer when solar generation is highest.
- Solar panels on existing structures can pose weathertightness problems, damage roofs and risk voiding asset warranties.
- The Ministry is focussed on programmes that can achieve efficient and significant carbon reductions, particularly on those that remove fossil fuels and reduce energy consumption. For example, programmes such as the Coal Boiler Replacement Programme and Ngā Iti Kahurangi – Improving Classrooms in Small and Remote Schools.

## Proactive Release

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- a **agree** that the Ministry of Education release this briefing in full once following the March CNGP Ministers meeting on.

**Agree / Disagree**

- b **Note** this paper will be sent to the Carbon Neutral Government Programme Ministerial Group as part of the meeting pack

**Noted**



Scott Evans  
Hautū, Te Puna Hanganga, Matihiko

Hon Jan Tinetti  
Minister of Education

01/03/2023

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## Background

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1. In November 2022, the Ministry gave an update to CNGP Ministers on the Ministry's work to support the CNGP particularly for schools (METIS 1297282 refers).
2. During the meeting CNGP Ministers asked about solar panels at schools and requested more information for the March 2023 meeting.

## Impact of Solar Panels

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3. The Ministry does not hold specific data on solar panels energy or financial impact at schools. This information is held by School Boards as Independent Crown Entities. We do have some limited information on solar panels available through research we have undertaken.

### **Effectiveness of Solar Panels**

4. There are several factors that impact the overall effectiveness of solar panels on roofs, particularly when compared to other solar installations. In the context of schools there are further factors which impact effectiveness.

#### *Energy impact*

5. The school energy consumption curve is almost the opposite of solar generation output. This is because school energy consumption is higher in winter than in summer. Schools are also typically closed on weekends and during holiday breaks. In particular, schools do not operate for most of the summer period when solar PV is at its most effective.
6. The impact of this misalignment could be reduced by using batteries. However, the cost of batteries and asset management implications of using batteries (e.g. maintenance, storage requirements) must be considered against the benefit batteries can provide.
7. Solar panel efficiency is reduced further by the design and age of buildings across the portfolio. A majority of the Ministry's 16,000 buildings were built decades ago. Decisions about the orientation, building design and roof pitch were not made with maximising solar exposure, and therefore improving solar panel efficiency, in mind.

#### *Financial Impact*

8. Solar panels can deliver financial benefits to schools through reducing the need to purchase electricity from the grid. However, if schools have to cover the cost of solar panels, then they should consider the length of the payback period, in particular if a school has used a power purchasing agreement.
9. The length of the payback period is increased by the misalignment of school energy consumption and solar generation output. Schools will still need to purchase electricity from the grid.
10. Schools are able to sell electricity back to the grid. However, this is typically around 8c per kWh for fixed price contracts, which is lower than the cost of purchasing electricity from the grid (especially when the fixed charges are included).
11. Some schools may earn closer to the market spot price through Time-of-Use contracts. However, the periods when schools would have excess electricity to sell



are typically outside of periods when demand across the grid peaks, and when prices are highest.

#### *Emissions Impact*

12. The high share of electricity generation from renewables decreases the emission reduction impact of solar panels which replace electricity from the grid.
13. Information from the carbon baselining exercise we took across 56 schools in 2021 highlighted the greater emissions reduction from replacing fossil fuels than from installing solar panels.

	<b>School A</b>	<b>School B</b>	<b>School C</b>
<b>Intervention</b>	Solar Panel Installation	Solar Panel Installation	Coal Boiler Replacement
<b>Net reduction in emissions</b>	2.5t CO2e	2t CO2e	5.7t CO2e
<b>Percentage reduction in total annual school emissions</b>	3%	3%	20%

14. We are also conscious of the whole-of-life emissions associated with solar panel use (and batteries), particularly the embodied emissions that come from the production and end-of-life processes of solar panels (and batteries). When embodied carbon is accounted for this significantly reduces the emissions reduction from school use of solar panels.
15. The Ministry is focussed on programmes that can achieve efficient and significant carbon reductions, particularly on those that remove fossil fuels and reduce energy consumption. This is being done through programmes such as the Coal Boiler Replacement Programme and Ngā Iti Kahurangi – Improving Classrooms in Small and Remote Schools, which is reducing energy consumption through the installation of LEDs in approximately 600 schools.

#### **Resilience**

16. Solar panels with batteries may improve the resilience of electricity supply in cases where power is lost. This can particularly be the case for some rural schools, which due to electricity network issues may lose power several times a year. In these situations, diesel generation is often used to provide electricity. This is currently the most reliable back-up available.
17. Batteries storing the energy generated from solar panels or other forms of on-site generation may provide a partial alternative to grid electricity for a period. However, this may only support the running or controlled shutdown of critical systems (e.g. self-supplied water, IT systems), and is unlikely to enable the continued operation of a school (depending on the length of the outage).

## Current Approach to Solar Panels in Schools

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18. The Ministry does not have a preferred solar panel provider and does not run a solar panel installation programme. We do provide information on our website to support schools who are considering solar panels. Schools may consider a range of factors when making this decision, including the financial, energy, and emissions impacts.
19. Currently, we know of 226 state schools that have solar panels, based on information provided to us by 1672 schools in mid-2022 to support CNGP reporting.
20. Schools Boards are required to seek Ministry agreement to any additions or alterations to Ministry-owned property, such as installing solar panels on roofs of buildings. We also require all solar panel installation to be carried out by a member of the Sustainable Electricity Association of New Zealand (SEANZ). It is essential that solar panels are installed by qualified professionals to minimise health and safety, maintenance and weathertightness issues.

## Funding Solar Panels

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### **Solar Panel Installation**

#### *Ministry funding sources*

21. The Ministry does not specifically fund solar panel installation. Schools can use capital funding provided to them to support capital upgrades to install solar panels. However, installing solar panels is considered a discretionary project. All work related to health and safety, essential infrastructure, and internal classroom environments must be prioritised over discretionary projects.
22. In recent years, additional one-off capital funding has been made available to schools which they were able to use to install solar.
  - a. The School Investment Package provided capital funding to every state school to spend on property upgrades. 31 solar projects were undertaken with this funding.
  - b. Through Budget 2019 \$5 million was provided for a Sustainability Contestable Fund to support schools to reduce their environmental impact and improve their operational efficiency. Through two contestable rounds 94 projects were approved, including 41 solar panel projects.

#### *Other funding sources*

23. Schools can also use Board funds to install solar panels. Board funds may come from fundraising or community grants. Schools must be aware of and capable of meeting the ongoing costs of the solar panels i.e. maintenance.
24. Some schools are financing the installation of solar panels by entering into power purchasing agreements, through which there is no or limited up-front cost for the panels.
25. The New Zealand Green Investment Fund (NZGIF) has provided support to one provider, solarZero, to enable solar panels at schools. The \$8 million finance facility provided enables solarZero to cover the installation costs of solar panels at schools while returns are made over the term of the power purchasing agreements with schools.

26. NZGIF investment decisions are made on a commercial basis and therefore are highly unlikely to be available to individual customers such as schools.

### **Ongoing Solar Panel Costs**

27. The ongoing maintenance costs and end-of-life costs must also be considered when installing solar panels.
28. If Ministry capital funding has been used to install solar panels, then schools can use their Ministry provided Property Maintenance Grant to maintain the panels. However, if a Board has funded the solar panel installation, then the Board would be responsible for the maintenance costs.

### **Asset Management Considerations**

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29. Solar panels on existing structures can pose weathertightness problems, cause roofing issues, and risk voiding warranties. The Ministry is already working through a significant legacy of weathertightness and building envelope issues across the school portfolio.
30. Solar panels on roofs also create added costs when roofs require maintenance and/or replacement, particularly if the solar panels need to be temporarily removed.
31. There are also regular maintenance requirements (e.g. cleaning) to maximise function and the lifespan of solar panels, and these may require specialist contractors especially given the health and safety requirements related to working at height on roofs. This is an additional burden and cost to schools at a time when the Ministry is working to reduce the property burden on schools.

## Appendix 7: Proposed changes to Terms of Reference for the CNGP Ministerial Group

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### Terms of Reference

#### Carbon Neutral Government Programme Ministerial Group

##### Context

1. The Carbon Neutral Government Programme (CNGP) is a long-term work programme that aims to make government organisations carbon neutral by 2025 and helps them to accelerate their emissions reduction journeys [CAB-20-MIN-~~0941~~ [0491](#) refers].
2. The CNGP reflects the Government's commitment to leadership on climate change and the urgency of action required – specifically, the Government's declaration of a climate emergency and the commitment under the Climate Change Response Act 2002 for New Zealand to contribute to the global effort to stay within the threshold of 1.5 degrees of global warming above pre-industrial levels.
3. The CNGP was agreed to by Cabinet in November 2020 and the interim Carbon Neutral Government Programme Ministerial group was established [CAB-20-MIN-~~0941~~ [0491](#) refers] with overall responsibility for the coordination and governance of the CNGP. Effective and responsive governance of this growing programme will be critical for long-run success.
4. In August 2022, ongoing governance arrangements were established for the delivery phase of the Programme, effective from 1 January 2023. These Terms of Reference (ToR) were revised and approved at the CNGP Minister's meeting on 9 August 2022.

##### Purpose

5. The purpose of the Carbon Neutral Government Programme Ministerial Group (the Group) is to:
  - a. monitor progress in delivering the objectives of the CNGP, including to:
    - i. discuss and make decisions on the strategic direction of the Programme
    - ii. discuss and make decisions on policy to support the delivery of the programme
    - iii. progress reports to the Climate Response Ministers' Group (CRMG) chaired by the Prime Minister (as required)
  - b. have a particular focus on ensuring an effective, credible and responsive programme delivery that establishes a culture of empowerment over compliance among CNGP participants and will support the transition of the wider economy to a low-emissions and resilient future.

##### Objectives

6. The objectives of the CNGP work programme are as follows:

- a. That CNGP organisations will:
    - i. measure, verify and report emissions annually
    - ii. set gross emissions reduction targets and longer-term reduction plans for the next decade
    - iii. offset remaining emissions from 2025.
  - b. That emissions from immediate priority areas within Government will continue to be reduced by:
    - i. phasing out coal boilers, prioritising the largest and most active coal boilers by 2025
    - ii. requiring procurement mandated agencies<sup>1</sup> to optimise their fleets with the aim of reducing the number of vehicles, and to purchase electric vehicles when replacing vehicles, unless there are operational needs or other circumstances that prevent them from doing so
    - iii. using NABERSNZ, a system for rating the energy efficiency of office buildings for government office accommodation over 2,000m<sup>2</sup>, occupied by mandated property agencies<sup>2</sup>
    - iv. requiring procurement mandated agencies to use an approved sustainable building rating system for new non-residential government owned buildings, with a focus on design and construction to reduce embodied and operational carbon emissions, demolition and construction waste as well as operational waste.
7. There will be further report-backs and on-going programme development (technical, policy or other). This may mean that additional sub-objectives or initiatives not mentioned in this ToR will be developed to support the CNGP that will require the oversight of the Group.

## Membership

8. The membership of the Group is as follows:
- a. ~~Hon. Stuart Nash, the~~ Minister for Economic ~~and Regional~~ Development (chair)
  - b. ~~Hon. James Shaw, the~~ Minister of Climate Change (deputy chair)
  - c. ~~Hon. Grant Robertson, the~~ Minister of Finance
  - d. ~~Hon. Megan Woods, the~~ Minister of Energy and Resources
  - e. ~~Hon. Chris Hipkins, the~~ Minister for the Public Service.

## Decision-making and accountabilities

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<sup>1</sup> Under the Government Procurement Rules <https://www.procurement.govt.nz/procurement/principles-charter-and-rules/government-procurement-rules/>

<sup>2</sup> Note that the mandate of 67 agencies for Government Property is different to that of the 137 for New Zealand Government Procurement

9. The Group will monitor progress on the objectives of the CNGP, as scoped by the Objectives above.
10. The Group will escalate any applicable issues arising to the Climate Response Ministerial Group or Cabinet as needed.

#### **Meeting and Agendas**

11. Meetings and agendas will be organised every six months and in between as needed.
12. Meetings will be cancelled when there are no decisions to be made.

#### **Support**

13. The Group will be supported by the CNGP Secretariat (MfE), which will provide agendas, papers, and minutes as relevant. Officials from the Ministry for the Environment (MfE), Ministry for Business, Innovation and Employment (MBIE) and the Energy Efficiency and Conservation Authority (EECA) work across the CNGP.
14. An officials-led senior level working governance group from MfE, MBIE and EECA supports the CNGP. This governance group reports to the Climate Change Chief Executives Board (the Board) as required.

#### **Review**

15. These ToR may be reviewed in the future to reflect the evolution of the Programme.

## CNGP Ministerial Group Meeting – 29 March 2023

Present: Ministers Shaw, Wood, and Little

Apologies: Ministers Woods and Robertson

Item	Decisions/Actions	Notes of discussion
<p><b>2. The CNGP Progress Dashboard and 2021/22 emissions reporting analysis</b></p> <p><b>Decisions required:</b></p> <p>Note CNGP progress to date.</p> <p>Note that the SSDF is nearly fully allocated and that there are limited future opportunities for decarbonisation funding.</p> <p>Approve the dashboard being sent to the Cabinet Priorities Committee (CPC).</p> <p>Approve the proactive release of this dashboard on MfE's website following its passage through CPC.</p>	<p>Ministers approved the dashboard going to CPC and for it to be proactively released after CPC.</p> <p>Ministers asked for MBIE to provide a paper on why the government light vehicle fleet size has increased since December 2020.</p> <p>Ministers asked for a paper on what the CNGP is doing to support agencies to reduce air travel emissions for the August 2023 CNGP Ministerial Group meeting.</p>	<p>Ministers expressed an interest in work to reduce air travel emissions across the CNGP.</p> <p>Ministers acknowledged good progress on fleet electrification but expressed concern for fleet optimisation efforts as the overall fleet size has been growing and not reducing.</p> <p>It was noted that some agencies with large fleets, such as the NZ Defence Force (NZDF) and the Police, have specialist vehicles that don't have electric options on the market in the short-to-medium-term.</p> <p>Minister Little expressed concern around the NZDF Burnham boiler project being behind schedule and experiencing cost blowouts and that blowouts might reduce the carbon savings per dollar.</p>
<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p> <p>[Redacted]</p> <p>[Redacted]</p>

		s 9(2)(f)(iv)
<p><b>4. Health Sector CNGP Deep Dive</b></p> <p><b>No decisions required.</b></p>	No decisions.	<p>Ministers expressed an interest in Te Whatu Ora’s fleet transition plans, which were reported to be underway.</p> <p>Minister Little commented that it was important that Te Whatu Ora meet the Green Star rating requirements.</p> <p>Ministers commended the high quality of data reporting and presentation in the paper.</p>
<p><b>5. Information for CNGP Ministers on Solar Panels in Schools</b></p> <p><b>No decisions required.</b></p>	No decisions.	<p>Minister Shaw noted that solar panels in schools can provide community co-benefits and resilience in times of disaster. He expressed a preference that new or upgraded school roofs are made “solar-panel ready” in case schools chose to instal them.</p>
<p><b>6. Changes to the Terms of Reference</b></p> <p><b>Decisions required:</b> <b>Approve</b> the proposed changes to the CNGP Ministerial Group Terms of Reference.</p>	Ministers approved the proposed changes to the CNGP Ministerial Group Terms of Reference.	



## Talking points

### *The CNGP was invited to report back*

- On 20 October last year, the Carbon Neutral Government Programme (CNGP) wrote a paper to the Board that invited a report-back in the new year on the conclusions from the first round of emission reporting by Tranche 1 organisations.

### *Results from Tranche 1 emissions reporting have been analysed*

- All 39 Tranche 1 organisations reported their carbon emissions from the 2021/22 financial year, along with reduction targets and plans to achieve them.
- This is a significant milestone for the CNGP, marking the first year of emission reporting under the programme.
- 59% of the organisations (23 agencies) were not measuring their emissions prior to the establishment of the CNGP.
- Overall, emissions from the 2021 to 2022 financial year for Tranche 1 organisations were 303,000 tonnes of carbon dioxide (tCO<sub>2</sub>e) This represents a 19% reduction compared to base year emissions.
- This shows significant progress towards 2025 and 2030 reduction targets but also reflects the impacts of COVID-19 restrictions on operational activities.
- Tranche 2 and 3 organisations will be reporting their emissions this year. It is expected that Tranche 2 will have a larger emissions profile than Tranche 1, due to the large volume of operational activity carried out by some Crown Agents.

### *We play an important role as leaders in the public sector*

- As public service leaders, we play a large role in shaping our organisational priorities and setting an example for best practice within our agencies.
- We have the opportunity to demonstrate climate leadership more broadly across government.
- As such, I encourage you to continue to champion your organisation's emissions reduction journey and that of the wider public sector.

### *Inviting a future report back*

- I would like to invite the CNGP to report back to the Board in early 2024 on its analysis of CNGP reporting from December 2023 in a similar fashion.



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### AGENDA

Date	Last meeting	Current meeting	Next meeting
	<b>22 Feb 2023</b>	<b>29 Mar 2023</b>	<b>11 April 2023</b>
<b>Main items</b>	<ul style="list-style-type: none"> <li>• <b>Board's Monitoring and Reporting:</b> First 6 monthly ERP Progress report</li> <li>• <b>Adaptation priorities</b></li> <li>• <b>AOB/Noting:</b> ETS Review update; Response to Smol review on ERP1; ERP2 options for engagement with private sector</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Board only discussion:</b> Board purpose and operating mode – reflections from Board members on Smol and Bestwick interviews</li> <li>• Preparation for CRMG on 5 April</li> <li>• Transport mode-shift and freight and supply chain resilience</li> <li>• Adaptation governance – Climate Adaptation Act</li> <li>• <b>AOB/Noting:</b> ETS and Agricultural Emissions Pricing updates; CCIEB Unit corporate 1-pager</li> </ul> <p><i>Note: There is a 3-hour Board strategy session to discuss purpose and priority focus areas for year ahead (with external facilitator) on 5 April at Parliament, Room 2.024</i></p>	<ul style="list-style-type: none"> <li>• <b>Board only discussion:</b> post-CRMG update</li> <li>• ERP2 initial strategic opportunities</li> <li>• Equitable Transitions Strategy update</li> <li>• Nature-based solutions priorities</li> <li>• <b>AOB/Noting:</b> Carbon Neutral Government Programme update</li> </ul>
Date	Time	Location	Attendees
29 March 2023	1300-1430 hours	Microsoft Teams (Teams link provided in invite)	<p><b>Attendees:</b> James Palmer (MfE) (Chair), Carolyn Tremain (MBIE), Audrey Sonerson (MOT), Caralee McLiesh (Treasury), Penny Nelson (DOC), Aaron Martin (Crown Law), Gillon Carruthers (MPI delegate)</p> <p><b>Attendees invited for item 1:</b> David Smol</p> <p><b>Attendees invited for item 4:</b> Paul James (DIA), Dave Gawn (NEMA), Dave Samuels (TPK), Andrew Crisp (HUD)</p> <p><b>Apologies:</b> Ray Smith (MPI)</p> <p><b>In support of the meeting:</b> Lisa Daniell, Chris Nees, Rachael Church (CCIEB Unit), Janine Smith (MfE)</p> <p><b>Agency attendees:</b> Bryn Gandy (MOT), Julie Collins (MPI), Anne Haira (MfE), Daire Queenan (MfE)</p>
#	Time	Agenda item	Recommended actions
1.	15 mins 1300-1315	Board-only discussion: Board purpose and operating mode	
1.1	Board purpose and operating mode <i>Paper 1a: Smol and Bestwick self-assessment report for PSC</i>		Discussion with David Smol following the Board's self-assessment report for PSC, and ahead of Board strategy session on 5 April. Align on key objectives for strategy session.

<b>2.</b>	<b>20 mins 1315-1335</b>	<b>Preparation for Climate Response Ministerial Group meeting, 5 April (TBC) Lead: Lisa Daniell, Chris Nees (CCIEB Unit)</b>
2.1	<ul style="list-style-type: none"> <li>This item presents an opportunity to discuss key items, messages and recommendations ahead of CRMG on 5 April.</li> </ul> <p><i>Paper 2a: Draft CRMG agenda</i>  <i>Paper 2b: Further work on options for abatement post-Sustainable Biofuels Obligation being cancelled</i>  <i>Paper 2c: Cabinet paper priorities/options advice from IEB Unit and endorsed by Climate DCEs</i>  <i>Paper 2d: Key messages for CRMG from the six-monthly report</i></p>	<p><b>2.1 Agree</b> to CRMG agenda and key recommendations from Board</p> <p><b>2.2 Note and endorse</b> the approach to the Climate IEB Unit's work across agencies to provide Ministers with next steps on options to deliver additional abatement</p> <p><b>2.3 Note and endorse</b> the Climate IEB Unit's paper, endorsed by DCEs, on prioritisation of various ERP-related Cabinet papers in coming four months with focus on abatement for emissions budget 1 and 2, papers with legislative requirements or public consultation approval</p> <p><b>2.4 Agree</b> key messages for CRMG on 5 April, including:</p> <ul style="list-style-type: none"> <li>Providing an overview of the strategic challenges to the delivery of the ERP</li> <li>The need to prioritise and ensure delivery of the most critical actions for abatement</li> <li>Confirming next steps for advice on additional abatement following changes to the Sustainable Biofuels Obligation</li> </ul>
<b>3.</b>	<b>25 mins 1335-1400</b>	<b>Deep dive: Transport mode shift and freight and supply chain resilience Lead: Bryn Gandy (MoT)</b>
3.1	<p>The deep dive will provide the Board with a better understanding of the challenges and opportunities associated with the ERP work programmes for Freight and Supply Chain Resilience and Transport Mode Shift.</p> <ul style="list-style-type: none"> <li><i>Freight and Supply Chain Resilience and Transport Mode Shift is one of the key focus areas for the Climate Change Chief Executives Board.</i></li> <li><i>The purpose of this presentation is to familiarise the Board with the current work programme for these areas and upcoming challenges.</i></li> </ul>	<p><b>3.1 Note</b> that following government reprioritisation decisions, the transport sector is not on track to reduce emissions as much as anticipated when the ERP1 was published.</p> <p><b>3.2 Note</b> the opportunities and challenges associated with getting emissions reduction from the freight sector.</p> <p><b>3.3 Note</b> the significant potential for emissions reduction and the wider co-benefits from mode shift which are dependent on both transport and land use decisions.</p>
<b>4.</b>	<b>15 mins 1400-1415</b>	<b>Adaptation governance – Climate Change Adaptation Bill Lead: Anne Haira (MfE) and Daire Queenan (MfE)</b>
4.1	<ul style="list-style-type: none"> <li>Review and provide comments on key elements of the Climate Change Adaptation Bill</li> <li>Discuss timing options and advice on CRMG</li> </ul> <p><i>Paper 4a: to be circulated 24 March</i></p>	<p><b>4.1 Discuss</b> feedback on the key elements of the Bill</p> <p><b>4.2 Discuss</b> timing options and need to provide advice to CRMG</p>
<b>5.</b>	<b>10 mins 1415-1425</b>	<b>Any other business / noting papers</b>
5.1	<b>1415-1420</b>	<b>ETS Review verbal update Lead: Janine Smith (MfE)</b>
5.1	<ul style="list-style-type: none"> <li>Proactive release of ETS Review Cabinet papers is occurring on MfE website in lieu of a Ministerial announcement</li> <li>Discussion Document and Cabinet paper is planned for ENV –6 April/Cabinet 11 April (alongside ETS permanent forestry papers)</li> </ul>	<b>5.1 Note</b> the update provided

	<ul style="list-style-type: none"> <li>Pre-engagement with Treaty partners planned for before Discussion Document lodgment</li> <li>Ministerial announcement will occur alongside Discussion Document release for public consultation (likely week after Easter break)</li> </ul>	
5.2	1420-1425	Agricultural Emissions Pricing verbal update Lead: Julie Collins (MPI)
5.2	S9(2)(f)(iv)	<b>5.2 Note</b> the update provided
5.3	N/A	CCIEB corporate one-pager Lead: Lisa Daniell (CCIEB Unit)
5.3	CCIEB corporate dashboard <i>Paper 5a: CCIEB one-pager</i>	<b>5.3 Note</b> the paper provided
<b>6.</b>	<b>5 mins 1425-1430</b>	<b>Meeting administration</b>
6.1	Minutes of previous meeting, 22 February 2023	<b>6.1 Approve</b> the minutes of the previous meeting
6.2	Actions register	<b>6.2 Note</b> the actions register
6.3	Forward agenda	<b>6.3 Note and provide any feedback</b> on forward agenda items and sequencing to IEB Unit

## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

<b>Top five Board-agreed mitigation-focused priorities, and forward scheduling</b>				
<b>Priority area</b>	<b>DCE meeting date for review</b>	<b>Board meeting date</b>	<b>Cabinet paper dates</b>	<b>CRMG dates, if applicable</b>
S9(2)(f)(iv)				
<b>ETS Review</b>	30 March	29 March as AOB/noting item	6 papers between March-May	5 April update
<b>He Waka Eke Noa</b>	S9(2)(f)(iv)			
<b>Transport mode shift</b>	TBC	29 March as substantive discussion item	7 papers between March-May	June
<b>Energy Strategy</b>	10 May	Proposed 29 June (optimum timing to be confirmed with MBIE)	1 paper in May	July



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

<b>COVERSHEET: Item 1</b>				
<b>To</b>	Climate Change Chief Executives Board			
<b>Date</b>	22 March 2023			
<b>From</b>	Lisa Daniell, Executive Director			
<b>Lead agency</b>	CCIEB Unit			
<b>Agenda item name</b>	<b>Board-only discussion: Board purpose and operating mode</b>			
<b>Verbal update</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Meeting date</b>	29 March 2023			
<b>Reason for Board's consideration</b>	A discussion with David Smol following the Board's self-assessment report for Te Kawa Mataaho Public Service Commission, and ahead of the Board strategy session on 5 April			
<b>Key focus areas</b>	To align on key objectives for the Board strategy session on 5 April			
<b>Comments</b>	This paper was previously circulated in February 2023			















## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### COVERSHEET: Item 2

<b>To</b>	Climate Change Chief Executives Board			
<b>Date</b>	22 March 2023			
<b>From</b>	Lisa Daniell, Executive Director Chris Nees, Deputy Executive Director			
<b>Lead agency</b>	CCIEB			
<b>Agenda item name</b>	Preparation for Climate Response Ministerial Group meeting on 5 April			
<b>Verbal update</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Meeting date</b>	29 March 2023			
<b>Reason for Board's consideration</b>	To discuss key items, messages, and recommendations ahead of CRMG on 5 April			

<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. <b>Agree</b> to CRMG agenda and key recommendations from Board</li> <li>2. <b>Note</b> and endorse the approach to the Climate IEB Unit's work across agencies to provide Ministers with next steps on options to deliver additional abatement</li> <li>3. <b>Note</b> and endorse the Climate IEB Unit's paper, endorsed by DCEs, on prioritisation of various ERP-related Cabinet papers in coming four months with focus on abatement for emissions budget 1 and 2, papers with legislative requirements or public consultation approval</li> <li>4. <b>Agree</b> key messages for CRMG on 5 April, including: <ul style="list-style-type: none"> <li>• Providing an overview of the strategic challenges to the delivery of the ERP</li> <li>• The need to prioritise and ensure delivery of the most critical actions for abatement</li> <li>• Confirming next steps for advice on additional abatement following changes to the Sustainable Biofuels Obligation</li> </ul> </li> </ol>
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<b>Comments</b>	<p>There are four papers to support this discussion item:</p> <p>Paper 2a: Draft CRMG agenda</p> <p>Paper 2b: Further work on options for abatement post-Sustainable Biofuels Obligation being cancelled</p> <p>Paper 2c: Cabinet paper priorities/options advice from IEB Unit and endorsed by Climate DCEs</p> <p>Paper 2d: Key messages for CRMG from the six-monthly report</p> <p><i>Note - Paper 2b is currently draft and will be finalised in the week of 27 March (for Board discussion) due to ongoing work across agencies to respond to PM and MCC requests for information.</i></p>
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# CLIMATE RESPONSE MINISTERIAL GROUP MEETING

AGENDA			
Date	Wednesday 5 April 2023		
Time	4.00pm – 5.00pm		
Location	2.1EW (TBC)		
Agenda items	<p><b>Agenda item 1:</b> Emissions Reduction Plan first six-monthly report update</p> <p><b>Agenda item 2:</b> Climate Adaptation Act – trade-offs and choices</p> <p><b>Agenda item 3:</b> Update on ETS Review progress [TBC]</p> <p><b>Agenda item 4:</b> Update on Agricultural Emissions Pricing progress</p>		
Attendees	<p><b>Chair:</b> Rt Hon Chris Hipkins – Prime Minister</p> <p><b>Deputy Chair:</b> Hon James Shaw – Minister of Climate Change</p> <p>Hon. Carmel Sepuloni – Minister for Social Development and Employment</p> <p>Hon. Grant Robertson – Minister of Finance, Minister for Cyclone Recovery</p> <p>Hon. Megan Woods – Minister of Housing; Minister for Infrastructure; Minister of Energy and Resources; Minister for Building and Construction; Associate Minister of Finance</p> <p>Hon. Michael Wood – Minister of Transport</p> <p>Hon. Willie Jackson – Minister for Māori Development</p> <p>Hon. Damien O’Connor – Minister of Agriculture</p> <p>Hon. David Parker – Minister for the Environment</p> <p>Hon. Nanaia Mahuta – Minister of Foreign Affairs; Associate Māori Development</p> <p>Hon. Stuart Nash – Minister of Forestry; Minister for Economic Development</p> <p><b>Apologies:</b> [TBC]</p>		
#	Time	Agenda Item	Recommendations
1	4.00-4.30pm	<p><b>Lead Speakers:</b> Rt Hon Hipkins &amp; Hon Shaw</p> <p><b>Emissions Reduction Plan update following six-monthly report and next steps</b></p>	
		<p>This item provides an opportunity to discuss the Climate Change Chief Executive Board’s first six-monthly report on the Emissions Reduction Plan and commissioning of further advice. Including:</p> <ul style="list-style-type: none"> <li>• An overview of the challenges in delivering on ERP1</li> <li>• Challenges associated with finding additional abatement in EB1</li> <li>• Top priority areas to focus on in ERP1</li> <li>• Confirming what advice on further abatement options is required and next steps and timing for this advice</li> <li>• Discussion of strategic challenges, including distributional impacts and cost-of-living</li> </ul>	<p><b>1.1 Discuss</b> the need to reconcile the following strategic challenges for achieving emissions budgets:</p> <ol style="list-style-type: none"> <li><b>Delivering ambitious emissions budgets</b>, which projections show are finely balanced to achieve</li> <li><b>Agencies working at capacity</b> with some early indications of risks to delivery</li> <li><b>The loss of emissions abatement opportunities</b> given the focus on managing cost-of-living impacts</li> </ol> <p><b>1.3 Agree</b> to the options for additional abatement where you want further advice (following SBO)</p>

Sensitivity Classification

	<ul style="list-style-type: none"> <li>Cabinet paper priorities in period to end June (TBC)</li> </ul> <p><b>Supporting Documents:</b>  <i>Paper: Briefing note BRF-2754 Climate Change Chief Executive Board's first six-monthly report on the Emissions Reduction Plan</i>  <i>A3 on Options for additional Abatement</i></p>	
<b>2</b>	<b>4.30-4.50pm</b>	<b>Lead Speaker: Hon Shaw, Minister of Climate Change</b> <b>Climate Adaptation Bill</b>
	<p>This item provides an update on Climate Adaptation Bill priorities, trade-offs and key choices, ahead of Cabinet</p> <p><i>Key decisions needed ahead of Cabinet: TBC</i></p> <p><b>Supporting Documents:</b>  <i>Paper: Draft Climate Adaptation Bill – summary of key provisions and tradeoffs in Cabinet paper</i></p>	<b>2.1 Note/Agree/Discuss</b>
<b>3</b>	<b>4.50-4.55pm</b>	<b>Lead Speakers: Hon Shaw, Minister of Climate Change</b> <b>Update on ETS Review progress</b>
	<p>This item provides a verbal update on progress and critical choices within the ETS Review</p>	<i>[At this stage of the process, the ETS Review will be between Cabinet Committee and Cabinet. This item is therefore a placeholder in case further CRMG discussion/direction is needed]</i>
<b>4</b>	<b>4.55-5.00pm</b>	S9(2)(f)(iv)
	S9(2)(f)(iv)	

Sensitivity Classification



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

# CRMG paper responding to Minister's requests for information on policies to provide additional emissions abatement

### Context

In BRF-2754 the Climate Chief Executives Board provided Ministers with a set of options that could deliver additional emissions abatement in light of the decision to remove the Sustainable Biofuels Obligation

S9(2)(f)(iv)

### Discussion

The Prime Minister and Minister for Climate Change indicated interest in receiving advice on a selection of the options put forward by the Board. These options are summarized in the attached Annex along with advice about next steps Ministers could take. These range from commissioning further advice, to considering as part of existing workstreams and considering in the ERP2 process.

There are some differences in the areas where Ministers sought additional advice. We seek CRMG's direction on which actions to progress and comfort with the proposed next steps for those actions.

Annex 1: Advice on next steps for additional abatement options where Ministers signaled interest

Initiative and description	Implications and assessment from Briefing Note	Recommended Next Steps
<p><b>1. Expansion of Government Investment in Decarbonising Industry (GIDI) fund:</b> Early announcement of GIDI expansion pre-budget '22 announcements.</p> <p><i>PM, MCC</i></p>	<p>Agreed to progress in 2022 – additional funding provided</p> <p>Currently underspent, additional funding not recommended</p>	<p>Agencies to outline in a paragraph what Ministers could do in practice to take forward. Options include:</p> <ul style="list-style-type: none"> <li>• “Commission work to investigate/explore...” (e.g. for items where further scoping is required)</li> <li>• “Progress as part of an existing initiative/work programme XYZ which will report back by [date]” (e.g. for items where wider work is underway and could be incorporated within that)</li> <li>• “Consider in context of ERP2”. For items where there are long lead times that mean there’s not much that Ministers can do/commission at the moment.</li> </ul> <p>Please also outline:</p> <ul style="list-style-type: none"> <li>• if it is subject to Budget 23 funding or would require new funding generally.</li> <li>• Best estimate of abatement impact (quantitative) or a qualitative description,</li> <li>• The emissions budget where abatement would be expected to start (EB1 or EB2 or later)</li> </ul>
<p>S9(2)(f)(iv), S9(2)(g)(i), S9(2)(ba)(i)</p> <p>S9(2)(f)(iv)</p>		
<p><b>4. Increased funding to fast-track research for landfill gas capture:</b> Research is required to determine the classes of landfill producing landfill gas (methane) to inform feasibility and viability of requiring gas capture systems. This could be extended to investigating policy and investment for landfill gas capture from closed landfills</p> <p><i>PM</i></p>	<p>Better data sooner would enable decisions on how best to expand landfill gas capture and achieve further emission reductions from waste.</p> <p>Requires additional evidence, resourcing and funding.</p> <p>Not yet modelled, resulting policy or gas capture infrastructure unable to be implemented in EB1. Unlikely to provide viable short-term abatement for EB1.</p> <p>Agree to investigate further (dependent on funding available in B23).</p>	



Initiative and description	Implications and assessment from Briefing Note	Recommended Next Steps
<p>5. <b>Building and Construction:</b> Abatement via regulation is planned but needs support for already struggling sector to implement the changes – currently unfunded</p> <p>S9(2)(f)(iv)</p> <p>PM MCC</p>	<p>Government will need to support the building and construction sector to reduce emissions to ensure policy changes do not dampen building and construction activity and the delivery of housing, as this would have significant impacts on the cost of living.</p> <p>S9(2)(f)(iv)</p>	
<p>6. <b>Increase investment in charging infrastructure</b></p> <p>PM</p> <p>S9(2)(f)(iv)</p>	<p>Marginal impact is unlikely to be significant</p> <p>Not recommended for implementation in 2022. Being considered for Budget 2023.</p>	
<p>8. <b>Limits on synthetic nitrogen</b></p> <p>MCC (or levy/tax)</p>	<p>From 1 July 2021 a cap on the use of synthetic nitrogen came into force under freshwater regulations.</p>	
<p>9. <b>Minimum energy performance standards for residential lighting:</b> Updated standards for adoption of energy efficient residential lighting, in effect banning incandescent lightbulbs.</p> <p>PM</p>	<p>Further work is needed to determine the abatement potential.</p> <p>Note Budget'22 bid on subsidizing energy efficient lighting for low-income households was not funded.</p>	
<p>10. <b>Increase the impact of ETS pricing on emitters:</b> Options to achieve this are:</p> <ol style="list-style-type: none"> <li>1. Reducing the number of units supplied in the Government auctions</li> <li>2. Reducing industrial allocation at a faster rate</li> </ol> <p>Removing the cost containment reserve or increasing the ETS auction trigger price for the cost containment reserve</p> <p>MCC</p>	<p>Cabinet has made decisions on this since 2022.</p> <p>Some behavioral change possible but unlikely to reduce emissions materially in EB1 due to investment lag; significant land use change likely to exotic forestry. risk of inconsistency with Commission’s advice on settings, undermines policy + market independence</p> <p>Industrial allocation is currently legislated at 1% reduction per year. If rate is increased, would reduce supply in the ETS and expose industries to more emissions costs.</p> <p>The cost containment reserve is a market price control mechanism, implemented through auctions. Removing it or increasing the ETS auction trigger price may increase emissions unit market prices.</p>	
<p>11. <b>Transport policies already accounted for in ERP1 could be built on to encourage fleet transition and mode shift.</b></p> <p>PM, MCC</p>	<p>Transport officials are providing Ministers with advice on how to build on the successful Clean Car Discount policy.</p> <p>Transport officials have recommended funding the S9(2)(f)(iv) and Clean Truck Discount programmes through Budget 23.</p>	

Initiative and description	Implications and assessment from Briefing Note	Recommended Next Steps
	<p>s 9(2)(f)(iv)</p> <p>Transport officials are investigating the abatement effect of the higher-than-expected increase in electric vehicles.</p> <p>A simple Clean Truck Discount scheme would reduce the purchase price of zero emissions heavy vehicles to incentivise their uptake. This could be built on by extending exemptions from Road User Charges for electric and hydrogen heavy vehicles which would reduce operating costs and incentivise operators to maximise use of the zero emissions trucks in their fleet. In the Board's CERF advice, the Clean Truck discount initiative was included in the longlist – with deliverability concerns holding it back from the shortlist.</p> <p>s 9(2)(f)(iv)</p>	
<p>12. In the Energy and Resources portfolio there is a range of work programmes in development that create optionality for reducing emissions in the second and third emissions budget period.</p> <p><i>PM question mark</i></p> <p><i>MCC</i></p>	<p>This includes the energy strategy, the electricity market measures work, the gas transition plan, and the hydrogen road map.</p> <p>Addressing the EB2 and 3 deficits may be a case of acting on options/opportunities as they emerge from these work-programmes.</p>	
<p>S9(2)(f)(iv)</p>	<p>S9(2)(f)(iv)</p>	
<p>14. Wetland restoration/Nature based solutions</p> <p><i>PM MCC</i></p>	<p>Opportunities to improve sequestration from wetland restoration</p> <p>Needs to significant work to consider impacts of both sequestering and emitting wetlands, and ability to account for in the GHG inventory and ETS.</p>	

## Options for DCEs: ERP Cabinet Paper prioritisation

### Context

- The Climate Change Chief Executives Board agreed to develop options to prioritise climate mitigation Cabinet papers in order to manage the risk of bottlenecks identified in the Board's first six monthly report on progress of the ERP.
- While delivering all papers would offer the largest abatement potential, the set will be ready to provide to CRMG in the event there is demand from Ministers to prioritise, and ensure the papers most critical for abatement are included. This fits within the Board's mandated role to monitor and report on ERP delivery and coordinate implementation of cross-agency actions in the ERP.
- There are currently <sup>S9(2)(f)(iv)</sup> [redacted] scheduled, and **16 Cabinet meeting dates** in that same period (March to end June '23), and a Budget Moratorium period\*
- To date agencies have also identified five papers relating to climate adaptation (slide 4).

### Prioritisation approach

- The attached slides set out the Climate IEB Unit's understanding of what agencies are planning, and options for prioritised papers based on how material the paper is for **delivering or supporting abatement in EB1 or EB2**.
- Every paper has some link to abatement, so IEB Unit worked with agencies to test:
  - a) which papers support the 'Critical Actions' agreed in ERP reporting as being the most material for abatement or are foundational policies (such as the Equitable Transitions Strategy), supplemented by further agency information about abatement impacts from their papers.
  - b) whether a delay until after the election would make a material impact on abatement
  - c) if there are statutory requirements to deliver the paper.

### Outcome and packages

- <sup>S9(2)(f)(iv)</sup> [redacted]
- [redacted]
- Most agencies advised all their papers should not be delayed. The key impacts from any deferrals are noted in Slide 3.
- In the event Ministers wish to prioritise, papers delivering abatement for EB1 would be highest priority. Papers for EB2 are the next highest priority, noting that their longer timeframes would lessen any immediate impacts of a delay. The remainder are not assessed as high priority for EB1 or EB2.

### Discussion points

- Do DCEs endorse the presentation and outcomes in prioritised package, including that the most critical papers are those that deliver abatement in EB1, followed by those for EB2?
- Are there other tradeoffs/impacts to highlight from these sets?

Note:

1) Cabinet cannot make decisions with financial implications during the Budget Moratorium, which starts when Cabinet agrees the Budget 2023 Cabinet paper (scheduled for 11 April) and lasts until Budget Day (18 May).









## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

# Proposed key messages for CRMG discussion on Board's six-monthly report on the Emissions Reduction Plan

### Context

This CRMG meeting is both a first opportunity for the Board to engage with the Prime Minister on his priorities for climate change and discuss the findings of the Board's first six monthly report.

### Objectives

- i. Set out the key challenges for the delivery of ERP1 and gain context from the Prime Minister on how to address them.
- ii. Clarify which additional abatement options Ministers wish to explore further, to address the gap created by the SBO.

### Key messages and discussion questions

#### Understanding Ministers' views on managing strategic challenges to the ERP

1. The ERP is in its early stage of rollout and while there are a number of highlights, the Board's first report on progress identified the need to reconcile three key challenges:
  - a. **Delivering ambitious emissions budgets**, with national level projections showing achieving EB1 and EB2 is finely balanced.
  - b. **Agencies working at capacity** with early indications of some risks to delivery (e.g., slow CERF spending rate, 11 critical actions experiencing some delays).
  - c. **The loss of abatement (including policy change) given the focus on managing cost of living impacts.**
2. In response to these challenges, the Board's report outlined a number of steps it is taking to manage risks across the programme and ensure delivery of critical actions. The main priority in providing greater confidence of meeting the first emissions budget is to ensure there is effective delivery (and impact) of the existing ERP actions. The Board's steps also include: ensuring there are robust delivery plans in place for critical actions; closely monitoring CERF spending; and readiness to advise on managing bottleneck risks, such as the large number of climate Cabinet papers planned in the lead up to the election.
3. However, achieving EB1 looks particularly challenging given the limited time and options to 'make up' additional abatement. The Board has not identified any additional significant options for abatement in EB1. The process to develop the second ERP will be particularly important in identifying a wider set of options for delivering abatement over time.
  - ***What are Minister's views on managing these challenges, are there other ways that Ministers want the Board to address or advise on these risks?***

- ***What advice would help Ministers to manage the particular trade-offs from delivering abatement while managing cost of living impacts and distributional impacts?***
4. The Board has provided some additional information on next steps for the additional abatement options that the PM and MCC indicated interest in from the Board's six-monthly report. We see the main strategic opportunities as [TBC and for Board discussion following agency inputs – due COB Monday 27 March].
- ***Do Ministers agree that these options should be progressed?***

#### **Wider context and overall direction relating to adaptation**

5. Recent events have shown that adaptation to the effects of climate change is now an urgent priority. The Board's next report in August will also cover adaptation and progress on delivery of the National Adaptation Plan – including actions identified for acceleration or potential rescoping following extreme weather events.
- ***To guide this report, are there particular adaptation priorities or issues where Ministers want the Board to play a particular role or provide advice on?***





## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### COVERSHEET: Item 3

<b>To</b>	Climate Change Chief Executives Board			
<b>Date</b>	22 March 2023			
<b>From</b>	Bryn Gandy, Deputy Chief Executive, System Strategy and Investment			
<b>Lead agency</b>	Ministry of Transport			
<b>Agenda item name</b>	Transport mode shift and freight and supply chain resilience			
<b>Verbal update</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Supporting paper</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Meeting date</b>	29 March 2023			
<b>Reason for Board's consideration</b>	Freight and Supply Chain Resilience and Transport Mode Shift is one of the key focus areas for the Board			
<b>Key focus areas</b>	The purpose of this presentation is to familiarise the Board with the current work programme for these areas and upcoming challenges			

<b>Recommendations</b>	<ol style="list-style-type: none"> <li><b>Note</b> the progress made and challenges in the transport chapter, including freight and supply chain resilience and transport mode shift.</li> <li><b>Note</b> that following government reprioritisation decisions, the transport sector is not on track to reduce emissions as much as anticipated when the ERP1 was published.</li> <li><b>Note</b> the opportunities and challenges associated with getting emissions reduction from the freight sector.</li> <li><b>Note</b> the significant potential for emissions reduction and the wider co-benefits from mode shift which are dependent on both transport and land use decisions.</li> </ol>
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<b>Has the Board previously considered this item, if so, when?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Date</b>	
<b>Has this item been considered/endorsed by Climate DCEs?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Date</b>	
	This presentation has not been shared with Climate DCEs, but some of the sector challenges are known and have been discussed with Climate DCEs			
<b>Will this item be going to CRMG or Cabinet?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	7 Cabinet papers due between March-May 2023
	Sector challenges may be discussed at CRMG on 5 April			

<b>Comments</b>	Bryn Gandy will provide a slide presentation to support this discussion.
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## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 4				
To	Climate Change Chief Executives Board			
Date	22 March 2023			
From	Anne Haira, Deputy Secretary, Climate Policy Daire Queenan, Manager Adaptation System			
Lead agency	MfE			
Agenda item name	Adaptation governance – Climate Change Adaptation Bill			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Meeting date	29 March 2023			
Reason for Board's consideration	To review and provide comments on key elements of the Climate Change Adaptation Bill			
Key focus areas	Timing options and advice to be provided to CRMG			
Recommendations	<ol style="list-style-type: none"> <li>1. <b>Discuss</b> feedback on the key elements of the Bill</li> <li>2. <b>Discuss</b> timing options and need to provide advice to CRMG</li> </ol>			
Comments	The paper for this item will be provided to the Board by email on Friday 24 March			























## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

<b>COVERSHEET: Item 5.1</b>				
<b>To</b>	Climate Change Chief Executives Board			
<b>Date</b>	22 March 2023			
<b>From</b>	Janine Smith, Deputy Secretary, Natural and Built System and Climate Mitigation			
<b>Lead agency</b>	MfE			
<b>Agenda item name</b>	ETS Review update			
<b>Verbal update</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Meeting date</b>	29 March 2023			
<b>Reason for Board's consideration</b>	<ul style="list-style-type: none"> <li>The ETS Review Discussion Document and Cabinet paper are planned to be discussed at Cabinet on 11 April.</li> <li>A ministerial announcement will occur alongside the release of the Discussion Document for public consultation, likely to be the week after the Easter break</li> </ul>			
<b>Comments</b>	Pre-engagement with Treaty partners is planned before lodgment of the Discussion Document			
<b>Recommendations</b>	<b>Note</b> the update provided			



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 5.2				
To	Climate Change Chief Executives Board			
Date	22 March 2023			
From	Julie Collins, Deputy Director-General Policy & Trade			
Lead agency	MPI			
Agenda item name	Agricultural Emissions Pricing update			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Meeting date	29 March 2023			
Reason for Board's consideration	S9(2)(f)(iv)			
	S9(2)(f)(iv)			
Recommendations	Note the update provided			



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 5.3				
To	Climate Change Chief Executives Board			
Date	22 March 2023			
From	Lisa Daniel, Executive Director			
Lead agency	CCIEB Unit			
Agenda item name	CCIEB corporate health dashboard, March 2023			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Meeting date	29 March 2023			
Reason for Board's consideration	This update is provided to the Board quarterly			
Recommendations	Note the update provided			

# Climate Change Chief Executives Board – Corporate health dashboard, 29 March 2023

Team	
Executive Director	Lisa Daniell Deputy: Chris Nees
Team	Climate Change Chief Executives Board Unit
Period ending	Feb 2023

People	
Team profile	People / FTEs: 9.2 FTE across 12 roles (includes leadership) Contractors: None Fixed term: 0.8FTE to December
Cross agency representation	No current secondees, but exploring opportunity with MBIE.
Upcoming appointments	<b>Vacancies (&amp; forecasted start dates):</b> Principal Analyst - May 23, Senior Analyst – May 23

S9(2)(f)(iv), S9(2)(g)(i)

Key relationships and upcoming external engagements	
Past engagements / meetings with externals	Institute of Directors Chapter Zero; Aoteroa Circle; PWC; Deloitte; Mercury; Air New Zealand; SilverFern Farms (Chief Sustainability Officer); Sustainable Finance Forum; Climate Leaders Coalition (event attendance); Reconnecting Northland
Upcoming engagements	Callaghan Innovation; Reconnecting Northland; Aotearoa Circle launch of opinion on director duties with respect to nature

Upcoming deliverables	
1	S9(2)(f)(iv)
2	<b>Adaptive management</b> – initial discussion with CRMG on options following SBO cancellation, and more formalized (ongoing) plan for adaptive management approach due to the Board June 23
3	<b>Second six-monthly ERP and first NAP progress report</b> being developed, including consideration of Deloitte recommendations to enhance consistency, data confidence, QA; as well as NAP integration. Due Aug 23.

S9(2)(g)(i)

Overall Programme Status	
S9(2)(f)(iv)	[Redacted]
S9(2)(g)(i)	[Redacted]
S9(2)(f)(iv)	[Redacted]
S9(2)(g)(i)	[Redacted]
S9(2)(f)(iv)	[Redacted]
S9(2)(g)(i)	[Redacted]
S9(2)(f)(iv)	[Redacted]
S9(2)(g)(i)	[Redacted]
S9(2)(f)(iv)	[Redacted]
S9(2)(g)(i)	[Redacted]

Other updates	
Upcoming meetings	Climate Deputy Chief Executives (DCE) Meetings: 30 Mar, 13 Apr, 27 Apr, 10 May Climate Response Ministers Group (CRMG) Meetings: 5 Apr Climate Change Chief Executives Board (CCIEB) meeting: 5 Apr (strategy session), 11 Apr, 17 May
OIAs	One active OIA – seeking all papers, minutes of Board meetings. Currently with agencies for review. IEB Unit developing proactive release schedule.

Key performance indicators (from SOI)	
1	Build a cross-government understanding and strategic approach that aligns the Government's overall economic wellbeing strategy with its climate change response.
2	Support Aotearoa New Zealand to meet our first three emissions budgets by coordinating an all-of govt approach to climate policy





























































## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 6				
To	Climate Change Chief Executives Board			
Date	22 March 2023			
From	Lisa Daniel, Executive Director			
Lead agency	CCIEB Unit			
Agenda item name	<b>Meeting administration</b>			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Meeting date	29 March 2023			
Reason for Board's consideration	To formalise the minutes of the previous meeting, review the actions register, and review the indicative forward agenda for Board and CRMG meetings			
Comments	<p>Three papers are provided for this item:</p> <ol style="list-style-type: none"> <li>Minutes of the previous meeting</li> <li>Actions register 2023 and 2022</li> <li>Indicative forward agenda for Board and CRMG meetings</li> </ol>			
Recommendations	<b>Approve</b> the minutes of the previous meeting, held on 22 February 2023			

## Minutes of the Climate Change Chief Executives Board

DRAFT

<b>Date and time:</b>	Wednesday 22 February; 10.30am-12.00pm
<b>Location:</b>	8 Willis Street, Room 2.03 / Online on Teams
<b>Attendees:</b>	Vicky Robertson (Chair, MfE), Carolyn Tremain (MBIE), Audrey Sonerson (MOT), Penny Nelson (DOC), Aaron Martin (Crown Law), Charlotte Denny (Delegate MPI), Vicki Plater (Delegate TSY) <b>Agency attendees:</b> Janine Smith (MfE), Katherine Wilson (MfE) <b>In support:</b> Lisa Daniell, Chris Nees, Rachael Church (Climate Change IEB Unit)
<b>Apologies:</b>	Caralee McLiesh (TSY), Ray Smith (MPI), Paul James (DIA), Dave Samuels (TPK), Dave Gawn (NEMA)

Item	Lead speaker	Actions
<b>1. Chair's opening comments</b>	Chair	
The Chair opened the meeting, noting it was her last Board meeting as Chair. James Palmer will take up the position from 1 March 2023.		
<b>1.1</b> The Board agreed to set up dedicated climate adaptation Board meetings to manage and enable focus on adaptation issues. This climate adaptation-focused Board (or sub-committee) will have oversight of specific adaptation initiatives, including the Climate Adaptation Act, and will connect with the Spatial Planning Board. Members noted that advisors or inputs from local government and/or iwi/Māori could also be useful additions.		CC IEB Unit to coordinate setting up the Climate Adaptation advisory Board
<b>1.2</b> The Board agreed to invite David Smol and Jenn Bestwick to a future Board meeting or its 5 April strategy session, to reflect on the Board's recent PSC self-assessment, Board's purpose and strategic work programme.		CC IEB Unit to invite David Smol and Jenn Bestwick to a strategy session with the Board
<b>2. Meeting administration</b>	Chair	
The Board:		
<b>2.1</b> Approved the minutes of the previous meeting.		
<b>2.2</b> Noted the actions register.		
<b>2.3</b> Approved the formal appointment of Dr Caralee McLiesh as Vice Chair of the Board.		

<p><b>3. The Board's Monitoring and Reporting: First 6 monthly ERP Progress report [Aspects Legally Privileged]</b></p> <p><i>Paper 1: Cover note</i></p> <p><i>Paper 2: Briefing (BRF-2754, 24 February 2023) entitled, Climate Response Ministerial Group: First six-monthly progress report on the Government's emissions reduction plan</i></p> <p><i>Paper 2a: Advice responding to decisions on the Sustainable Biofuels Obligation</i></p> <p><i>Paper 3: Emissions Reduction Plan – Six-Monthly Report from the Climate Change Chief Executives Board, February 2023</i></p> <p><i>Paper 4: Deloitte testing of Six-monthly CCEB reporting review</i></p>	Lisa Daniell, Chris Nees	
<ul style="list-style-type: none"> <li>The Board noted the change in context since the six-monthly report was finalised in December 2022 and acknowledged the focus on recovery from Cyclone Gabrielle, climate adaptation progress and cost of living impacts.</li> </ul>		
<ul style="list-style-type: none"> <li>The Board discussed and endorsed the first six-monthly report and briefing note to CRMG, subject to the following feedback and actions.</li> </ul>		
<p><b>3.1 Agreed that advice to Ministers should:</b></p> <p>3.1.1 Outline the impact of the SBO decision – integrated within the main advice;</p> <p>3.1.2 Include options to offset the impact of SBO decision, which should also reference S9(2)(f)(iv)</p> <p>3.1.3 s 9(2)(h)</p> <p>3.1.4 Include more proactive framing of recommendations, given the Board is taking action and commissioning further advice on matters such as prioritisation, distributional impacts, rationalisation of Cabinet papers (as noted further below).</p>		CC IEB Unit to update advice to reflect the SBO implications and early options, as well proactively framing of how to address risks or challenges.
<p><b>3.2 Agreed there is a need to undertake rigorous prioritisation of ERP actions to enable focus and that a short list of the top five priority ERP-related actions (as outlined in the recent BIM) that are key enablers of EB2 should be articulated.</b></p>		CC IEB Unit to note five priority focus areas as most material for delivery.
<p><b>3.3 Agreed that cost of living and distributional impact concerns mean there is a need for further advice to be commissioned, and then provided by the Board to Ministers in coming months on:</b></p> <p>S9(2)(f)(iv)</p>		CC IEB Unit to commission advice from Climate DCFs on: S9(2)(f)(iv)

<p><b>3.4 Agreed</b> that it would be useful to include a different categorisation for unfunded actions and actions that are not being progressed (i.e. Circular Economy).</p>	<p>CC IEB Unit to update report to include different RAG rating (more neutral) for unfunded or actions not progressing.</p>
<p><b>3.5 Noted</b> that:</p> <p>3.5.1 The Board's stewardship of the ERP includes a responsibility to provide joined-up advice to Ministers on the impact of Cabinet decisions that affect FRP policies:</p> <p>S9(2)(g)(i)</p>	
<p><b>3.6 Directed</b> the Climate DCEs group to work with the CC IEB Unit to provide advice to the Board on how the high volume of Cabinet papers intended over the next six months can be rationalised.</p>	<p>CC IEB Unit and Climate DCEs to provide this advice to the Board prior to its next meeting.</p>
<p><b>3.7 Directed</b> the CC IEB Unit to update the briefing note and six-monthly report with the Board's feedback, and recirculate to the Board and DCEs by 24 February, prior to submission to Ministers by 28 February.</p>	<p>CC IEB Unit to update briefing note to CRMG and six-monthly report and recirculate to Board and DCEs on 24 February.</p>
<p><b>3.8 Noted</b> the next six-monthly report update is due in August 2023 and that the briefing note sent on 28 February will indicate that the quarterly report on PM Ardern's previous 9 priority areas (otherwise due end March 2023) is not considered necessary, given that the six-monthly report covers those priority areas, and the key cross-cutting risks and opportunities are unlikely to change materially in the coming month.</p>	
<p><b>4. Adaptation priorities</b>  <i>Paper 5: Draft adaptation priority focus areas for reporting to the Climate Change Chief Executives Board</i></p>	<p>Katherine Wilson</p>
<ul style="list-style-type: none"> <li>• The Board discussed the four proposed climate adaptation priority focus areas and agreed: <ul style="list-style-type: none"> <li>○ There is an opportunity for central government to connect with local government on risk assessment tools developed by agencies; and the connection with the RMA planning system needs to be strengthened;</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>○ That DOC should be included as a relevant agency for the Strategic Infrastructure priority focus area.</li> </ul>	<p>CCIEB Unit and MfE NAP team to add DOC to Strategic Infrastructure priority focus area.</p>

<ul style="list-style-type: none"> <li>The Board made the following decisions:</li> </ul>		
<b>4.1 Endorsed</b> the recommended draft climate adaptation priority focus areas for quarterly reporting to the Board and focus for its governance and advice: <ul style="list-style-type: none"> <li>4.1.1 Access to the right data and information to take adaptation action;</li> <li>4.1.2 Managed retreat;</li> <li>4.1.3 Flood resilient built environment and communities;</li> <li>4.1.4 Strategic infrastructure.</li> </ul>		
<b>4.2 Noted</b> the additional recommendations made in the paper to support the Board's leadership and co-ordination across Government.		
<b>4.3 Agreed</b> to advice being commissioned by the CC IEB Unit and via Climate DCEs on: <ul style="list-style-type: none"> <li>4.3.1 the status of existing NAP actions needed to support the four priority focus areas;</li> <li>4.3.2 assessing whether their existing scope, focus or timeframes need to be accelerated or altered given the changed context;</li> <li>4.3.3 any implications of these recommendations on other NAP actions;</li> <li>4.3.4 whether there are any remaining gaps which would require further action, not currently included in the NAP.</li> </ul>		
<b>4.4 Agreed in principle</b> to specialist climate adaptation-focused Board meetings being set up to consider implementation of the National Adaptation Plan, and its alignment to the priority areas set out at 4.1 above.		CC IEB Unit to establish meetings for Climate adaptation focused Board members
<b>5. Any other business / noting papers</b>		
<b>5.1 ETS Review verbal update</b>	Janine Smith	
The Board noted the verbal update provided on the ETS review, including the following key points: S9(2)(f)(iv)		
<b>5.2 Response to Smol review on ERP1</b>		
The Board noted the Smol review on ERP1 will be provided to the PCE, and a summary update to the Board on the response will be circulated with the minutes of this meeting.		CC IEB Unit to circulate to the Board a summary update (from MfE) on the response to the Smol review on ERP1
<b>5.3 ERP2 options for engagement with private sector</b> <i>Paper 6: Proposal to establish Climate Business Advisory Group</i>	Janine Smith	
The Board noted and endorsed the paper.		

<b>6. Closing comments</b>	
<p>The Board expressed sincere appreciation for Vicky Robertson’s leadership as the inaugural Chair of the Climate Change Chief Executives Board. The Board thanked her for all the work to deliver new climate policy foundations, and a new institution in the IEB – including her work chairing the Board, and wished Vicky well for future endeavours.</p>	

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2023 Actions Register: Climate Change Chief Executives Board

Sensitivity Classification

Action #	Meeting Date	Discussion Item	Minutes	Action	Responsible	Status
02-1	22/02/2023	Chair's opening comments -1.1	The Board <b>agreed</b> to set up dedicated climate adaptation Board meetings to manage and enable focus on adaptation issues. This climate adaptation-focused Board (or sub-committee) will have oversight of specific adaptation initiatives, including the Climate Adaptation Act, and will connect with the Spatial Planning Board. Members noted that advisors or inputs from local government and/or iwi/Māori could also be useful additions.	CCIEB Unit to coordinate setting up the Climate Adaptation advisory Board	CCIEB Unit	Underway [joint Board meeting between SPRB and CCCEB held 14/3/23]
02-2	22/02/2023	Chair's opening comments - 1.2	<b>The Board agreed</b> to invite David Smol and Jenn Bestwick to a future Board meeting or its 5 April strategy session, to reflect on the Board's recent PSC self-assessment, Board's purpose and strategic work programme.	CCIEB Unit to invite David Smol and Jenn Bestwick to a strategy session with the Board	CCIEB Unit	Underway - invited to CCCEB meeting on 29/3/23, if available around other their other commitments
02-3	22/02/2023	The Board's Monitoring and Reporting: First 6 monthly ERP Progress report - 3.1	<b>Agreed</b> that advice to Ministers should: - outline the impact of the SBO decision - integrated within the main advice; - include options to offset the impact of SBO decision, which should also reference nature-based solutions and wetland sequestration work underway, an S9(2)(f)(iv) S9(2)(h) - include more proactive framing of recommendations, given the Board is taking action and commissioning further advice on matters such as prioritisation, distributional impacts, rationalisation of Cabinet papers.	CCIEB Unit to update advice to reflect the SBO implications and early options, as well proactively framing of how to address risks or challenges.	CCIEB Unit	Completed
02-4	22/02/2023	The Board's Monitoring and Reporting: First 6 monthly ERP Progress report - 3.2	<b>Agreed</b> there is a need to undertake rigorous prioritisation of ERP actions to enable focus and that a short list of the top five priority ERP-related actions (as outlined in the recent BIM) that are key enablers of EB2 should be articulated	CCIEB Unit to note five priority focus areas as most material for delivery	CCIEB Unit	Completed
02-5	22/02/2023	The Board's Monitoring and Reporting: First 6 monthly ERP Progress report - 3.3	<b>Agreed</b> that cost of living and distributional impact concerns mean there is a need for further advice to be commissioned, and then provided by the Board to Ministers in coming months on: S9(2)(f)(iv)	CCIEB Unit to commission advice from Climate DCEs on: S9(2)(f)(iv) S9(2)(f)(iv)	CCIEB Unit	Underway - advice from MBIE and MSD to be shared - with equitable transition strategy on Board's forward agenda for 11 April. MFE (with Tsy, MBIE, MSD) S9(2)(f)(iv)

Sensitivity Classification

Action #	Meeting Date	Discussion item	Minutes	Sensitivity Classification	Action	Responsible	Status
02-6	22/02/2023	The Board's Monitoring and Reporting: First 6 monthly ERP Progress report - 3.4	<b>Agreed</b> that it would be useful to include a different categorisation for unfunded actions and actions that are not being progressed (i.e. Circular Economy).		CCIEB Unit to update report to include different RAG rating (more neutral) for unfunded or actions not progressing	CCIEB Unit	Completed <b>Note to Board: MCC suggested these should in fact be red RAG rating, not grey, in his comments received on report</b>
02-7	22/02/2023	The Board's Monitoring and Reporting: First 6 monthly ERP Progress report - 3.6	<b>Directed</b> the Climate DCEs group to work with the CCIEB Unit to provide advice to the Board on how the high volume of Cabinet papers intended over the next six months can be rationalised		CCIEB Unit and Climate DCEs to provide this advice to the Board prior to its next meeting	CCIEB Unit	In hand - prioritisation of papers prepared by CCIEB Unit (and endorsed by DCEs) to be confirmed at CCCEB meeting on 29/3/23 ahead of CRMG discussion on 5/4/23
02-8	22/02/2023	The Board's Monitoring and Reporting: First 6 monthly ERP Progress report - 3.7	<b>Directed</b> the CCIEB Unit to update the briefing note and six-monthly report with the Board's feedback, and recirculate to the Board and DCEs by 24 February, prior to submission to Ministers by 28 February		CCIEB Unit to update briefing note to CRMG and six-monthly report and recirculate to Board and DCEs on 24 February	CCIEB Unit	Completed
02-9	22/02/2023	Adaptation priorities - 4.0	<b>The Board discussed the four proposed climate adaptation priority focus areas and agreed</b> that DOC should be included as a relevant agency for the Strategic Infrastructure priority focus area		CCIEB Unit and MfE NAP team to add DOC to Strategic Infrastructure priority focus area	CCIEB Unit / MfE NAP team	Completed
02-10	22/02/2023	Adaptation priorities - 4.4	<b>Agreed in principle</b> to specialist climate adaptation-focused Board meetings being set up to consider implementation of the National Adaptation Plan, and its alignment to the priority areas set out at 4.1 above		CCIEB Unit to establish meetings for Climate adaptation focused Board members	CCIEB Unit	In hand [joint Board meeting between SPRB and CCCEB held 14/3/23]. Future Board meetings and items being scheduled.
02-11	22/02/2023	Response to Smol review on ERP1 - 5.2	<b>The Board noted</b> the Smol review on ERP1 will be provided to the PCE, and a summary update to the Board on the response will be circulated with the minutes of this meeting		CCIEB Unit to circulate to the Board a summary update (from MfE) on the response to the Smol review on ERP1	CCIEB Unit	Completed



## 2022 Decisions and Actions Register: Climate Change Chief Executives Board

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
07-1	21/07/2022	IEB work programme and Prime Minister's feedback	Agreed to develop advice for the Prime Minister regarding what results are expected by when, in terms of ERP delivery for priority areas.	MfE and CCIEB Unit	Targets and milestones expected December 2022 (TBC). To close action given new reporting cadence and priorities identified.
07-2	21/07/2022	IEB work programme and Prime Minister's feedback	Directed DCEs to identify which of the various ERP actions and initiatives require a centralised view of critical paths and dates, and to then produce a prototype timeline of key Ministerial decision points across agencies which draws out the interconnections between them.	DCEs	Map of upcoming milestones and decisions complete. Secretariat and DCEs to provide view of when strategic advice will be delivered to the Board. IEB Unit commencing priority work to map interdependencies.
07-3	21/07/2022	IEB work programme and Prime Minister's feedback	Directed the secretariats of the Climate Change Chief Executives Board and the Economic Chief Executives group meet to ensure awareness of each other's work programmes and seek to ensure monitoring streams are not duplicated and that there is sufficient focus on action.	CCIEB Unit	Meeting between secretariats ongoing. Further alignment underway. CCIEB Chair being invited to present at upcoming Econ Ces.
07-4	21/07/2022	IEB work programme and Prime Minister's feedback	Agreed the IEB should engage with the private sector, noting a need to be clear on both: accountability mechanisms; how to keep track of private sector progress	CCIEB Unit	Private sector engagement plan endorsed by Board. Further engagements for ED, Board, and Chair to be added to forward schedule.
07-5	21/07/2022	IEB Terms of Reference and Operating Procedures	Agreed to amend the TOR and/or Operating Procedures to: - make explicit that Board members should commit to attending meetings as much as possible, rather than allowing for delegates to be sent in their place; - require Board decisions to be made by consensus where possible (modelled on the format of the RM Spatial Planning Act Board); - make explicit that members are expected to argue their own views and opinions at board meetings, while still seeking consensus for decision-making.	MfE	Complete
07-6	21/07/2022	IEB Terms of Reference and Operating Procedures	Agreed to discuss in future the formal responsibilities of board members, such as those related to employment and conflicts of interest.	MfE	Complete
08-1	10/08/2022	IEB Monitoring and Reporting Approach	Agreed that a strategic framework should be developed around the relative roles of price/regulation/funding, and that: - it will be a cross-agency endeavour to be undertaken by a cross-agency team, led by the climate change DCEs group; - development of this framework is to be a top priority for the DCEs group.	Climate DCEs	Underway (see next row)

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
08-2	10/08/2022	IEB Monitoring and Reporting Approach	Directed the DCEs group to produce and agree a project scoping brief for the price/regulation/funding framework. There was additional agreement that: <ul style="list-style-type: none"> <li>- the project scoping brief should outline what the framework aims to achieve, how it will be framed, and project sequencing;</li> <li>- an early draft of the brief should be brought to the Board, along with a timeline for finalisation of the strategy with preference for shorter rather than longer timeframes.</li> </ul>	Climate DCEs	Underway - Project scoping note endorsed by the Board, commissioning in progress for identified workstreams. Intention to deliver workstreams 1 and 2 in December 2022 (then update shared with the Board), with workstreams 3 and 4 to follow in 2023.
08-3	10/08/2022	IEB Monitoring and Reporting Approach	Agreed that the DCEs group will focus on the ETS as a top priority area, with additional focus on the following five areas: <ul style="list-style-type: none"> <li>- Energy strategy</li> <li>- He Waka Eke Noa</li> <li>- Nature-based solutions</li> <li>- Climate Innovation Platforms</li> <li>- Transport mode shift</li> </ul>	DCEs	Note priorities adjusted to reflect Board's first February 2023 report on ERP.
08-4	10/08/2022	IEB Monitoring and Reporting Approach	Agreed to the basic structure of the priority focus areas monitoring prototype, while noting that: <ul style="list-style-type: none"> <li>- challenging issues arising outside the monitoring and reporting framework should still be escalated to the Board or CRMG as needed;</li> <li>- the secretariat should ensure visibility of private sector investment in action.</li> </ul>	Secretariat	Complete. First quarterly report on priority focus areas was submitted on 30 <sup>th</sup> September for the Prime Minister to circulate to CRMG members via round robin. Directors and DCEs have noted that challenging issues need to be brought to the attention of CRMG. Cross-cutting issues slides includes challenging issues outside of the priority focus areas.
08-5	10/08/2022	ETS Review	Agreed to endorse the draft Terms of Reference proposed for the governance of the targeted review of the NZ ETS.	Climate DCEs	Complete
08-6	10/08/2022	ETS Review	Agreed for the lead Minister to take the Terms of Reference through the Climate Response Ministerial Group for final endorsement.	Climate DCEs (TBC)	Complete. The NZ ETS review Terms of Reference has now been endorsed at Ministerial level (noting this was via Cabinet rather than CRMG, at the lead Ministers' direction)
08-7	10/08/2022	ETS Review	Directed teams to work to existing timeframes for the ETS review as published in the ERP despite the challenges, rather than delay delivery.	Climate DCEs (TBC)	Ongoing. Cabinet has agreed the review will have two phases: first phase September to December 2022, and second phase the first quarter of 2023
08-9	10/08/2022	ETS Review	Agreed to continue the availability of resource, particularly of subject-matter experts in short sprints when required, to support the targeted review of the ETS.	Climate DCEs (TBC)	Ongoing

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
08-10	10/08/2022	Board Terms of Reference and Operating Procedures	Confirmed the Terms of Reference and Operating Procedures for the IEB, noting the Operating Procedures will be published publicly online.	Secretariat	Complete
08-11	10/08/2022	Update on CERF monitoring and proposed role for the IEB	Agreed to the role of the Board in delivering CERF advice as proposed by the Treasury. This includes the Board: S9(2)(f)(iv)  - working alongside the Treasury to provide package advice on the CERF to Budget Ministers at key milestones in the Budget process.	Secretariat	Complete. CERF advice from the Board to Minister of Finance (MoF) delivered.
09-1	29/09/2022	CERF draft advice to MOF	Agreed to move beyond high level themes and provide more specific advice on CERF priorities.	Secretariat	Complete - CERF advice delivered to Minister of Finance
09-2	29/09/2022	CERF draft advice to MOF	Agreed to focus the Board's advice for mitigation on initiatives contributing direct emissions reductions rather than expanding public service capability, noting that any capability bids should be very clear on the nature of capability needed.	Secretariat	Complete
09-3	29/09/2022	CERF draft advice to MOF	Commissioned a sub-group of DCEs to: - develop a framework to consider how to prioritise adaptation initiatives with a focus on long term resilience - refine the CERF advice to include year-by-year advice on priorities for the next few years with a particular focus on adaptation.	DCEs	Complete
09-4	29/09/2022	CERF draft advice to MOF	Agreed to engage with the Climate Change Commission's adaptation representatives, noting this would not occur in time to influence the CERF advice currently in development.	Secretariat	Secretariat to consider integrating engagement with the Commission in forward agenda S9(2)(f)(iv) S9(2)(f)(iv)
09-5	29/09/2022	S9(2)(f)(iv)			

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
09-6	29/09/2022	Climate change litigation developments and implications for the work of the Board	Agreed to consider what role the Board should play in addressing climate litigation risks, and how the Climate Legal Working Group can best support the Board.	CCIEB Unit	Ongoing. CCIEB Unit to work with Crown Law to provide litigation updates to the Board as relevant
09-7	29/09/2022	Forward agenda - discussion on Climate Innovation Platforms	Agreed to add a discussion on Climate Innovation Platforms in coming months, given relevancy to adaptive management approach.	MBIE	Complete - November meeting
09-8	29/09/2022	Forward agenda - update on He Waka Eke Noa	Agreed to receive an update on He Waka Eke Noa at the next Board meeting.	MPI and MfE	Complete
09-9	29/09/2022	Forward agenda - update on nature-based solutions	Agreed that the Department of Conservation and Ministry for the Environment should bring a nature-based solutions item for discussion of the scope of this work at a meeting in coming months.	DOC and MfE	MfE and DOC have begun scoping this work, and are working with the CCIEB Unit to schedule the Board's discussion - planned for April 2023
10-1	20/10/2022	Energy Strategy: Draft Aotearoa Energy Strategy TOR - Scope and Approach	Directed agencies to work together to align assumptions underlying the various strategies for the transition	MBIE, MoT with Secretariat	MBIE to update - note links to work of CCIEB Unit to map interdependencies between key strategies and actions in ERP.
10-2	20/10/2022	Energy Strategy: Draft Aotearoa Energy Strategy TOR - Scope and Approach	MBIE to consider how the Energy strategy could be approached in a modular way and whether publication or critical decision points could be brought forward.	MBIE	MBIE to update
10-3	20/10/2022	Energy Strategy: Draft Aotearoa Energy Strategy TOR - Scope and Approach	Recommended critical decisions points and/or publication be brought forward where possible to provide greater investment certainty sooner.	MBIE	MBIE to update
10-4	20/10/2022	Adaptation: Options for a climate adaptation cost-sharing framework	Commissioned MfE to further develop the climate adaptation and cost-sharing paper with support from Climate DCEs, including consideration of: <ul style="list-style-type: none"> <li>- what decisions should be made by the CRMG in November;</li> <li>- problem definition, existing moral hazard, and why there is a need to move away from the status quo;</li> <li>- the underlying principles that will inform the cost-sharing approach</li> <li>- who the costs may be shared between, over what timeframe, the basis for sharing, and the balance</li> <li>- the opportunity to adjust existing expenditure tracks to support infrastructure resilience</li> </ul>	MfE	Complete. This paper was discussed and endorsed by the Board in this meeting (16 <sup>th</sup> November 2022). Went to CRMG on the 29 <sup>th</sup> November 2022.
10-5	20/10/2022	Reporting and Monitoring Framework	CCIEB Unit to work with agencies to develop an overarching assurance mechanism for monitoring and reporting.	CCIEB Unit	Complete - Deloitte engaged for first report.

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
10-6	20/10/2022	Reporting and Monitoring Framework	Commissioned Climate DCEs to support shaping the Board's first six-monthly monitoring report, including: <ul style="list-style-type: none"> <li>- identifying key components for inclusion in the report;</li> <li>- how to incorporate consideration of international insights and trends, as well as domestic progress, risks, opportunities.</li> </ul>	Climate DCEs	Complete. Secretariat worked with all ERP agencies to collate critical actions list for DCE review 24/11. Reporting prototype developed to be shared with DCE.
<b>Note: only two Board members and one approved delegate were formally present for parts of the November meeting. This means there was no quorum, and so no official business of the Board could be considered transacted, including no approved minutes or decisions.</b>					
11-1	16/11/2022	Introduction and context including upcoming advice and review of Board success measures	Provided comment on the Board's forward agenda, in particular noting it would be useful for the Board to: <ul style="list-style-type: none"> <li>- have a risk register on the forward agenda to get a sense of how things are tracking overall;</li> <li>- receive a regular update on key strategic levers and risks, as a possible standing item</li> </ul>	CCIEB Unit	Working with Chair to consider standing item on key strategic levers and risks, and to develop approach for risk reporting to the Board. Six-monthly report provides update on strategic risks to overall delivery.
11-2	16/11/2022	Adaptation and cost-sharing framework	Endorsed paper 3, noting that the recommendations for CRMG should retain flexibility for options to be further developed with more nuance in future.	MfE	Complete - updated paper for CRMG meeting on 29 November
11-3	16/11/2022	Adaptation and cost-sharing framework	Discussed areas for further work in future iterations of this advice, including: <ul style="list-style-type: none"> <li>- a more nuanced account of who pays, when and how;</li> <li>- incorporation of specific figures, prices, and statistics to illustrate the scale of the issue;</li> <li>- consideration that a one-model-fits-all approach may not be appropriate;</li> <li>- more strongly linking to broader wellbeing outcomes related to adaptation, e.g., social and cultural wellbeing;</li> <li>- stronger focus on the role of the individual as well as central and local government;</li> <li>- including international evidence around adaptation risks</li> </ul>	MfE	To incorporate this feedback in future iterations of its advice.
11-4	16/11/2022	Climate Innovation Platforms	Agreed that Climate CEs will take further decisions regarding Platform governance if Cabinet agrees to the fundamental governance structure and approach. (Subject to email confirmation from Board members.)	MBIE	Complete. Adjust papers and recirculate given lack of Board meeting quorum, Board members to feedback and/or endorse paper via round robin ahead of CRMG.
11-5	16/11/2022	Climate Innovation Platforms	Agree that the Independent Panel should report into the Board in the first instance, rather than to CRMG. (Subject to email confirmation from Board members.)	MBIE	

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
12-1	13/12/2022	Six-monthly prototype report and proposed approach to Adaptive Management	Provided directional feedback on the prototype and intended content of the 6-monthly report, requesting that: <ul style="list-style-type: none"> <li>- consideration be given to actions with a red RAG status as these may be because of ministers' decisions not to fund, rather than an action of the Board;</li> <li>- biodiversity impacts be included when the data is available in future iterations of the report</li> <li>- to the extent possible, emphasise impact on outcomes – e.g., abatement and the impacts of private sector action be reflected in the report.</li> </ul>	CCIEB Unit	Complete. Secretariat to review how to describe and show unfunded actions, private sector actions, total abatement projections against sectors and overall. <ul style="list-style-type: none"> <li>- Secretariat to note in report that biodiversity impacts where data is available will be included in next 6-monthly report.</li> <li>- Secretariat to update risks register and provide advice on mitigation for next Board meeting.</li> </ul>
12-2	13/12/2022	Six-monthly prototype report and proposed approach to Adaptive Management	Endorsed the approach of agencies providing early sight on emerging risks and that this is a culture change as much as anything	CCIEB Unit	Complete. CCIEB encouraging agencies to report emerging risks early on (following this direction/endorsement from Board).
12-3	13/12/2022	Six-monthly prototype report and proposed approach to Adaptive Management	Recommended tightening of criteria to show: <ul style="list-style-type: none"> <li>- where the variance might impact other actions;</li> <li>- where interagency coordination is required;</li> <li>- significant public issues or communications risks;</li> <li>- likelihood variance would change;</li> <li>- criticality of variance.</li> </ul>	CCIEB Unit	Secretariat to amend criteria in adaptive management approach and apply in upcoming advice to the Board.
12-4	13/12/2022	Six-monthly prototype report and proposed approach to Adaptive Management	Recommended the Secretariat work with Aaron Martin (Crown Law) to understand and reflect the legal perspective of identifying risks.	CCIEB Unit	Ongoing - regular meetings with IEB Unit ED and CLO/Aaron Martin.
12-5	13/12/2022	Climate Economic and Fiscal Update	Noted that: - this will be the government's publication on the fiscal implications of meeting our updated NDC1 under the Paris Agreement; - the CEFU is the first of its kind in New Zealand and will likely create discussion; - the Board is not being asked to provide substantial feedback on the content; - the Board will receive a final draft of the report early in the new year	MfE and TSY	MfE and Treasury to circulate the final draft when available
12-6	13/12/2022	Update on workstreams for the strategic approach to the policy mix for ERP2	Recommended the Project team engage with agencies to get feedback, as a next step.	Project team	Project team to engage with agencies and seek feedback on this work in the new year
12-7	13/12/2022	Update on workstreams for the strategic approach to the policy mix for ERP2	Recommended that David Smol look at the paper (peer review) before it goes to the Board in March 2023.	Project team	Project team to connect with David Smol ahead of final product delivery

Action #	Meeting Date	Discussion Item	Action	Responsible	Status
12-8	13/12/2022	Update on ERP1 review	Noted that the Parliamentary Commissioner for the Environment (PCE) is undertaking a review of the ERP1 and that David Smol's report will need to be shared with the PCE.	MFE	MFE to send David Smol's report to PCE when finalised.
12-9	13/12/2022	Update on ERP1 review	Recommended that the recommendations from David Smol's review be reflected in the ERP2 strategy piece.	Project team	Board to provide feedback on David's recommendations by 23 December, otherwise endorsed. Project Team leading the ERP2 strategy work to demonstrate where David Smol's recommendations have been taken into account in the strategy, due with the Board in early 2023
12-10	13/12/2022	CERF advice for February 2023 and update on CERF monitoring results for the first financial quarter (2022/23)	Agreed to bring a draft paper on advice to MOF to the Board in early 2023 for review before sending to MOF end of February, noting to circulate to and discuss with DCEs beforehand	CCIEB Unit	Complete. CCIEB Unit rganise one-off Board meeting in early February 2023 to discuss draft CERF advice.
12-11	13/12/2022	AOB - Māori Climate Platform	The Chair asked the Secretariat to provide advice on how the Board can engage with the Māori Climate Platform	CCIEB Unit	Secretariat to work with the Māori Climate Platform and provide advice to the Board in February 2023. Board to provide feedback on SOI by 23 December.
12-12	13/12/2022	AOB - Aotearoa Circle	The Chair asked the Secretariat to connect to Aotearoa Circle and potential engagement with Board	CCIEB Unit	CCIEB Unit in ongoing discussions with Aotearoa Circle and to arrange future item on Board agenda.

## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### Indicative Forward Agenda

#### Climate Change Chief Executives Board

#### 5 April, 1400-1700

Item	Indicative item focus	Purpose of item, and timing, specify decisions needed, and papers	Papers	Critical dates	Lead agency
1.	<b>Board strategy session</b>	Facilitated Board session on collective governance role - following recent PSC self-assessment review	<i>Proposed agenda with objectives and short paper to be circulated by IEB Unit</i>	N/A	CCIEB and facilitator (Scott Champion)

#### 11 April, 1530-1700

Item	Indicative item focus	Purpose of item, and timing, specify decisions needed, and papers	Papers	Critical dates	Lead agency
1.	<b>Board only time: post-CRMG update</b>	Actions, context, following CRMG	-	N/A	CCIEB
2.	<b>ERP2 initial strategic opportunities</b>	One of Board's top priorities, report back requested by Board and needs to go in April due to CCC advice being released in late April	ERP2 strategy	<b>DCE meeting date for review:</b> 29 March  <b>CCC releases consultation relating to advice on ERP2:</b> 26 April until 20 June	MFE (with CCIEB support as needed)
3.	<b>Equitable Transitions Strategy update</b>	Relates to top priorities including ETS Review, HWEN, Mode Shift, Energy Strategy.  Board has commissioned advice on distributional impacts. (Update on EQT requested in late 2022.)	EqT update	<b>DCE meeting date for review:</b> 16 March  <b>Cabinet paper dates:</b> 1 paper in May	MBIE/MSD  TBC by MfE
4.	<b>Nature-based solutions deep dive</b>	Opportunities for integration with ETS Review, HWEN, ERP2, Monitoring and reporting (biodiversity impact measures), and adaptation priorities.		<i>Note: Sequestration opportunities signalled as area for further advice following six-monthly ERP report.</i>	DOC/MFE



## Sensitivity Classification

5.	<b>Māori engagement across Climate policy response</b>	Provides an update on upcoming Māori engagement across the Climate policy response and proposes a joined-up approach		TBC	MFE
6.	<b>AOB / Papers for Noting:</b> - Carbon Neutral Government Programme update (short paper summarising first year of reporting)	To provide a brief on the first year of public service reporting, and provide an update on the programme	<i>Carbon Neutral Government Programme – report back on emissions reporting analysis</i>		MFE

## 17 May, 1030-1200

Item	Indicative item focus	Purpose of item, and timing, specify decisions needed, and papers	Papers	Critical dates	Lead agency
1.	<b>Climate Change Commission draft advice release to government – invite CCC to attend and discuss</b>	Update from the Commission on its draft and consultation	Draft CCC advice		Climate Change Commission / Dr Carr / Jo Hendy
2.	<b>Carbon removal strategy</b>	Sets out NZ's long-term vision for carbon removals. It is a critical complement to the review of the ETS and the NDC strategy and will set the long-term direction for the forestry sector as well as other forms of removal.			MFE
3.	<b>ETS Review update</b>			<b>DCE meeting date for review:</b> 30 March  <b>Cabinet paper dates:</b> 6 papers between March-May  <b>CRMG dates:</b>	MFE

4.	S9(2)(f)(iv)
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## 29 June, 1530-1700

Item	Indicative item focus	Purpose of item, and timing, specify decisions needed, and papers	Papers	Critical dates	Lead agency
1.	<b>Approval for 2<sup>nd</sup> 6 monthly monitoring and reporting design – incorporating NAP</b>	Board's next six-monthly report due August to Ministers, and commissioning by IEB Unit needs to be undertaken with agencies in June.	Draft outline of key components of six-monthly report on ERP and NAP priorities.	<b>DCE meeting date for review:</b> 10 May  <b>Due to Ministers:</b> End August	CCIEB (following agency input)
2.	<b>Energy Strategy (TBC)</b>	One of Board's top priorities, report back requested by Board following initial discussions in late 2022. With focus on interdependencies and potential areas for early calls.		<b>DCE meeting date for review:</b> 10 May  <b>Cabinet paper dates:</b> 6 papers between March-June	MBIE
3.	<b>Adaptive Management</b>	Board's role includes advice on adaptively managing the ERP (and NAP). This item seeks endorsement of adaptive management approach (Tier 2).		<b>DCE meeting date for review:</b> 7 June (tbc)  Follows initial advice to Board in December 2022 and six-monthly report/SBO changes.	

Climate Response Ministerial Group				
5 April, 4.00-5.00pm, 2.1EW				
Item	Indicative item focus	Purpose of item, and timing, specify decisions needed, and papers	Critical dates	Lead agency
1.	<b>Board's six-monthly report and actions</b>  Could include: <ul style="list-style-type: none"> <li>- Cabinet priorities/options for papers</li> <li>- Options for further work following withdrawal of SBO</li> </ul>	- 6 monthly report and ERP priorities (including Cabinet paper priorities), delivery plans, any advice on SBO options (TBC)		CCIEB
2.	<b>Climate Adaptation Act</b>	Key decisions needed ahead of Cabinet		MFE (working with CCIEB if support needed)
3.	<b>ETS Review and HWEN update</b>	Update on ETS Review (between committee and Cabinet).  Update on Agricultural pricing / HWEN (including for views of CRMG chair)	1 Cabinet paper in June	MFE/MPI
May (TBC)				
1.	<b>NICF quarterly hui</b>			
	<i>Climate Change Commission draft advice (TBC)</i>			
June (TBC)				
	<i>Māori Climate Platform update (TBC)</i>	Progress check-in		MFE
	<i>MoT draft national VKT reduction plan (TBC)</i>	For endorsement		MOT
July (TBC)				
	<i>Energy Strategy (TBC)</i>			MBIE
	<i>ERP2 (TBC)</i>			MFE (with CCIEB support if needed)

# CLIMATE RESPONSE MINISTERIAL GROUP MEETING

AGENDA			
Date	Tuesday 11 April 2023		
Time	5.00pm – 6.00pm		
Location	Zoom only		
Agenda items	<b>Agenda item 1:</b> Emissions Reduction Plan update and next steps <b>Agenda item 2:</b> Climate-related land-use proposals		
Attendees	<b>Chair:</b> Rt Hon Chris Hipkins – Prime Minister <b>Deputy Chair:</b> Hon James Shaw – Minister of Climate Change Hon. Carmel Sepuloni – Deputy Prime Minister Hon. Kelvin Davis – Minister for Māori Crown Relations: Te Arawhiti Hon. Grant Robertson – Minister of Finance Hon. Megan Woods – Minister of Energy and Resources; Acting Minister of Forestry Hon. Michael Wood – Minister of Transport Hon. Damien O'Connor – Minister of Agriculture Hon. David Parker – Minister for the Environment Hon. Peeni Henare – Associate Minister for the Environment Hon. Kieran McNulty – Minister of Local Government Hon. Willow-Jean Prime – Minister of Conservation <b>Apologies:</b> [TBC]		
#	Time	Agenda Item	Recommendations
1	5.00-5.15pm	<b>Risks to Emissions Budget 1</b> <b>Lead Speakers:</b> Rt Hon Hipkins, Hon Shaw, James Palmer, Chair of the Climate Change Chief Executives Board.	
	This item sets out: <ol style="list-style-type: none"> <li>the Board's updated view on achieving the first Emissions Budget;</li> <li>a proposed set of priorities for the remainder of the current budget period; and</li> <li>advice on next steps for the additional abatement options that the Prime Minister and Minister of Climate Change indicated interest in.</li> </ol> <p><b>Supporting Documents:</b>  <i>Slide deck: <b>CRMG Discussion on Emissions Budgets</b> (from Climate Change Chief Executives Board)</i></p> <p><i>Briefing Note: <b>Advice on how we are tracking to meet the emissions budgets</b> (Ministry for the Environment)</i></p>	<p><b>1.1 Note</b> the key challenges for the delivery of ERP1 and that the Climate Change Chief Executives Board considers we are currently not on track to achieve Emissions Budget 1.</p> <p><b>1.2 Endorse</b> the Board's recommended priorities for focus in coming months (pre- and post-election) on slide 6-7.</p> <p><b>1.1 Note</b> the further information requested by Ministers on further abatement options from the Board's Six Monthly Report in slides 8-9.</p>	

C o n t		
o f - s c o p e	<p>[Redacted text block]</p>	<p>[Redacted text block]</p>

# CRMG Discussion: Risks to Emission Budget One



Climate Change Interdepartmental Executive Board

April 2023

## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### Purpose

This item sets out:

- a) the Climate Change Chief Executives Board's updated view on achieving the first Emissions Budget (EB1);
- b) a proposed set of priorities for the remainder of the current budget period; and
- c) advice on next steps for the additional abatement options where the Prime Minister and Minister of Climate Change indicated interest.

### Recommendations

1. **Note** that the Board considers that based on current information we are not on track to achieve EB1.
2. **Note** that officials have not identified additional policy options that are sufficient to offset the shortfall from the Sustainable Biofuels Obligation.
3. **Note** that implementation of the actions in ERP1 is pivotal to set ourselves up for EB2 and EB3, and minimise any further shortfall to EB1.
4. **Endorse** the Board's recommended priorities for focus pre- and post-election on slides 6-7.
5. **Note** the further information requested by Ministers on further abatement options from the Board's Six Monthly Report in slides 8-9.

# Key messages – the challenge for Emissions Budget 1

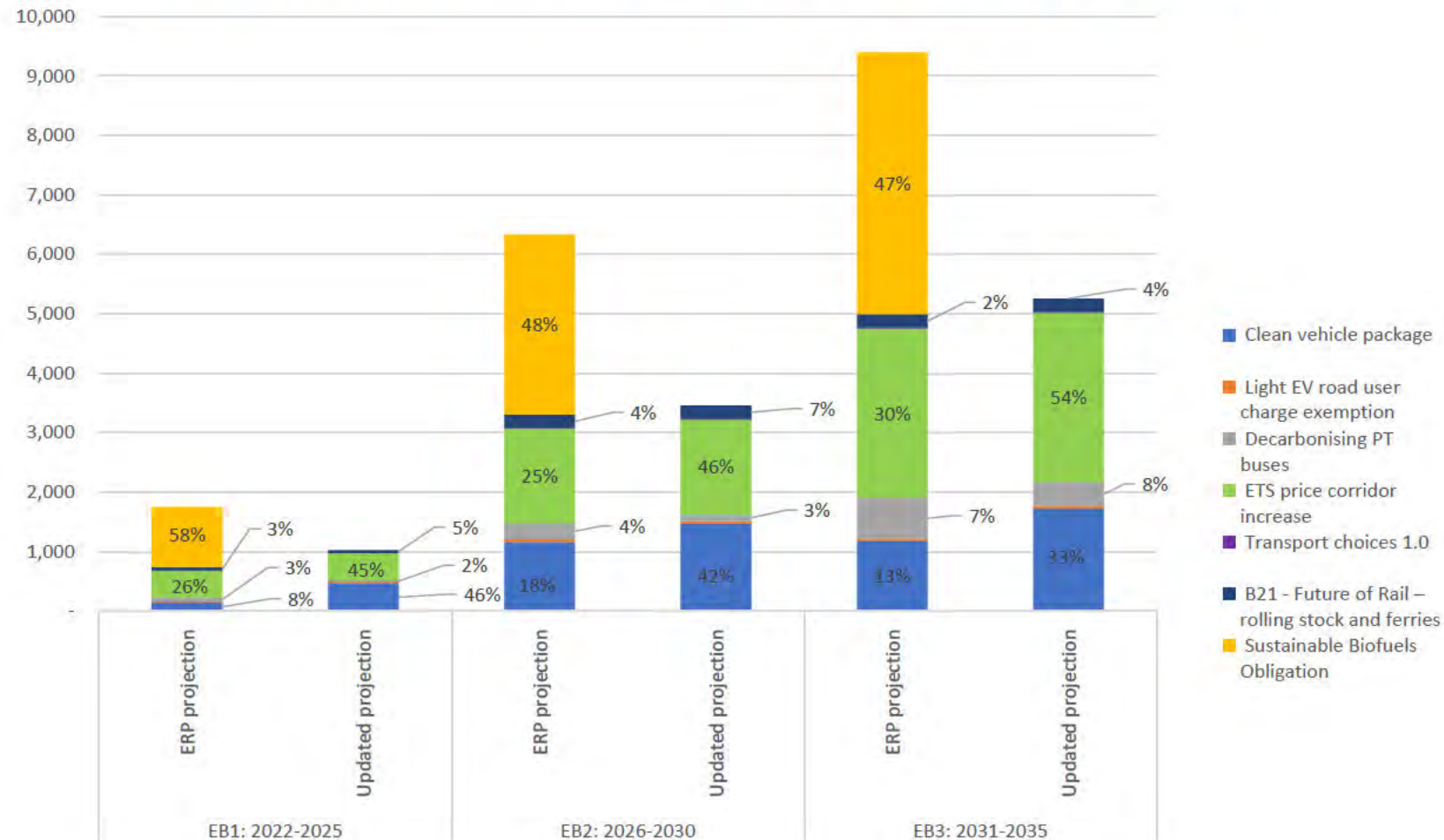
- ❑ The Climate Change Chief Executives Board has reviewed its assessment of whether we are on track to achieve the first emissions budget (EB1) (2023 to 2025). The Board’s assessment based on current information is that we are not on track to meet EB1, reflecting:
  - *The three strategic challenges identified in the Board’s Six-Monthly Report...*
    - ambitious emissions budgets;
    - agencies working at capacity with early indications of some risks to delivery; and
    - the loss of abatement from the removal of the Sustainable Biofuels Obligation (SBO)
  - *...combined with confirmation that there are no new abatement options that provide significant emissions reductions in EB1 to address the gap left by the SBO.*
- ❑ Three of four scenarios modelled in New Zealand’s December 2022 emissions projections indicate that we are not on track for EB1, with the size of the gap between 1.1 and 4.3 percent of the first budget.
- ❑ Whether EB1 is achieved will depend on the actual effectiveness of initiatives, and headwinds or tailwinds outside of the direct control of government and will not be clear until after EB1 ends. The attached briefing note provides more detail on this modelling and key assumptions and note the high degree of uncertainty inherent in projections.



# The impact of the Sustainable Biofuels Obligation

Removing the SBO leaves a significant gap in planned emissions reductions. When the ERP was published it represented 58% of transport sector abatement in EB1 and around 10% of total abatement in EB1 and will have an ongoing effect across the three budgets.

Quantified central emissions impact estimates of transport policies (AR5 Kt CO<sub>2</sub>-e)



This chart compares the quantified emissions reduction for transport sector policies across emissions budgets:

- At the time of the ERP1 publication.
- With an updated forecast that removes Biofuels and includes an increased emissions reduction for the clean vehicle package and PT bus decarbonisation.

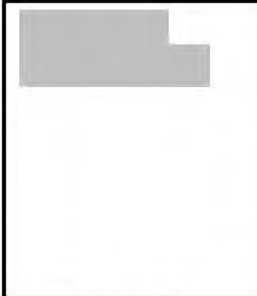

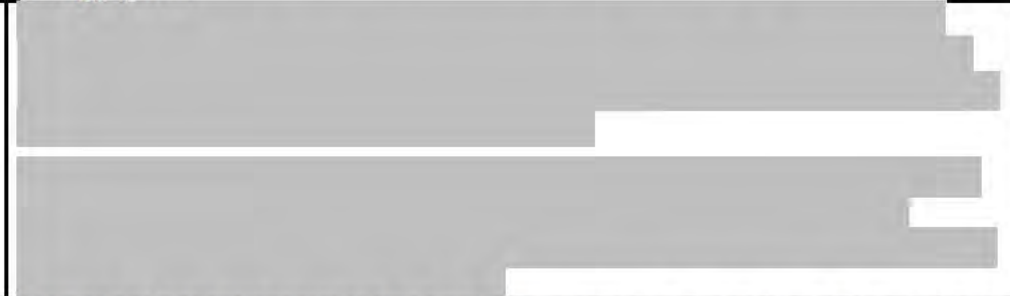
## The Board's recommended response

- ❑ The Board considers it is critical to ensure the effective delivery of a small number of actions that provide the key 'building blocks' to deliver or support substantial abatement over EB2 and EB3. The Board has not identified any options that would address the current gap in EB1 and adding further actions may put at risk capacity to deliver the building blocks for future budgets.
- ❑ The Board has used its system perspective to consider the priority areas to focus on over the remainder of EB1, why these are critical, and the key opportunities to make progress in each area (slides six and seven). These priority areas also link to key transitions in the Climate Commission's demonstration pathway. We seek your endorsement of these priority areas and opportunities.
- ❑ As more general measures, the Board also recommends:
  - Investigating options to support households already under financial pressure, particularly where policies that reduce emissions will increase costs. This includes for example the role a climate dividend could play in the response, given their successful use in other jurisdictions.
  - Ministers prepare to activate the borrowing provisions in the Zero Carbon Act, in the event we may miss EB1.
- ❑ s 9(2)(h)

# The Board's view of priority areas and opportunities (1)

Priority	Why this matters	Key actions and opportunities
The ETS Review	<p>The ETS is the key price lever across the economy and stable, consistent policy is critical to ensure there is ongoing market confidence in the tool. The Government has committed to adjust the NZ ETS to drive a balance of gross and net emissions reductions. The ETS review has identified four options to prioritise reductions while retaining support for removals.</p> <p>The review also considers how the ETS can support indigenous biodiversity. It links to biodiversity credits and removals strategy and is important for longer term approach to sequestration including how long-term indigenous forestry can be encouraged, new sequestration opportunities (i.e. wetlands).</p>	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p>
Annual update to NZ ETS unit limit and price control settings.	<p>The review of settings is a further opportunity to support build confidence in the ETS, but there is no guarantee of extra abatement given the stockpile of emission units in accounts.</p> <p>Price control settings provide the government with a mechanism to help manage unacceptably low or high prices in the NZ ETS. Decisions on price control settings are linked to other ETS-related decisions – for example Ministers may be comfortable taking different decisions were a climate dividend in place.</p>	<p>The Climate Commission provided advice on ETS settings on 31 March 2023. This advice provides an opportunity to consider a range of scheme settings and whether changes to provide further abatement are desired.</p> <p><b>Ministers will be asked for, approval to consult on the response (15 May), policy decisions (7 August) with a response due by 30 September.</b></p> <p>Public consultation on ETS settings for 2024-2028 will commence in May 2023 responding to the Commission's advice.</p>
s 9(2)(f)(iv)	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p>	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p> <p>[Redacted]</p>
Transport mode shift implementation	<p>The ERP includes a target to reduce total kilometres travelled (VKT) by the light fleet by 20 percent [relative to projected growth] by 2035 through improved urban form and providing better travel options, particularly in our largest cities. Achieving this target is vital for reducing transport emissions, as it is not feasible to only rely on transitioning to cleaner vehicles and fuels to meet our climate commitments. Meeting the VKT target would represent an estimated cumulative reduction in emissions of 13.4 MT CO<sub>2</sub>-e from 2022 to 2035.</p> <p>To reach the 2035 target, we need to build the foundations for mode shift now. This will require substantial improvements to public transport infrastructure and services, and walking and cycling networks as well as the policies and systems to enable pricing (e.g. congestion charging). Sequencing of these changes is also vital e.g. people need access to good public transport options before pricing schemes are introduced.</p>	<p>The first stage of the Transport Choices programme is funding activities such as additional bus stops, bus prioritisation lanes, cycleways, improvements to transport infrastructure around schools, and footpath/intersection improvements.</p> <p>The Minister of Transport will report to Cabinet in May 2023 on the proposed <b>Reshaping Streets regulatory changes</b> to make it simpler to make street changes that support public transport and active travel. Most of these changes could be progressed quickly (before the election) through a new land transport rule.</p> <p>The Minister of Transport will seek the CRMG's endorsement of a new national mode shift plan in June 2023. This plan will also set a framework for VKT reduction programmes to be developed in urban, rural, and provincial places over time.</p>

# The Board's view of priority areas and opportunities (2)

Priority	Why this matters	Key actions and opportunities
<p>The Energy Strategy, and the transition to a highly renewable electricity system</p>	<p>The Energy Strategy, and the broader work programme to transition the energy system, provides the groundwork for decarbonising and electrifying a range of sectors including transport and industrial emitters.</p> <p>For example, we need to ensure we build renewable generation and infrastructure at a sufficient rate to support electrification across the economy, and we need to ensure electricity supply reliability as our fossil fuel generation exits.</p>	<p>In mid-2023 in advance of the Energy Strategy, Ministers will be asked to consider a suite of papers and options for consultation to ensure an orderly transition:</p> <ul style="list-style-type: none"> <li>- Draft Gas Transition Plan consultation regarding the role of gas in the energy system</li> <li>- Measures to support reliable and affordable electricity supply through the transition</li> <li>- Draft Hydrogen Roadmap outlining the pathway for a Hydrogen Industry in NZ.</li> <li>- Regulatory framework for offshore renewable energy developments.</li> </ul> <p>In mid-2023, Cabinet will consider a progress report on the NZ Battery Project.</p> <p>Throughout 2023, undertaking Energy Strategy targeted engagement on the most important longer term challenges and opportunities for the energy system, and undertaking whole of energy system modelling to inform the big choices for our energy system.</p>
	<p>s 9(2)(f)(iv)</p> 	
<p>Partnerships to support abatement of New Zealand's largest emitters</p>	<p>Direct and coordinated engagement with large emitters has the potential to bring forward or open up opportunities to reduce their emissions. This approach is expected to deliver a significant share of the emissions reductions GIDI is forecast deliver.</p> <p>The size and complexity of investment needed to abate the emissions of these firms requires more bespoke approaches that connect across emissions pricing, financial incentives and regulation. Many of our largest emitters are also in hard-to-abate sectors (e.g. steel, aluminium, methanol, fertilisers).</p>	<p>Cabinet has already considered one active partnership negotiations between EECA and a large emitter and is expected to be announced in May 2023. <b>Cabinet will consider a further partnership opportunity in June.</b></p> <p>Both of these partnerships will only have emissions impacts in the second Emissions budget and beyond. MBIE and EECA are working to improve our understanding of the potential future opportunities.</p>

# ANNEX 1: UPDATE ON ADDITIONAL ABATEMENT OPTIONS THAT MINISTERS EXPRESSED INTEREST IN, FROM THE BOARD'S SIX-MONTHLY REPORT (1)

## Near-term opportunities [Budget Sensitive]

Initiative and Description	Summary and abatement potential	Potential next steps
Investing in EV Charging Infrastructure	Additional funding for EV charging infrastructure is currently under consideration s 9(2)(f)(iv) No direct abatement but supports EV uptake.	For Cabinet consideration in Budget 2023
Minimum energy performance standards for residential lighting	Funding is being sought to increase the uptake of residential LED lighting s 9(2)(f)(iv). Estimated to deliver 100MW of efficiency savings but no current estimate of CO <sub>2</sub> -e savings. An initial estimate for the emissions savings is an approximately 29Kt annual reduction from 2026/27 onwards.	For Cabinet consideration in Budget 2023 s 9(2)(f)(iv)
Transport policies: (1) Clean Car Discount (2) Transport Choices (3) Clean Truck Discount and RUC and Heavy RUC exemption	(1) Changes from a review of the clean car discount scheme could deliver an additional 298 Kt of CO <sub>2</sub> -e abatement. (2) Extending the transport choices work programme to support people to walk, cycle and use public transport could deliver up to 253Kt in EB2 and up to 629 Kt in EB3 (3) Progressing the Clean Truck Discount Scheme could deliver abatement of 6Kt in EB1, 265Kt in EB2 and 1,117Kt in EB3	(1) To be considered at DEV on 5 April (2) Extension of the transport choices work programme is currently unfunded (3) An alternative zero emission heavy vehicle subsidy scheme is with Cabinet for consideration in Budget 2023
s 9(2)(f)(iv)	[Redacted]	[Redacted]

# ANNEX 1: UPDATE ON ADDITIONAL ABATEMENT OPTIONS THAT MINISTERS EXPRESSED INTEREST IN, FROM THE BOARD'S SIX-MONTHLY REPORT (2)

## Medium-term opportunities

Initiative and Description	Summary and abatement potential	Potential next steps
Wetland restoration/Nature based Solutions	This work will involve investing in restoring native ecosystems that will deliver significant carbon sequestration and climate resilience (e.g., flood protection) and positive biodiversity outcomes. One immediate opportunity in this space is restoring/rewetting peatlands (a type of wetland).	Consider advice from officials in late April, on extending our target accounting to include non-forest categories.
s 9(2)(f)(iv)	[Redacted]	[Redacted]
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Addressing barriers to emissions reduction and climate adaptation for buildings	This initiative would provide business and community grants, pilots and targeted resources and guidance to lift consumer demand and business capability. Could deliver a total reduction of 278,000t CO <sub>2</sub> -e between 2024-2027. Kāinga Ora budget bids to decarbonize housing and for a neighbourhood demonstration project are expected to reduce emissions by 158,000t and 520,000t CO <sub>2</sub> -e respectively over 70 years.	Requires new funding to proceed



# Advice on how we are tracking to meet the emissions budgets

Date Submitted:	4 April 2023	Tracking #: BRF-2993	
Security Level	Legally Privileged	MfE Priority:	Urgent

	<b>Action sought:</b>	<b>Response by:</b>
Hon James SHAW, Minister of Climate Change	Agree to share this advice with the Climate Response Ministerial Group to support ahead of the discussion on the actions required to address the shortfall with EB1 on 11 April.	5 April

Actions for Minister's Office Staff	<b>Forward this briefing and appendices to CRMG Ministers</b> <b>Return the signed report to MfE.</b>
Number of appendices and attachments #1	Titles of appendices and attachments: <ol style="list-style-type: none"> <li>1. Appendix 1 - Emissions Projections</li> <li>2. Appendix 2 – Legal Issues</li> </ol>

## Key contacts

Position	Name	Cell phone	1st contact
Principal Author	Freya Farrar		
Responsible Manager	Kara Lok	s 9(2)(a)	✓
Director	Hemi Smiler		

# Advice on how we are tracking to meet the emissions budgets

## Key Messages

1. You have requested advice on how we are tracking against our first three emissions budgets. Meeting these emissions budgets is critical to achieving New Zealand's 2050 target and delivering our nationally determined contribution for 2021-2030.
2. The Climate Change Chief Executives Board (the Board) is monitoring progress against the actions within the emissions reduction plan (the plan) and our progress towards the emissions budgets. Its first six-month report in February stated that meeting the first emissions budget is “finely balanced”. This report was based on data and insights from December 2022.
3. Officials and the Board are of the view we are no longer on track to meet the first emissions budget. Since February, the risks listed in the report have progressed and the Board examined whether new policies could be implemented, or existing policies could be ramped up. No actions have been identified that will have a material impact on the first emissions budget (EB1).
4. The Climate Change Response Act 2002 (the Act) includes two flexibility mechanisms that can be used if New Zealand does not achieve an emissions budget. These mechanisms involve either borrowing from the next emissions budget and/or using offshore mitigation and are available after the Commission provides advice at the end of the budget period.

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6. The Climate Response Ministerial Group (CRMG) is meeting on 11 April to discuss what actions could be undertaken to address the shortfall. We propose that this briefing is shared with CRMG ahead of this meeting.

## Recommendations

We recommend that you:

- a. **Agree** to share this advice with the Climate Response Ministerial Group to support ahead of the discussion on the actions required to address the shortfall with EB1.

Yes/No



b. s 9(2)(h) [Redacted]

c. Note this briefing has been shared with the Climate Change Executives Board.

## Signature

Hemi Smiler Director Climate Strategy	
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Hon James SHAW, Minister of Climate Change	
[Date Field]	

## Purpose

1. This briefing responds to your request for information about:
  - Whether New Zealand is on track to meet the first three emissions budgets (supported by Appendix 1 – Emissions Projections).
  - s 9(2)(h) [REDACTED]
2. This briefing also provides advice on further action that could be taken to meet the emissions budgets, as well as information to support the Climate Response Ministerial Group (CRMG) discussion on 11 April.

## Context

3. In May 2022, you set the first three emissions budgets and published New Zealand’s first emissions reduction plan. This plan contains the policies and strategies needed to meet the first emissions budget and put New Zealand on a path to achieving the 2050 target.
4. Under the Climate Change Response Act 2002, you have a legal duty as the Minister of Climate Change to set emissions budgets and ensure that they are met. This specifically means ensuring that ‘net accounting emissions’ do not exceed the limit imposed by the emissions budget. Noting that for the first emissions budget (2022-2025), this limit is set at 290 Mt CO<sub>2</sub>-e.
5. Responsibility for implementing the policies and strategies included in the first emissions reduction plan is shared across many different Ministerial portfolios.
6. The Climate Change Chief Executives Board (the Board) was established as an interdepartmental executive’s board in 2022 in recognition of this joint responsibility. The Board’s role in relation to these matters is to monitor and report on the progress of actions within the plan, advise on the overall effectiveness and future direction of the plan, and ensure domestic emissions budgets are met.

## It is likely we are off track for the first three emissions budgets

*The Climate Change Chief Executive Board has produced its first six-month report*

7. In February 2022, the Board produced its first six-month monitoring report on the progress of the emissions reduction plan towards the first emissions budget (EB1). It also assessed progress towards emissions budgets two (EB2) and three (EB3).
8. The Board stated that meeting EB1 and EB2 was finely balanced and “*any reductions in scope or delays in delivery of the emissions reduction plan will make achieving emissions budgets even more challenging. We are currently not on track to meet EB3.*” This assessment was based on data insights from December 2022.

*The context has changed since December 2022*

9. The decision-making context has changed since December and there is now a higher likelihood that we may not meet EB1, EB2 and EB3. The changes include:
- *Cyclone Gabrielle response and recovery efforts.* This may hinder regional efforts by firms, local authorities, and individuals to consider and reduce emissions. Infrastructure repair and recovery may also have an associated increase in emissions.
  - *Significant climate policy changes.* This includes the removal of the Sustainable Biofuels Obligation in early February and the decision not to progress further transport policies in March. The Sustainable Biofuels Obligation was part of the first emissions reduction plan and estimated to contribute around 1 Mt CO<sub>2</sub>-e to EB1. This is approximately half of the transport sectors modelled abatement. Further information on the impacts of the transport policies not progressing is outlined in Appendix 1.
  - *The Board has further assessed the options to make up this gap.* The Board examined whether existing policies could be ramped up and or new policies could be implemented and have not identified any that would deliver significant abatement in the EB1 period.
  - *Ongoing significant external factors such as global inflationary pressures and supply constraints.* There are many interrelated implications that could negatively impact our emissions reduction efforts such as increased costs of mitigation technology options, firm spending on mitigation technology and actions, and further labour and skills shortages. These factors were highlighted in the Board's report.

*Our emissions projections*

10. Three of the four scenarios modelled in our December 2022 emissions projections<sup>1</sup> indicate we are off track to meet EB1:
1. *With existing policy measures (WEM)* – the core scenario based on existing policies only. This scenario exceeds EB1 by 3.6 Mt CO<sub>2</sub>-e or 1.2 per cent.
  2. *With additional policy measures (WAM)* – this scenario includes existing policies and additional policies not yet implemented. This scenario exceeds EB1 by 3.3 Mt CO<sub>2</sub>-e or 1.1 per cent.

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<sup>1</sup> Our projections include a high degree of uncertainty and are based on assumptions about New Zealand's economic growth and other economic variables, future policy implementation and technological advancement. If future circumstances differ from underlying assumptions, **emissions could vary widely from projections scenarios.**

3. *With existing policy measures (WEM) low emissions scenario* – represents a scenario where low population growth, low GDP growth, and high carbon prices result in less emissions. This scenario overachieves EB1 by 4.5 Mt CO<sub>2</sub>-e or 1.6 per cent.
  4. *With existing policy measures (WEM) high emissions scenario* – represents a scenario where high population growth, high GDP growth, and low carbon prices result in higher emissions. This scenario exceeds EB1 by 12.3 Mt CO<sub>2</sub>-e or 4.3 per cent.
11. These projections do not account for the removal of the Sustainable Biofuels Obligation or the Clean Car Scheme.

*We are no-longer on track to meet EB1*

12. In December 2022 officials and the Board determined we were likely to be somewhere between scenarios one and two. The Board used scenario two in its advice to Ministers with the judgement that achieving the EB1 was finely balanced at 1.1 per cent.
13. However due to the changes in the decision-making context, and the removal of the Sustainable Biofuel Obligation without any clear options to replace the resulting abatement, officials have determined **we are no longer on track to meet EB1**. We are likely closer to scenario one but heading towards scenario four. This puts us slightly above achieving the first emissions budget (between 1.2 and 4.3 percent).
14. We have formed this view based on what we know about the limitations of our projections and changes in the decision-making context that are set out above (paragraph 9).
15. Further information on the projections is outlined in Appendix 1.

## How can we mitigate these risks?

16. There are steps you could take to mitigate the risk of not meeting EB1, EB2 and EB3.

*Actions for consideration for EB1*

17. The Board considered whether existing policies could be ramped up or if new policies could be implemented to increase emission reductions over EB1. This includes the additional options you and the Prime Minister directed officials to investigate. No additional actions were identified which would have a significant impact within the EB1 period.
18. The actions are therefore limited for EB1:
  - a. *Advice about meeting the first emissions budget could be sought from the Commission* – The Climate Change Commission (the Commission) is due to provide several pieces of advice over the next 18 months. This includes advice on the policy direction of the second emissions reduction plans, its first monitoring report on the implementation of ERP1, advice on progress towards the emissions budgets, and

advice on emissions budget four and the 2050 target review. You could ask the Commission as part one of the upcoming pieces of advice to review the Board and officials' assessment that we are not on track to deliver EB1 and consider whether there are any further actions which could be adopted.

- b. *It may be possible to use offshore mitigation to meet the shortfall* – Emissions budgets must be met through domestic abatement as far as possible. However, the Act does provide some flexibility; allowing offshore mitigation to be used if significant changes of circumstance have affected the considerations on which the emissions budget was originally based and those changes affect the ability to meet the budgets domestically. In its advice on the first three emissions budgets, the Climate Change Commission recommended that offshore mitigation should only be used “as a last resort in exceptional circumstances beyond the Government’s control, such as force majeure events where domestic measures cannot compensate for emissions impacts”.<sup>2</sup> While offshore mitigation may be an available option, any decision will therefore be subject to meeting the legal threshold and informed by additional advice provided in the Commission’s final report on EB1 in 2027.<sup>3</sup>
- c. *You could borrow from the next emissions budget* – Borrowing is another flexibility mechanism and allows up to one per cent of the next emissions budget (in this case, EB2) to be borrowed to make up a shortfall in the previous budget period (EB1). This amount (approximately 3 Mt CO<sub>2</sub>-e) could be deducted from EB2, making it harder to meet. The borrowing provisions can only be triggered once the Commission’s 2027 report is delivered. This report will advise on the quantity of emissions that may be borrowed or banked for the first emissions period.

#### *Actions to mitigate the risks of not achieving EB2 and EB3*

19. More material actions can be adopted to reduce emissions further as part of EB2 and EB3. These are outlined below:
  - a. *Ensuring the delivery of actions that are critical for EB2 and beyond.* The Board is providing CRMG with its advice on the key actions that should be prioritised for delivery to avoid further risks to achieving emissions budgets.
  - b. *Utilise the Board’s adaptive management approach.* The Board is developing an adaptive management approach to meeting emissions budgets. This involves identifying opportunities to increase the reductions from existing policies or implement new policies to reduce emissions.

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<sup>2</sup> *Ināia tonu nei* – Recommendation 4. The Commission recommended that (a) the limit on offshore mitigation should be zero for the first three emissions budgets and (b) the only circumstances that at this stage would justify the use of offshore mitigation is as a last resort in exceptional circumstances beyond the Government’s control, such as force majeure events, where domestic measures cannot compensate for emissions impacts. The Minister of Climate Change accepted this recommendation, noting that the Commission’s recommendation to limit the use of offshore was a narrow interpretation based on the information that was available to the Commission at the time of its advice.

<sup>3</sup> This will assess the amount of offshore mitigation required to meet the emissions budget, taking into account the limit it proposed as part of its advice on emissions budgets (section 5ZA).

*c. Develop an ongoing systematic 'pipeline' process as part of the ERP2 framework -*  
As part of the development of the second emissions reduction plan CRMG could direct a process to identify a range of options needed to be identified, developed, assessed, decided, and implemented over time. This would provide Ministers some assurance and increase public confidence that the current and future budgets can still be met with manageable economic consequences.

## **When will we know if we have met the first emissions budget?**

20. We will know if we have met the emissions budget with the publication of the Greenhouse Gas Inventory in 2027, which would cover the period 1990 to 2025.
21. There are a number of points ahead of 2027 when we will have more information on our emissions (or likely emissions) over the first emissions budget period:
  - In December 2023 our emissions projections will be updated. These updates will be based on more up to date data and information and will likely include some methodological improvements.
  - In April 2024 we will also publish New Zealand's Greenhouse Gas Inventory (NIR) for the period 1990 to 2022. This will provide us with the first historical estimates of emissions within the first emissions budget period (2022).
  - The Commission will deliver its first annual monitoring report by mid-2024. This will monitor and report on progress towards meeting emissions budgets, emissions reduction plans and the 2050 target. The timing of this advice is linked to the delivery of the 2023 NIR, and progress will be reported using this data.

## **What is the statutory process if a budget is not met?**

22. The Commission will produce its report at the end of each emissions budget period (first report due 2027). This report will assess whether Aotearoa has met the emissions budget and must be presented to the House of Representatives and made publicly available. It will also include the advice on banking and borrowing from EB2, and the use of offshore mitigation.
23. The Minister of Climate Change's response must also be presented to the House and – if the emissions budget has not been met – the Minister is required to include the reasons for the failure. This response must also be made publicly available.

s 9(2)(h)

*Financial, regulatory and legislative implications*

28. There are no financial, regulatory, or legislative implications associated with the proposals in this briefing note.

**Next steps**

29. Officials discussed the content of this briefing with you on 3 April.
30. CRMG will be discussing what steps could be taken to address the EB1 shortfall on April 11. We propose this paper is shared with them and the Prime Minister to support this discussion.
31. s 9(2)(h)

## Appendix 1 - Projections data

1. The following information is based on the domestic emissions projections developed and compiled by the Ministry and published in New Zealand's Eighth National Communication under the UNFCCC in December 2022.
2. Table 1 provides a description of each key projections scenario published. It demonstrates that emissions are projected to exceed EB1 under all scenarios except for the 'with existing measures low emission scenario'. It also shows that the margins are relatively fine when comparing our core scenarios (WEM and WAM) to the emissions budget level – these scenarios are within one to two per cent of meeting the first emissions budget.

**Table 1: Projected emissions over and under the first emissions budget based on different projections scenarios**

Projections scenario <sup>4</sup>	Scenario description	Projected level <b>over</b> or <b>under</b> the first emissions budget	Projected percentage <b>over</b> or <b>under</b> the first emissions budget
WEM - with existing measures	Our central scenario based on assumptions of economic (and other drivers) that includes the impact of <i>existing</i> policy measures.	3.6 Mt CO <sub>2</sub> -e	1.2%
WEM low - with existing measures low emissions scenario	A variation on WEM representing potential emissions where low population growth, low GDP growth, and high carbon prices are assumed and result in less emissions.	4.5 Mt CO <sub>2</sub> -e	1.6%
WEM high - with existing measures high emissions scenario	A variation on WEM representing potential emissions where key high population growth, high GDP growth, and low carbon prices are assumed and result in higher emissions.	12.3 Mt CO <sub>2</sub> -e	4.3%
WAM - with additional measures	An extension of 'with existing measures' that includes additional measures not yet implemented (including some additional ERP policies). <sup>5</sup>	3.3 Mt CO <sub>2</sub> -e	1.1%

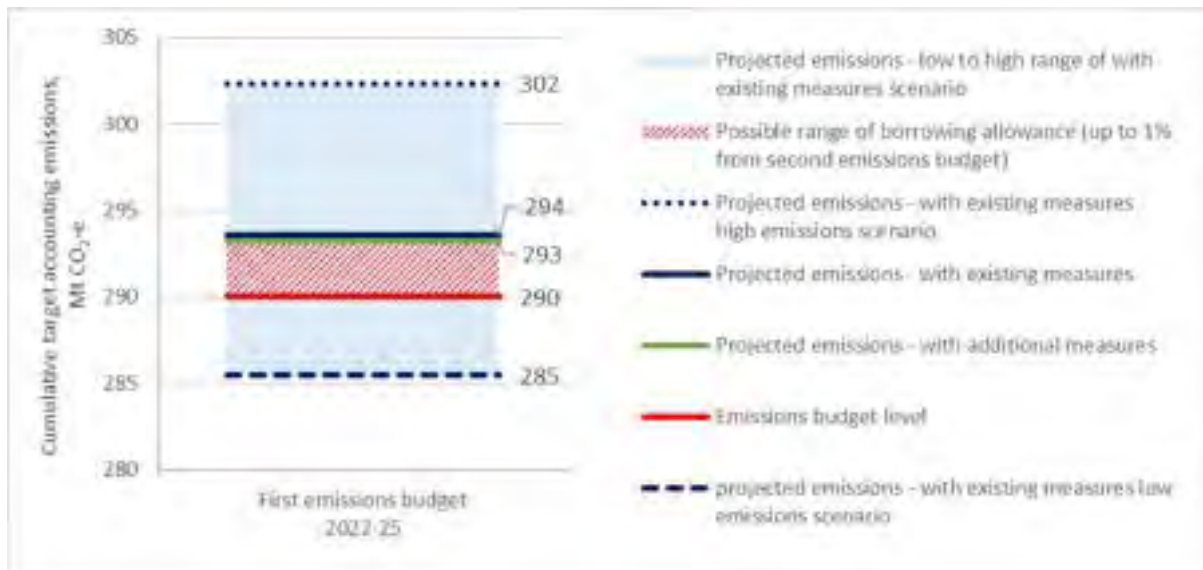
<sup>5</sup> There is more uncertainty associated with the expected impact of policies not yet implemented.



- Figure 1 provides a visual representation of projected total emissions over the first emissions budget period under the different scenarios and includes the possible range of borrowing allowance. The borrowing allowance is only a relatively small amount. Emissions could end up being within the borrowing allowance if they exceed the budget.

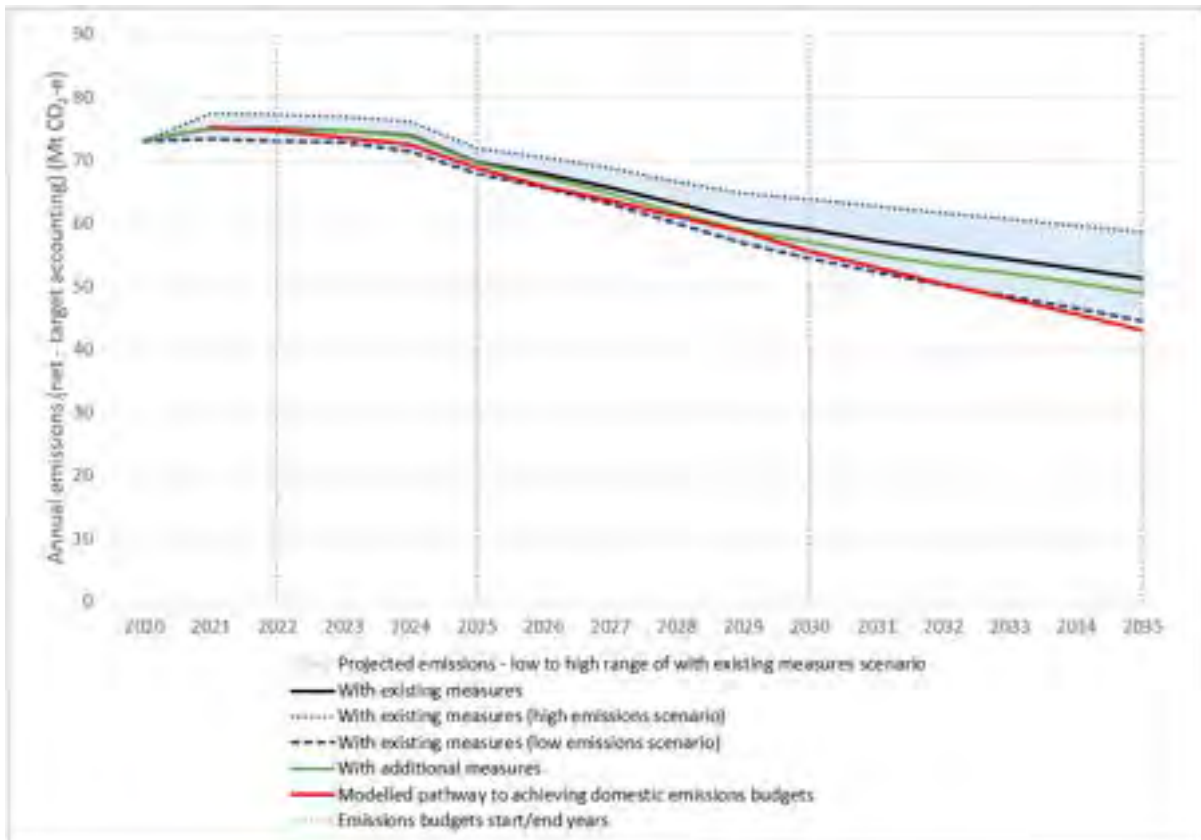
**Figure 1: projected emissions under different projections scenarios compared to permissible the first emissions budget level (including borrowing)**

Note: the y-axis starts at 280 Mt for better resolution – the entire range of projections scenarios shown represents less than 6% of the total emissions budget



- Figure 2 shows the projections scenarios as an annual timeseries across the first three emissions budgets. It also shows a pathway to meeting emissions budgets (based on the Climate Change Commission's demonstration adjusted in accordance with adjustments made to the final emission budgets).
- The pathway for meeting emissions budgets is within the low-high range of emissions projections for the first and second period but drops outside of the projections range in the third period. We can have a higher level of confidence in predicting that we are currently off-track for meeting emissions budget three. However, the range of uncertainty increases the further forward we look.
- Our core scenarios (WEM and WAM) are consistently slightly above the pathway to meeting budgets in the first and second period. This indicates that meeting the first two budgets is within the range of possibility but relies on successful implementation of the ERP and external factors that drive emissions trends to go in our favour. We are also very susceptible to risk – if key risks that could lead to driving increases in emissions or delays to abatement end up eventuating, then it is unlikely we will meet the first and second emissions budget.

**Figure 2: projected emissions under different projections scenarios compared to a pathway for meeting the first three emissions budgets**



### Limitations to the 2022 projections

7. There are several limitations to applying these projections (compiled for international reporting purposes) for measuring progress towards our emissions reduction targets, including:
  - I. They do not account for planned policies that have not yet reached sufficient certainty of adoption or implementation.
  - II. Not all implemented policies and measures that are likely to have a significant emissions impact were able to be quantified (due to reasons such as time, capacity and data constraints, lack of certainty and model design constraints<sup>6</sup>).
  - III. Assumptions are not entirely consistent between sectors and not all sub-sector projections were fully updated.
8. We are working on developing process improvements and supporting better cross-agency collaboration to improve the quality and cohesiveness of our projections and other emissions impact estimates. However, this process involves iterative improvement and takes time.

<sup>6</sup> The recently removed Sustainable Biofuels Obligation, as well as the currently implemented Clean Car Scheme (Discount and Standard) were not accounted for in the 2022 projections.

*Impacts of recently removed transport policies*

9. On February 8, the Prime Minister announced that the **Sustainable Biofuels Obligation** programme will not be going ahead. The exclusion of this programme is expected to have significant implications for the ability of the transport sector to deliver emissions reductions and contribute to meeting our first three emissions budgets.
10. Under the analysis completed for the emissions reduction plan, actions in the transport sector were modelled to result in 1.7 to 1.9 Mt CO<sub>2</sub>-e of abatement within the first emissions budget, with the Sustainable Biofuels Obligation contributing around 1 Mt CO<sub>2</sub>-e. Across the first three emission budgets, the Biofuels Obligation was expected to deliver around half of the modelled abatement from emissions reduction plan measures in transport.
11. On March 13, the Prime Minister announced that the **Clean Car Upgrade** and **social leasing car schemes** would not be progressing. Both of these programmes were expected to result in an insignificant level of emissions reductions. Their main purpose was aligned with ensuring an equitable transition. They intended to support low and moderate-income households with access to affordable low-emissions transport.

s 9(2)(h)

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## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### AGENDA

Date	Last meeting			Current meeting			Next meeting		
<b>Main items</b>	<b>29 March 2023</b> <ul style="list-style-type: none"> <li>• <b>Board only discussion:</b> Board purpose and operating mode</li> <li>• Preparation for CRMG on 5 April</li> <li>• Transport mode shift</li> <li>• Adaptation governance – Climate Change</li> <li>• <b>AOB/Noting:</b> ETS and HWEN updates; CCIEB corporate 1-pager</li> </ul>			<b>17 April 2023</b> <ul style="list-style-type: none"> <li>• Board only: Chair's opening comments, context, key actions from CRMG</li> <li>• Legal obligations under the CCRA (Crown Law item) [Legally privileged]</li> <li>• Board strategy session debrief and key actions</li> <li>• ERP2 early strategic framing</li> <li>• Equitable Transitions Strategy update (MBIE &amp; MSD)</li> <li>• Nature-based solutions deep dive (DOC)</li> </ul> <b>Noting papers:</b> Carbon Neutral Government Programme update			<b>17 May 2023</b> <ul style="list-style-type: none"> <li>• Approval for second six-monthly monitoring and reporting design – incorporating NAP</li> <li>• ETS Review update</li> <li>• ERP strategies inter-relationships, sequencing and delivery</li> <li>• Māori engagement across Climate policy response</li> </ul>		
Date	Time	Location	Attendees						
17 April 2023	1530-1700 hours	Microsoft Teams (Teams link provided in invite)	<b>Attendees:</b> James Palmer (MfE) (Chair), Audrey Sonerson (MOT), Carolyn Tremain (MBIE), Penny Nelson (DOC), Ray Smith (MPI), Aaron Martin (Crown Law), Vicki Plater (TSY delegate) <b>Attendee invited for item 6:</b> Pip Fox (HUD) <b>Apologies:</b> Caralee McLiesh <b>In support of the meeting:</b> Lisa Daniell, Chris Nees, Rachael Church (CCIEB Unit) <b>Agency attendees:</b> Anne Haira, Janine Smith, Hemi Smiler, Simon Mandal-Johnson (MfE), Mel Porter (MBIE), Simon MacPherson (MSD), Ruth Isaac (DOC)						
#	Time	Agenda item			Recommended actions				
1.	5 mins 1530-1535	Karakia timatatanga, Chair's opening comments, key actions from CRMG Lead: Chair							
1.		Karakia timatatanga Chair's opening comments, context sharing from CEs, and key actions from CRMG							
2.	15 mins 1535-1550	Legal obligations under the CCRA (Crown Law item) [Legally Privileged] Lead: Aaron Martin							
2.		This item builds on discussion at Board's strategy session, and advice being provided to Ministers on implications of emissions budgets			2.1 Note the verbal update provided.				



3.	5 mins 1550-1555	Board strategy session debrief and key actions Lead: IEB Unit	
3.	This item provides an opportunity to align on key actions from Board strategy session <i>Paper 3.1: Board strategy session: key take-aways and next steps</i>		<p><b>3.1 Confirm</b> the key take-aways and actions from Board strategy session that the IEB Unit will take forward, including with inter-agency working groups and DCEs as needed.</p> <p><b>3.2 Note</b> that the IEB Unit will as a next step integrate agreed actions into its work plan, (including further detail and specific timing for delivery) for Board endorsement.</p>
4.	20 mins 1555-1615	S9(2)(f)(iv)	

S9(2)(f)(iv)

5.	20 mins 1615-1635	S9(2)(f)(iv)	
S9(2)(f)(iv)			
6.	20 mins 1635-1655	Nature-based solutions Lead: Penny Nelson & Ruth Isaac (DOC)	
6.1	<p>This item provides an overview on opportunities for integration with ETS Review, HWEN, ERP2, monitoring and reporting (biodiversity impact measures), and adaptation priorities</p> <p><i>Paper 6.1: Deep dive on Nature-based solutions</i></p>		<p><b>4.1 Note</b> existing commitments to NbS and active interest from Ministers, including the Prime Minister, in making practical progress</p> <p><b>4.2 Endorse</b> investigation of immediate opportunities to support:</p> <ul style="list-style-type: none"> <li>• Cyclone recovery – building back better with nature</li> <li>• Wetland restoration in flood prone catchments</li> <li>• Native forest restoration on erosion-prone slopes in cyclone-affected areas</li> <li>• Development of a biodiversity credit system</li> </ul> <p><b>4.3 Agree</b> to develop a work programme to integrate nature-based solutions in key areas of climate policy, including:</p> <ul style="list-style-type: none"> <li>• S9(2)(f)(iv)</li> <li>• Green infrastructure – work with MfE, MOT, HUD and others to improve incentives for NbS in urban environments</li> </ul> <p><b>4.4 Discuss</b> whether to include in the work programme these items where there are a range of views:</p> <ul style="list-style-type: none"> <li>• ETS review – DOC to work with MfE and MPI on improving incentives for sequestration through permanent indigenous forests</li> <li>• Governance – of ERP/NAP chapters or actions that address the role of nature</li> </ul> <p><b>4.5 Agree</b> that DOC and MfE will provide advice on the scope, resources and timeframes to deliver both immediate opportunities and medium-long term work programme.</p>
7.	N/A	Noting papers	
7.1	N/A	Noting paper: Carbon Neutral Government Programme update	
7.1	<p>Carbon Neutral Government Programme update – summary of first year of reporting and update on the programme</p> <p><i>Paper 7.1: Carbon Neutral Government Programme – Report Back on Tranche 1 emissions data</i></p>		<p><b>7.1.1 Note</b> the paper provided.</p>

8.	5 mins 1655-1700	Meeting administration Lead: Chair / Lisa Daniell (CCIEB Unit)
8.1	Minutes of previous meeting, 29 March 2023	<b>8.1 Approve</b> the minutes of the previous meeting
8.2	Actions register, as at 17 April 2023	<b>8.2 Note</b> the actions register
8.3	Forward agenda	<b>8.3 Review</b> the indicative forward agenda

## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

<b>Board-agreed mitigation-focused priorities, and forward scheduling</b>				
<b>Priority area</b>	<b>DCE meeting date for review</b>	<b>Board meeting date</b>	<b>Cabinet paper dates</b>	<b>CRMG dates, if applicable</b>
S9(2)(f)(iv)				
<b>ETS Review</b>	30 March	29 March as AOB/noting item	6 papers between March-May	May (relates to ERP discussion)
<b>He Waka Eke Noa</b>	S9(2)(f)(iv)			
<b>Transport mode shift</b>	TBC	29 March as substantive discussion item	7 papers between March-May	June (relates to ERP discussion)
<b>Energy Strategy</b>	10 May	Proposed 29 June (optimum timing to be confirmed with MBIE)	1 paper in May	July (relates to ERP discussion)



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 2				
To	Climate Change Chief Executives Board			
Meeting date	17 April 2023			
Item lead	James Palmer			
Lead agency	IEB			
Agenda item name	Chair's opening comments, key actions from CRMG			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Reason for Board's consideration	<ul style="list-style-type: none"> <li>• Opening karakia</li> <li>• Chair's opening comments</li> <li>• Context sharing from Chief Executives</li> <li>• Key actions from CRMG meeting on 11 April 2023</li> </ul>			
Recommendations	<p>For CRMG-related actions:</p> <p><u>Item 1</u>: Note commission to IEB Unit and agency Climate DCEs regarding:</p> <ul style="list-style-type: none"> <li>• improving and updating modelled impacts of current policies</li> <li>• confirming CERF initiatives now funded (and any associated modelled impacts)</li> <li>• any additional options for EB1 abatement (biofuels investment, further GIDI)</li> <li>• S9(2)(f)(iv)</li> </ul> <p><u>Item 2</u>: Note upcoming Cabinet paper package on NPS-IB and biodiversity credits, role of indigenous forestry, biodiversity an S9(2)(f)(iv)</p>			



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 2				
To	Climate Change Chief Executives Board			
Meeting date	17 April 2023			
Item lead	Aaron Martin			
Lead agency	Crown Law			
Agenda item name	Legal obligations under the CCRA			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Reason for Board's consideration	This item builds on the discussion at the Board's strategy session on 5 April 2023, and advice being provided to Ministers on implications of emissions budgets.			
Recommendations	<b>Note</b> upcoming legal advice from Crown Law on meeting emissions budgets to be provided to the Board (then Minister of Climate Change and A-G), and ahead of CRMG discussion on ERP1 on 9 May CRMG			
Comments	Draft legal advice will be provided to the Board by 21 April			



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 3				
To	Climate Change Chief Executives Board			
Meeting date	17 April 2023			
Item lead	James Palmer & Lisa Daniell			
Lead agency	IEB Unit			
Agenda item name	Board strategy session debrief and key actions			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	This item provides an opportunity to align on key actions from the Board strategy session held on 5 April 2023.			
Recommendations	<ul style="list-style-type: none"> <li>Confirm the key take-aways and actions from Board strategy session that the IEB Unit will take forward, including with inter-agency working and governance groups as needed.</li> <li>Note that the IEB Unit will as a next step integrate agreed actions into its work plan, (including further detail and specific timing for delivery) for Board endorsement.</li> </ul>			
Comments	Note links to agenda item 1 on CRMG actions and item 4 on approach to ERP2.			



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

# Board strategy session: key take-aways and next steps

### Objectives

To confirm key take-aways from the Board's strategy session on 5 April 2023, and next steps.

### Key take-aways: what we heard from the Board

- **Stewardship:** There is strong appetite by the Board to play a central stewardship role to drive consistency and stability in climate policy that is durable S9(2)(g)(i) [redacted]
- S9(2)(g)(i) [redacted]
- **System thinking:** The Board recognises the need to do the 'systems thinking' that won't happen elsewhere, or that could not happen in a single agency. This includes forecasting and modelling and understanding the interconnections and interdependencies between actions across sectors - e.g., how energy demand could be impacted by future transport policies, and implications for generation and distribution.
- **Prioritisation advice:** The Board sees this as one of its key roles. This includes identifying the key drivers of change, ensuring resources go there, and advising Ministers on these.
- **Strategic advice:** The Board recognises it needs its own strategic advice including a top-down strategy for climate change and the transition to a climate resilient economy S9(2)(f)(iv) [redacted]
- S9(2)(g)(i) [redacted]
- [redacted]
- S9(2)(f)(iv) [redacted]





## Next steps


1. S9(2)(f)(iv)

2.

3. **Develop linkages with the best experts (including international)** to support, challenge, and strengthen the Board's thinking and advice.

4. **Link with the Climate Change Commission:** The Board recognises the need for an established relationship with the S9(2)(g)(i)   
S9(2)(g)(i) **Action:** Initial engagement (April 2023) being planned by IEB Unit on CCC's next draft advice on ERP2.

5. S9(2)(g)(i) 

6. S9(2)(f)(iv) 

7. **Secretariat/IEB Unit:** The Board needs a highly capable secretariat with strong chief advisor/policy expertise. There is a need for continued role clarity of the IEB Unit (secretariat) and agencies, including expectations of each.

8. **Clarity on legal obligations:** Engagement with Crown Law is needed to ensure the Board is clear on its accountabilities under the ZCA.































































































## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 6				
To	Climate Change Chief Executives Board			
Meeting date	17 April 2023			
Item Lead	Penny Nelson & Ruth Isaac			
Lead agency	DOC (MfE support)			
Agenda item name	Deep dive: Nature-based solutions			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	<p>Ministers have expressed interest in making practical progress in existing commitments to nature-based solutions (NbS).</p> <p>The Board agreed (29 September 2022) for DOC and MfE to provide a report-back on NbS, to discuss the scope of this work.</p>			
Key focus areas	<p>The paper provides an overview on immediate opportunities for NbS, medium-long term opportunities for integration with the S9(2)(f)(iv) monitoring and reporting (biodiversity impact measures), and adaptation priorities.</p>			
Recommendations	<ul style="list-style-type: none"> <li>• <b>Endorse</b> investigation of immediate opportunities to support: <ul style="list-style-type: none"> <li>○ Wetland restoration in flood prone catchments</li> <li>○ Native afforestation on erosion-prone slopes in cyclone-affected areas S9(2)(f)(iv)</li> <li>○ Development of a biodiversity credit system</li> </ul> </li> <li>• <b>Agree</b> to develop a work programme to integrate NbS in key areas of climate policy, including: <ul style="list-style-type: none"> <li>○ S9(2)(f)(iv)</li> <li>○ </li> <li>○ Green infrastructure – working with MfE, MOT, HUD, and others to improve incentives for NbS in urban environments</li> </ul> </li> <li>• <b>Agree</b> to investigate options to improve the governance of the ERP/NAP chapters/work programmes on the role of nature</li> <li>• <b>Agree</b> that DOC [and MfE] will provide advice on the scope, resources, and timeframes to deliver both immediate opportunities and medium-long term work programme.</li> </ul>			
Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	29 September 2022
	The Board requested a report-back on NbS, to discuss the scope of this work.			
Has this item been considered/endorsed by Climate DCEs?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Date	
	A draft version of this paper was circulated to Climate DCEs for comment.			
Will this item be going to CRMG or Cabinet?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Date	
	See note in the Comments section below.			

Relevant Cabinet decisions and dates	<i>See note in the Comments section below.</i>
Comments	Note that there are links between the NbS work programme and the Climate Resilient Landscapes package that Hon Shaw presented at CRMG on 11 April, and the Cabinet paper package anticipated on NPS-IB, Biodiversity credits <span data-bbox="1267 367 1401 407">S9(2)(f)(iv)</span>

# Deep-dive on Nature-based Solutions



Department of  
Conservation  
*Te Papa Atawhai*

# Deep-dive objectives

## The purpose of this deep-dive is to:

- Confirm a shared understanding of **Nature-based Solutions (NbS)** and how they can deliver climate and biodiversity (and resilience) benefits.
- Note the PM and Minister of Climate Change are looking for more focus/action on the nexus between **climate change and land use**, and the relevance of natural infrastructure and systems to the Board's top 5 priorities and current debates.
- Summarise the Government's **NbS commitments under the ERP and NAP**; provide an honest assessment of progress and challenges to date, and discuss options for further action.
- Agree on **immediate opportunities** to support delivery of NbS and to what extent this work should be prioritized (given there is lots on for officials and Ministers, and the need to focus).
- Commission further advice on **timeframes and resources** required to deliver this work.

# What are Nature-based solutions?

**Nature-based Solutions use protection and restoration of native ecosystems to deliver effective, long-term climate change adaptation and mitigation**

This can be achieved by:

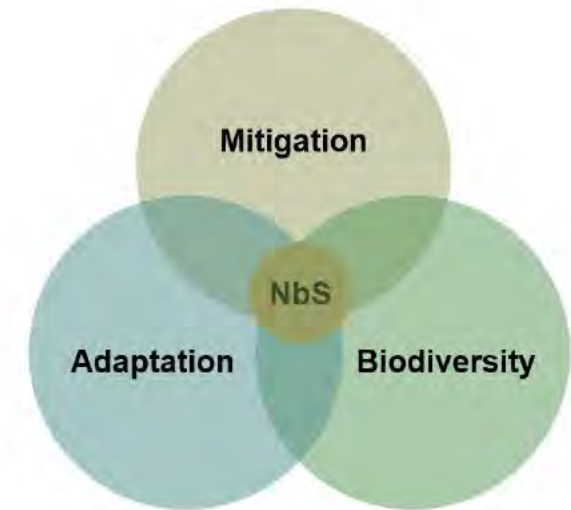
- the protection, restoration or management of natural and semi-natural ecosystems
- the sustainable management of aquatic systems and working lands such as croplands or timberlands
- the creation of green infrastructure and new ecosystems in and around cities, productive land, and other assets .

**Nature-based Solutions deliver multiple benefits, including:**

- sequestration and storage of carbon
- buffering climate impacts, if deployed in the right places
- support for biodiversity
- provision of mental and physical wellbeing benefits
- economic opportunities for local communities

The benefits are **not always equally distributed** across mitigation, adaptation and biodiversity. For example, urban green infrastructure delivers proportionately more adaptation benefits than for sequestration or biodiversity

Nature-based solutions will vary depending on the **problem** they are addressing, and the **context** in which they are used.



# The Government has committed to deliver NbS through several policy actions and objectives

	National adaptation plan	Emissions reduction plan	Aotearoa NZ biodiversity strategy
<b>Objectives</b>	<b>Objective 6.3:</b> Support working with nature to build resilience: Indigenous ecosystems are restored and protected, sites that need buffers against climate risks are identified and communities are supported in understanding nature-based solutions as a choice for adaptation		<b>Objective 13:</b> Biodiversity provides nature-based solutions to climate change and is resilient to its effects.
<b>Actions</b>	<b>Action 8.3 (NAP) and 10.1.5 (ERP)</b> Embed nature-based solutions as part of our response to reducing transport emissions and improving climate adaptation and biodiversity outcomes (MOT)		Nature-based solutions are integrated through council plans, strategies and policies
	<b>Action 5.9 (NAP) and 4.1 (ERP):</b> Prioritise nature-based solutions (DOC/MfE)		MfE has several initiatives underway (NAP, ERP, CNGP, Climate Related Financial Disclosures - CRFD)
	<b>Action 6.3 (NAP) and 4.2 (ERP):</b> Establish an integrated work programme that delivers climate, biodiversity, and wider environmental outcomes (DOC/MfE)		Councils are developing climate change policies, plans and strategies that are integrated into day-to-day operations.
	<b>Action 5.16</b> Identify options to increase the integration of nature-based solutions into urban form (HUD)	<b>Action 4.3</b> Report on biodiversity as part of emissions reduction plan reporting	Implement DoC's climate change adaptation action plan.
	<b>Action 6.1:</b> Implement the Department of Conservation Climate Change Adaptation Action Plan (DOC)	<b>Action 4.4</b> Encourage global efforts to use nature-based solutions (MFAT)	
	<b>Action 6.3</b> Implement Te Mana o te Taiao – ANZBS 2020 (DOC)	<b>Action 4.5</b> Build an evidence base on blue carbon in Aotearoa (DOC/MfE)	

## Progress to date deliver on the ERP and NAP actions

- Under actions 6.3 (NAP) and 4.2 (ERP)-  
S9(2)(f)(iv)
- To deliver on actions 5.9 (NAP) and 4.1 (ERP)-
  - Work has started on a biodiversity credits market and a joint work programme is being established to deliver it.
  - The ETS review's scope includes considering the extent to which the ETS should support co-benefits (e.g. improving indigenous biodiversity).
  - The terms of reference for the ETS review include how the scheme can further support indigenous biodiversity.
  - The Voluntary Carbon Market workstream is considering how investment into nature-based solutions can be supported.
- Action 4.3: guidance being prepared by DOC to support agencies on biodiversity impacts reporting for next 6 month reporting on ERP.
- Action 4.4 and 6.3: Global Biodiversity Framework through Kunming-Montreal Agreement (Dec 22) includes NbS actions and will impact NZ targets/actions for nature.
- S9(2)(f)(iv)



# Cyclone Gabrielle has changed the context for the urgency and need to progress NbS

Sensitivity Classification

- There is increasing interest in using NbS in our climate response – both from communities and ministers.
- We have made limited progress getting the settings right to deliver NbS
- The full human, economic and environmental implications of Cyclone Gabrielle will have a long tail. The costs of climate change impacts will grow over time, as similar events become more frequent and powerful.
- We have seen that **significant land use modification** and interventions that do not account for natural processes may have exacerbated the impacts of recent events
- Cyclone response and recovery work, including rebuilding key infrastructure, is underway. There is a real risk that if we do not carefully assess how to incorporate climate and biodiversity resilience into the rebuild and longer-term planning, that we put ourselves in a position of being in **perpetual crisis management**.
- We are also facing a biodiversity crisis. We are losing species and ecosystems faster than ever before. **Natural ecosystems underpin our food and water systems, our primary industries, and our culture**. If we lose them, our very existence is in peril.
- The case for NbS is not always clear. Appropriate analysis and cost-benefit assessment is required so that we **fully understand the trade-offs** between NbS and other options for addressing climate change.
- This means committing to the most promising aspects of NbS, and integrating it into the key workstreams – especially **ERP2, ETS review, and He Waka Eke Noa**

*We must take decisions now and begin a longer-term work programme that bolsters native ecosystems as part of our social and economic fabric.*

Sensitivity Classification

# Solutions and evidence base

There is good evidence for the value of NbS across a range of impacts, with more local research and demonstration needed in some applications

NbS examples (not exhaustive)	Example Methods	Potential Benefits	Strength of evidence base		
			Sequestration benefits	Adaptation benefits	Biodiversity benefits
Permanent native forests	<ul style="list-style-type: none"> <li>- Fencing</li> <li>- Browser control</li> <li>- Weed control</li> </ul>	<ul style="list-style-type: none"> <li>- Carbon sequestration</li> <li>- Soil stabilisation</li> <li>- Flood protection</li> <li>- Drought protection</li> </ul>	Medium-High confidence	Medium confidence	High confidence
Wetlands	<ul style="list-style-type: none"> <li>- Re-planting</li> <li>- Re-wetting</li> <li>- Weeding</li> <li>- Browser control</li> <li>- Managed retreat (of and from)</li> </ul>	<ul style="list-style-type: none"> <li>- Carbon sequestration</li> <li>- Flood protection</li> <li>- Water filtration</li> </ul>	High confidence	Medium confidence	High confidence
Rivers	<ul style="list-style-type: none"> <li>- Restoration (room to move)</li> <li>- Managed retreat (of and from)</li> </ul>	<ul style="list-style-type: none"> <li>- Flood protection</li> </ul>	Low confidence	High confidence	High confidence
Sponge cities	<ul style="list-style-type: none"> <li>- Urban green spaces</li> <li>- Water sensitive urban design</li> <li>- Stream daylighting</li> </ul>	<ul style="list-style-type: none"> <li>- Flood protection</li> <li>- Reduction of urban heat island effect</li> </ul>	Low confidence	High confidence	Medium confidence
Coastal dune systems	<ul style="list-style-type: none"> <li>- Re-planting</li> <li>- Weed control</li> </ul>	<ul style="list-style-type: none"> <li>- Carbon sequestration</li> <li>- Soil stabilisation</li> <li>- Flood protection</li> </ul>	Low confidence	High confidence	High confidence
Mangroves and sea grass	<ul style="list-style-type: none"> <li>- Restoration</li> </ul>	<ul style="list-style-type: none"> <li>- Carbon sequestration</li> <li>- Flood protection</li> <li>- Fish nurseries</li> <li>- Water filtration</li> </ul>	Medium confidence	Medium confidence	High confidence
Marine	<ul style="list-style-type: none"> <li>- Policy protection (marine reserves)</li> </ul>	<ul style="list-style-type: none"> <li>- Fishing recovery</li> </ul>	Low confidence	Medium confidence	High confidence

# Immediate opportunity: Cyclone recovery - building back better with nature

- The government has committed to ‘building back better’ from Cyclones Hale and Gabrielle. This means, among other things, ensuring that infrastructure and communities are resilient to the ongoing impacts of climate change.
- We can build back better using nature-based solutions to:
  - Incorporate green infrastructure in urban areas through planning and building decisions – including rain gardens, floodable parks, and water sensitive urban design
  - Deliver natural flood management options in urban and rural settings, such including riparian planting and dune restoration
  - Make strategic decisions about where to rebuild, and how to use the land that must be retreated from, for example wetland restoration in at risk flood-plains

## Immediate opportunity: wetland restoration

- Drained peatlands emit carbon. Healthy wetlands can become long-term carbon sinks, as well as provide flood protection, water filtration, and biodiversity habitat.
- Rewetting and restoring drained peatlands can reduce greenhouse gas emissions by 24t CO<sub>2</sub>-e per hectare every year.
- Including wetlands (and other non-forest ecosystems) in target accounting is currently done by some comparable jurisdictions and is seen as good practice by the UNFCCC.
- There are significant complexities to including wetlands within the NDC accounting which would need to be worked through carefully across agencies before we can advise Ministers whether to change NDC accounting.
- S9(2)(f)(iv) [redacted] Carbon and biodiversity markets could be leveraged to provide additional funding.
- Next steps:
  - S9(2)(f)(iv) [redacted]
  - Seek Ministerial direction for officials to work on improving estimates of the sequestration potential of non-forest vegetation and how to recognise this sequestration in our NDC target accounting

## Immediate opportunity: native forest restoration and reversion on erosion-prone land

- Native forests can store large amounts of carbon. They also provide a broad range of ecosystems services, including improving soil stability.
- DOC is aware of several immediate options to boost native forest restoration and reversion to support flood resilience and erosion control:
  - Investigate the suitability and availability of DOC land for erosion control and revegetation (estimates currently sit at 55,868ha of land available for planting.)
  - Promote the regeneration of native forests on the estimated 740,000ha of private land suitable for native regeneration.
- Carbon and biodiversity markets could be leveraged to provide additional funding (e.g. NZ ETS, voluntary carbon market, agricultural emissions pricing system).
- Note, the Ministerial inquiry into land-use will soon make recommendations on afforestation on erosion-prone land in Tairāwhiti Gisborne and Wairoa.
- Next steps, continue progress on:
  - ETS review considers the extent to which the ETS should support co-benefits (including indigenous biodiversity) [CAB-22-MIN-0412 refers].
  - Consider Hill Country Erosion Programme for councils and the Gisborne Erosion Control Funding Programme could be better supported/expanded to encourage natives.
  - Direct the Maximising Carbon Storage research programme to deliver ERP Action 14.2.1 - update NZ ETS yield tables to include indigenous species.

## Immediate opportunity: Biodiversity credits system

- A biodiversity credit system has the potential to attract private sector investment to support the protection, maintenance, and restoration of indigenous biodiversity in Aotearoa New Zealand.
- A joint work programme has been set up between DOC and MFE to explore the potential of such a system, and what role the Government might play in it.
- This is an opportunity to create incentives to protect/restore ecosystems on private land outside of those which can store large amounts of carbon (e.g.: wetlands, tussock lands, shrublands).
- Next steps:
  - Minister Shaw took an oral item to ENV on 6 April outlining his intent to progress this work programme. This was endorsed by the committee.
  - The joint project team are working to develop a discussion document for public consultation by the end of June.
  - Following public consultation, a report will be prepared for the incoming Government on recommended next steps.

# What is needed from the CCIEB

## Decisions

- **Note** existing commitments to NbS and active interest from Ministers, including the Prime Minister, in making practical progress
- **Endorse** investigation of immediate opportunities to support:
  - Cyclone recovery – building back better with nature
  - Wetland restoration in flood prone catchments
  - Native forest restoration and reversion on erosion-prone slopes in cyclone-affected areas
  - Development of a biodiversity credit system
- **Agree** to develop a work programme to integrate nature-based solutions in key areas of climate policy, including:
  - S9(2)(f)(iv) [REDACTED]
  - Green infrastructure – work with MfE, MOT, HUD and others to improve incentives for NbS in urban environments
- **Discuss** whether to include in the work programme these items where there are a range of views:
  - ETS review – DOC to work with MfE and MPI on improving incentives for sequestration through permanent indigenous forests
  - Governance – of ERP/NAP chapters or actions that address the role of nature
- **Agree** that DOC and MfE will provide advice on the scope, resources and timeframes to deliver both immediate opportunities and medium-long term work programme.

# Appendices

- › What NbS can offer across sectors and international commitments
- › How NbS are relevant to work on the five PM-agreed climate response priorities
- › International NbS example: Room for the River – the Netherlands
- › New Zealand NbS example: Te Hoiere Project



# What NbS can offer NZ

**Nature-based solutions are multi-functional and span across policy areas and sectors, including:**

<b>Transport</b>	Native planting and wetland restoration alongside roadsides support biodiversity, provide resilience to sea level rise and flooding, sequester carbon and can reduce carbon emissions by decreasing the need for emissions intensive materials.
<b>Housing and urban development</b>	Building green infrastructure (e.g. green roofs) and promoting green spaces in urban design, drawing on indigenous solutions, reduces energy use, supports biodiversity and protects from climate impacts such as flooding or heat. <i>The recent flood events in Auckland have sparked conversations of ‘sponge cities’ – cities that work with nature through features such as green roofs and rain gardens to absorb rainwater.</i>
<b>Agriculture</b>	Using regenerative and agroecological farming practices, riparian planting, native shelterbelts etc to support farm productivity, meeting environmental standards and to protect and restore important ecosystems on farmlands.
<b>Energy</b>	Designing renewable energy infrastructure in a way that is nature friendly and minimises impacts on biodiversity.

**NbS can support our international commitments, including:**

<b>Paris Agreement (2016)</b>	The importance of protecting, conserving and restoring nature and ecosystems to achieve the Paris Agreement temperature goal was emphasised in 2022.
<b>Sendai Framework for Disaster Risk Reduction (2015)</b>	Guidance to implement NbS was published in 2022.
<b>Sustainable Development Goals (2015)</b>	NbS target major challenges like climate change, disaster risk reduction, food and water security, biodiversity loss and human health, and are critical to sustainable economic development.
<b>Kunming-Montreal Global Biodiversity Framework (2022)</b>	Two targets directly refer to the use of NbS - to increase the climate resilience of biodiversity and to restore, maintain and enhance nature’s contributions to people.

# NbS are relevant to work on the five PM-agreed climate response priorities

	ERP 2	ETS Review	He Waka Eke Noa
Scope of Existing workstream	Sets the strategic direction for economy-wide decision-making and impacts	<p>Balance of Gross and Net emissions driven by the ETS</p> <p>Balance of net emissions reductions from exotic vs indigenous forests</p> <p>Scope includes considering the extent to which the ETS should support a range of co-benefits (e.g. improving indigenous biodiversity)</p>	Recognition of scientifically robust on farm sequestration from 2025
Urgency of the issue	High: ERP2 needs to be finalised by the end of 2024.	<p>High: ETS settings are a significant driver of rural land use – especially balance of pastoral and forest land, and types of vegetation planted. Key decisions will be made in 2024/2025.</p> <p>Over 50% NZ's net emissions are covered by surrender obligations.</p>	<p>High: Agricultural emissions are 50% of NZ total gross. Need to provide incentives for meaningful abatement</p> <p>Pricing agricultural emissions by 1 January 2025 is a key action in the ERP.</p>
Maladaptation risks if adaptation and biodiversity not considered	<p>Potentially <b>significant impacts on biodiversity across the plan</b> if nature is not considered.</p> <p>Key risk areas: forestry, land use, and urban planning</p>	<p>Current ETS design and settings favour:</p> <ul style="list-style-type: none"> <li>- <b>High levels of afforestation</b> – potentially missing opportunities to restore non-forest ecosystems / leading to forest planted in inappropriate places</li> <li>- <b>Exotic monocultures</b> - which may not provide greatest environmental benefits for all NZ.</li> </ul>	<p>Potential for <b>planting of inappropriate species</b> that impact on biodiversity outcomes</p> <p>Significant risk of <b>vegetation clearance and ecosystem loss</b> if incentives are not well-structured</p>
Nature-based solutions can complement and enhance existing priority workstreams.	Where applied strategically, NbS have the potential to support cost-effective, resilient emissions abatement across all sectors.	<ul style="list-style-type: none"> <li>- Long term carbon sequestration in vegetation and soil</li> <li>- More permanent forest cover to support catchment resilience to extreme weather events, other climate risks</li> <li>- More diverse forests are more resilient.</li> </ul>	There is the potential to incentivise on-farm sequestration that supports resilient agricultural systems, positive biodiversity outcomes, and the implementation of the proposed NPSIB.
Examples of NbS that are relevant	<p>Strategic, cost-effective use of natural ecosystems to support climate resilience at the landscape scale, e.g.;</p> <ul style="list-style-type: none"> <li>- Wetlands to support natural flood management</li> <li>- Afforestation along road networks to serve as ecological corridors and mitigate transport emissions.</li> </ul> <p>Green infrastructure to mitigate urban emissions and</p>	<p>Permanent native afforestation – delivering enduring, biodiversity rich carbon sinks</p> <p>A greater variety of ecosystems could contribute to carbon market, e.g. non-forest terrestrial vegetation</p>	<ul style="list-style-type: none"> <li>- Riparian planting, including wetlands</li> <li>- Retention and restoration of indigenous scrubland and forest on farmland</li> </ul>

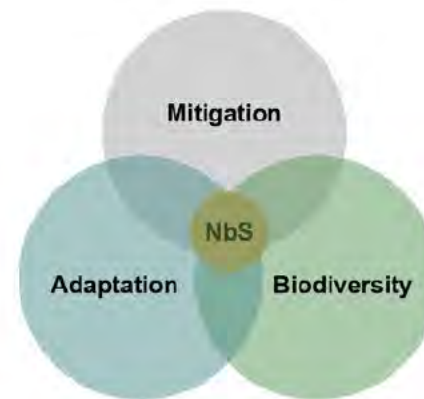
# International NbS example: Room for the River – the Netherlands

Climate change will exacerbate the extent and frequency of river flooding in many areas.

## Solution

Room for the River was designed to manage higher water levels by restoring the river's nature flood plain in the least harmful places. It is an example of moving away from hard infrastructure adaptation measures (e.g. dykes) to nature-based solutions instead.

The programme has allowed more space for wildlife and recreation reserves, promoted housing developments in safer spaces, and better protected heritage villages, sand dunes, and beaches.



## New Zealand Context

RiverLink, is a set of projects for Te Awa Kairangi ki Tai (Lower Hutt), that will draw on many of the same tools used in the Netherlands. RiverLink will protect the ecological health of the river by creating more space for the river. The project has recently been granted resource consent and will be delivered by Waka Kotahi, Greater Wellington, Hutt City Council and mana whenua.

## Opportunity:

- Use nature-based solutions as preferred adaptation strategy (rather than hard infrastructure)

## Options:

- Learn from international partners, while noting contextual differences

## Risks:

- Early planning is needed to implement such a programme. Reactive adaptation is likely to lead to sub-optimal ecological outcomes due to pressure to act quickly

# New Zealand NbS example: Te Hoiere Project

Run under the *Kotahitanga mō te Taiao Alliance*

A **partnership for environmental leadership** across the Top of the South Island

Purpose: Restoration of mauri and wairua of the river and estuary

Participants:

- Local Government
- Central Government (DOC priority and MfE At-Risk catchment)
- Iwi
- Farming and fishing industry

Interventions:

- Riparian fencing & native planting
- Use of dung beetles on pasture

Outcomes:

- Increased water quality, soil stability, and biodiversity
- Reduced runoff and increased fertilization of pastures
- Communities enjoy well-being of the river
- Supports local aquaculture
- Supports increased resilience of SH6





## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### COVERSHEET: Item 7

<b>To</b>	Climate Change Chief Executives Board			
<b>Meeting date</b>	11 April 2023			
<b>Item lead</b>	Climate Change Directorate			
<b>Lead agency</b>	MfE			
<b>Agenda item name</b>	Carbon Neutral Government Programme update			
<b>Verbal update / noting paper</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Reason for Board's consideration</b>	On 20 October 2022, the Board invited the Carbon Neutral Government Programme to report back in the new year on conclusions from the first round of emission reporting by Tranche 1 organisations.			

<b>Recommendations</b>	Note the update provided.
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<b>Has the Board previously considered this item, if so, when?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	20 October 2022
	<p>At its meeting on 20 October 2022, the Board noted that:</p> <ul style="list-style-type: none"> <li>this item reiterated the importance of the Carbon Neutral Government Programme (CNGP) and the need for Board member agencies to lead by example;</li> <li>Board members should continue to support the CNGP by encouraging their operational DCEs to drive forward their emissions reduction work programme;</li> <li>Board members noted there would be financial implications for agencies if CNGP reduction targets are not met.</li> </ul>			

# Carbon Neutral Government Programme – Report Back on Tranche 1 emissions data

<b>To</b>	Climate Change Chief Executives Board
<b>From</b>	James Palmer, Secretary for the Environment
<b>Appendices:</b>	Appendix 1: Analysis of Tranche 1 2021-22 emissions reporting

## Purpose

1. The purpose of this paper is to provide a report-back on the conclusions of Tranche 1 emissions reporting for 2021/22 under the Carbon Neutral Government Programme (CNGP).

## Recommendations

- a. **Note** the analysis of Tranche 1 reporting from December 2022 in Appendix 1.  
Yes/No
- b. **Invite** the CNGP to report back to the Climate Change Chief Executives Board in early 2024 on its analysis of CNGP reporting from December 2023 to focus our approach on supporting the public sector to reduce its emissions.  
Yes/No
- c. **Agree** to continue to champion emissions reduction within our agencies and across the public sector.  
Yes/No

## Background

2. The Carbon Neutral Government Programme (CNGP) is a long-term work programme that aims to make a number of government organisations carbon neutral from 2025 and help them accelerate their emissions reduction journeys [CAB-20-MIN-0491 refers].
3. Under the programme, Tranche 1 organisations<sup>1</sup> are required to report their annual emissions from 2021/22 onwards, by 1 December each year following the reporting period. Tranche 2 and 3 organisations<sup>2</sup> are required to do the same from 2022/2023 onwards.
4. On 20 October 2022, the CNGP reported to the Climate Change Chief Executives Board to seek commitment from climate leaders to prioritise emissions reduction in their organisations and be champions for emissions reduction across the public sector. The paper invited the CNGP to report back in the new year on the conclusions from December 2022 Tranche 1 reporting.

<sup>1</sup> Tranche 1 organisations are Public Service Departments, Departmental Agencies, and the Executive Branch.

<sup>2</sup> Tranche 2 organisations are Crown Agents and School Boards of Trustees. Tranche 3 organisations are Tertiary Institutions, State Owned Enterprises, the Offices of Parliament, the Legislative Branch, and the Reserve Bank of New Zealand.

## Context

5. In December 2022, all 39 Tranche 1 organisations in the CNGP reported their 2021/22 emissions, reduction targets, and reduction plans to the Ministry for the Environment (MfE). This represents a significant programme milestone and was the first time that 59% of organisations measured their emissions.
6. Overall, 2021/22 emissions for Tranche 1 were 303,000 tCO<sub>2</sub>e, representing a 19% reduction compared to base year emissions. This is significant progress towards 2025 and 2030 reduction targets but also reflects the impacts of COVID-19 restrictions on operational activities. Emissions are likely to increase in 2022/23 before a downwards trajectory is expected in subsequent reporting periods.
7. All Tranche 1 organisations but one set gross emission reduction targets aligned with a 1.5°C reduction pathway and many are well advanced in their reduction initiatives.
8. 71% of emissions were from the three organisations with the largest emission profiles: the New Zealand Defence Force, the Department of Corrections, and the New Zealand Police. Specific challenges for these three organisations include reducing transport fuel emissions and procurement of low emission technologies that meet their specific operational needs.
9. The biggest challenges for most other organisations are controlling the ‘bounce back’ in air travel emissions following COVID-19 restrictions and reducing electricity emissions.
10. On 29 March 2023, CNGP Ministers<sup>3</sup> considered a paper on the analysis of the Tranche 1 reporting data from 2021/22 (Appendix 1).

## Next steps

11. The CNGP secretariat will support organisations to deliver their emissions reduction plans, particularly in key areas such air travel, transport, stationary combustion, and electricity, and to engage with and influence their value chains.
12. Tranche 2 organisations will report their 2022/23 emissions, reduction targets, and reduction plans to MfE by 1 December 2023. Tranche 3 organisations are encouraged to do the same. It is expected that nearly 100 CNGP organisations will report to the CNGP across Tranches 1, 2, and 3 on their 2022/23 emissions by this date.
13. I would like to invite the CNGP to report back to the Climate Change Chief Executives Board in early 2024 on its analysis of CNGP reporting from December 2023, to focus our approach on supporting the public sector to reduce its emissions.
14. I encourage you to continue to champion your organisation’s emissions reduction journey and that of the wider public sector. As public service leaders, we play a large role in shaping our organisational priorities and setting an example for best practice within our agencies, and we are in a unique position to demonstrate climate leadership across broader government.

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<sup>3</sup> Minister Nash (Economic Development), Minister Shaw (Climate Change), Minister Robertson (Finance), Minister Woods (Energy and Resources), and Minister Little (Public Service).

# Appendix 1: Analysis of Tranche 1 2021/22 emissions reporting

## Executive summary

1. In December 2022, all Tranche 1 organisations<sup>1</sup> in the Carbon Neutral Government Programme (CNGP) reported their emissions, reduction targets, and reduction plans to the Ministry for the Environment (MfE). This represents a significant programme milestone and was the first time that 59% of organisations measured their emissions.
2. Overall, 2021/22 emissions for Tranche 1 were 303,000 tCO<sub>2</sub>e, representing a 19% reduction compared to base year emissions. This represents significant progress towards 2025 and 2030 reduction targets but also reflects the impacts of COVID-19 restrictions on operational activities. Emissions are likely to increase in 2022/23 before a downwards trajectory is expected in subsequent reporting periods.
3. All Tranche 1 organisations but one set gross emission reduction targets aligned with a 1.5°C reduction pathway and many are well advanced in their reduction initiatives.
4. 71% of emissions were from the three organisations with the largest emission profiles: the New Zealand Defence Force (NZDF), the Department of Corrections (Corrections), and the New Zealand Police (Police). Specific challenges for these three include reducing transport fuel emissions and procurement of low emission technology that meets their specific operational needs.
5. The biggest challenges for most other organisations are controlling the ‘bounce -back’ in air travel emissions following COVID-19 restrictions and reducing electricity emissions.
6. In 2023, the CNGP is focusing on:
  - a. working with organisations to address system wide emission reduction barriers in key areas
  - b. supporting Tranche 2 and 3 organisations<sup>2</sup> to report for the first time in December 2023 including a number of organisations with large emission profiles
  - c. improving the operational efficiency of the CNGP to support the nearly 100 organisations across the programme to meet their reporting requirements and implement reduction initiatives through guidance, capability building and accountability.
  - d. identifying areas where system levers can support organisations to obtain the data they need and influence reductions in their own emissions and their supply chains.

<sup>1</sup> Tranche 1 organisations are Public Service Departments, Departmental Agencies, and the Executive Branch.

<sup>2</sup> Tranche 2 organisations are Crown Agents and School Boards of Trustees. Trance 3 organisations are Tertiary Institutions, State Owned Enterprises, the Offices of Parliament, the Legislative Branch, and the Reserve Bank of New Zealand.



7. To date, the State Sector Decarbonisation Fund (SSDF) has provided the primary source of co-funding to support agencies emissions reductions requirements under the CNGP. This funding has bridged the financial gap between capital cost of equipment replacements with low emissions alternatives S9(2)(f)(iv)
- S9(2)(f)(iv)

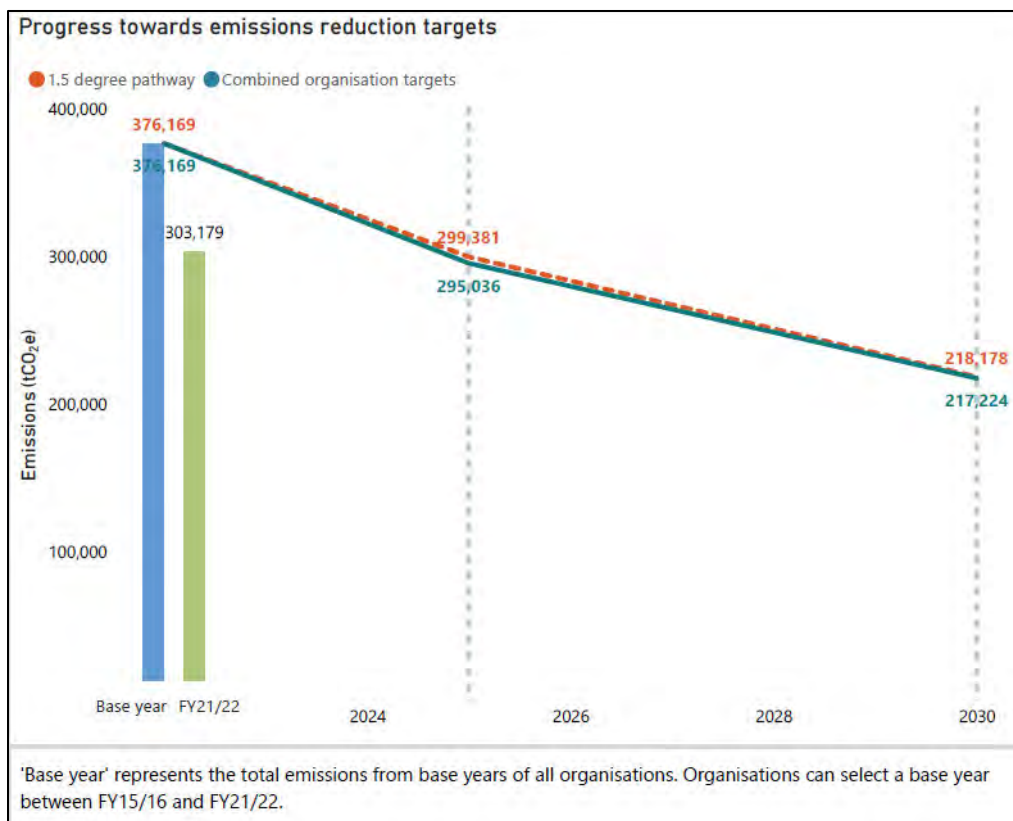
## All Tranche 1 CNGP organisations reported their emissions in December 2022

8. Tranche 1 CNGP organisations were mandated by Cabinet to report their emissions, reduction targets, and reduction initiatives to the Programme Lead by 1 December 2022.
9. Tranche 1 CNGP organisations reported 303,000 tCO<sub>2</sub>e for 2021-22.<sup>3</sup> This is a significant milestone for the CNGP, marking the first year of emissions reporting for the programme. 23 Tranche 1 organisations (59%) were not measuring their emissions prior to the establishment of the CNGP.
10. The emissions of two departmental agencies were incorporated into their host agency reports, resulting in 37 separate reports representing 39 Tranche 1 organisations. All 2021-22 and base year emissions were independently verified.
11. All Tranche 1 organisations, except one, set gross emission reduction targets for 2025 and 2030 that are aligned with a 1.5°C reduction pathway and CNGP reduction target guidance. The Ministry for Pacific Peoples did not set targets aligned to a 1.5°C reduction pathway due to the impact of COVID-19 restrictions on base year air travel emissions (their main emission source) and the importance of re-establishing talanoa (face-to-face engagement) as a culturally significant way of engaging with stakeholders. All Tranche 1 organisations have commenced their emission reduction journey and many organisations are well advanced in identifying and planning reduction initiatives.
12. Overall, Tranche 1 participants reduced their emissions by 73,000 tCO<sub>2</sub>e (19%) from base year. This is the equivalent of taking 27,000 cars off the road for a year<sup>4</sup> and represents significant progress towards 2025 and 2030 reduction targets (Figure 1). It also reflects the impacts of COVID-19 restrictions on operational activities.

<sup>3</sup> This total encompasses Scope 1, Scope 2, and mandatory Scope 3 emissions. An additional 64,124 tCO<sub>2</sub>e of Scope 3 (other material) emissions were reported but were not included within the scope of the relevant organisation's emission reduction targets.

<sup>4</sup> Based on 2.7 tCO<sub>2</sub>e per car per year (source data from Ministry of Transport and Ministry for the Environment)

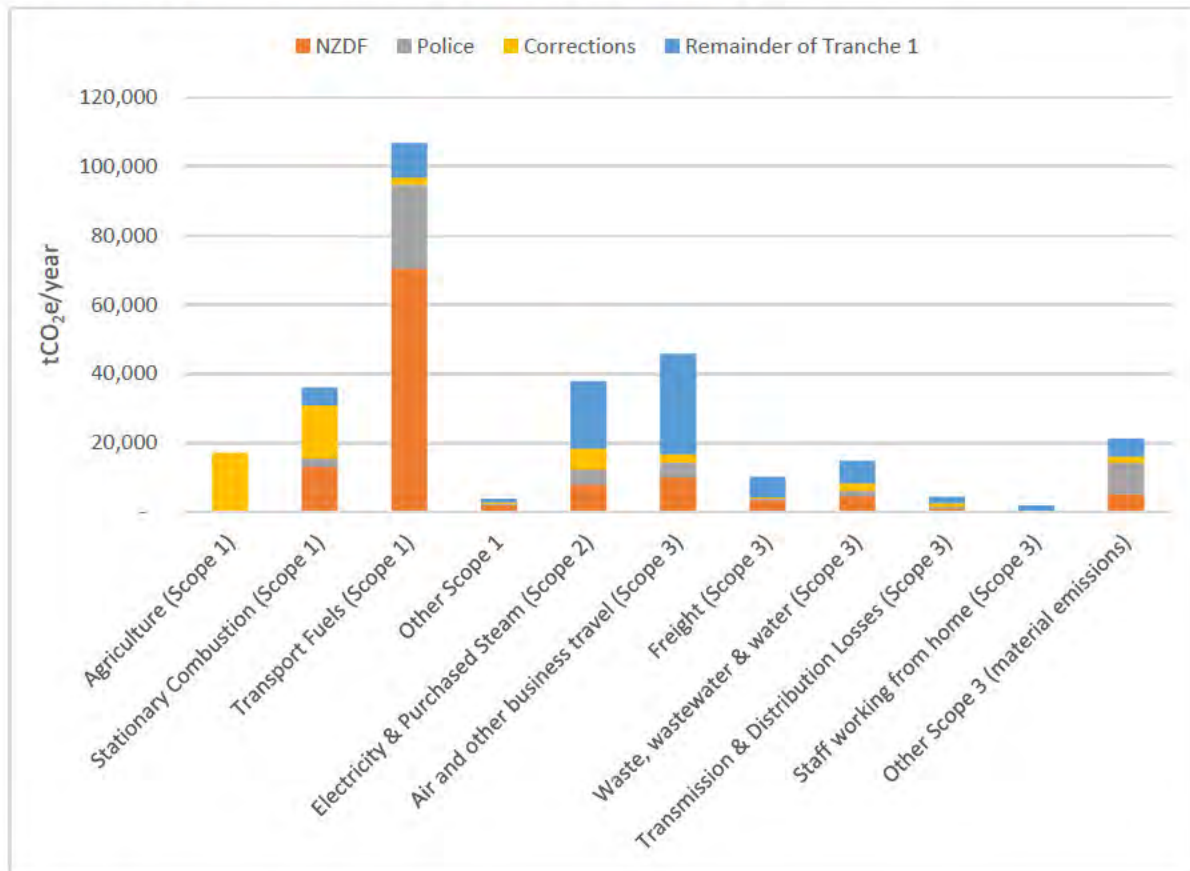
**Figure 1: Overall Tranche 1 emissions, targets and progress**



13. The biggest reductions by percentage have been achieved in international air travel (62%) and domestic air travel (38%). These reductions should be viewed within the context of COVID-19 travel restrictions. It is expected that 2022/23 air travel emissions will somewhat increase due to the lifting of restrictions. Many organisations are proactively working on travel policy to avoid returning to pre-pandemic levels while balancing expectations around face-to-face engagement.
14. Tranche 2 and 3 CNGP organisations are expected to report their annual emissions for the first time by 1 December 2023, for the 2022/23 financial year.

### The top 3 emitting organisations are responsible for most Tranche 1 emissions

15. 71% of Tranche 1 emissions are from three organisations, reflecting their significant operational activities. The organisation with the largest emissions profile is NZDF (39% of Tranche 1 emissions), followed by Corrections (16%) and Police (16%). These three organisations also account for 90% of direct (Scope 1) emissions.
16. The main emission sources for these three organisations collectively are transport fuels (45%), stationary combustion (14%), electricity (9%) and agriculture (8%). These organisations account for 89% of these four emission sources (Figure 2).

**Figure 2: Total emissions reported in 2021-22 – Tranche 1 organisations**


17. NZDF, Corrections, and Police identified some common barriers to implementing emission reduction initiatives, including availability of low emission alternatives and infrastructure, operational, and funding constraints. A key focus for the CNGP secretariat is working with organisations with large emissions profiles to identify system wide levers and support that can be used to address these issues where appropriate.
18. **New Zealand Defence Force:** The majority of NZDF emissions are from the combustion of transport fuels associated with the NZDF's large fleet of ships, aircraft, and heavy vehicles (60%). These emissions have reduced by 23% in 2021/22 compared to NZDF's base year of 2016/17 and overall NZDF emissions have reduced by 20%. These reductions reflect both reduction initiatives underway and temporary capability gaps and constraints on operational activities due to COVID-19 restrictions. The extent to which emissions reductions from the base year can be considered permanent is currently unknown. NZDF has identified a comprehensive range of reduction initiatives but achieving its emission reduction targets will be very challenging. Significant barriers include the nature and location of NZDF operations (e.g., locations around the globe, extreme conditions, where local infrastructure has been damaged or destroyed), limited low emission fuel options appropriate for military operations, the cost of transitioning operational capability to low emissions alternatives where they exist, and supply chain and infrastructure constraints.

19. **Department of Corrections:** The largest emission sources for Corrections are agriculture (35%) and stationary combustion (31%) (fossil fuel boilers for heating and hot water). Corrections provides rehabilitation and training opportunities for post--release employment through agriculture and is the only Tranche 1 organisation reporting agricultural emissions. Corrections agricultural emissions reduced by 3% from its base year of 2020/21. These initial reductions are a product of operational decisions. Further consideration is required to assess the trade-offs for any significant change to agriculture operations and may impact on the ability of Corrections to achieve reduction targets. Corrections has identified a decarbonisation pathway to 2025 that includes transitioning boilers at three pilot sites to low emission alternatives, which will inform larger-scale boiler transitions and lead the way to its 2030 target. Barriers to implementation include funding availability, supply chain challenges, and infrastructure and operational constraints to implementing low emission boiler alternatives.
20. **Police:** The largest source of Police emissions is fuel for road and maritime fleets (48%), which decreased by 10% in 2021/22 from its base year of 2018-19. The drivers for this reduction are constraints on operational activities during COVID-19 restrictions and changes to operational fleet. Police have identified a range of reduction initiatives to reduce emissions from its vehicle fleet and other sources. The speed of transition to a low-emission organisation is dependent on several external constraints such as the availability of low emission vehicles that can fulfil diverse operational requirements, capability, funding models, and supply chain and infrastructure constraints. Police is also a national and international response service, which means that it has a reduced ability to predict and reduce operational emissions. Police is continuing to investigate initiatives to reduce emissions which will determine its ability to meet its targets.

#### **Travel is the highest emission source for most Tranche 1 organisations<sup>5</sup>**

21. Air travel is the highest source of emissions for 23 out of 37 agencies. Air travel and other travel emissions accounted for 15% of total emissions in 2021-22 (6% domestic air travel, 7% international air travel, 2% other travel related emissions). In organisations' base years, travel related emissions accounted for 25% of total emissions.
22. The Ministry of Foreign Affairs and Trade (MFAT) and NZDF are the biggest contributors to travel emissions accounting for 23% and 22% of total travel emissions respectively. Most travel emissions for these two organisations are associated with international air travel.
23. There was a 51% reduction in air travel emissions from organisations' base years to 2021/22. This reduction is largely due to reduced travel during the COVID-19 restrictions, although about half of Tranche 1 organisations' have a base year that overlaps with the pandemic. If air travel was to return to pre-pandemic levels across Tranche 1 organisations, their travel emissions

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<sup>5</sup> Analysis of top emission sources excludes contributions from the Government Communications Security Bureau and the New Zealand Security Intelligence Service due to security restrictions on releasing a breakdown of emission sources for these organisations.

could more than double in from 2021/22 to 2022/23. Some increase in air travel is anticipated managing the projected air travel increase is a priority emission reduction focus area for most organisations. This is particularly challenging for organisations for whom travel is integral to operational activities and for those seeking to re-engage with key stakeholders following pandemic disruption.

24. The Ministry for Primary Industries (MPI) is one example of an organisation actively seeking to manage increases in travel emissions as services and activities are strategically built back after pandemic restrictions. MPI has a target to reduce emissions from international and domestic travel by at least 30% in 2022-23 compared with their base year. Its first step to achieving this has been the development and roll out of an emission projection tool across MPI. This tool is supporting each business unit and branch to develop a good picture of the emissions involved in business activities such as travel, and to then apply mitigations to plan its engagement approaches and how it is organised to deliver across New Zealand and internationally.

### **Electricity is an important emission source for Tranche 1 organisations**

25. Electricity emissions account for 12% of total reported emissions in 2021-22, representing a 2% increase on base year emissions. Top contributors to electricity emissions include NZDF (21%), MFAT (20%), Corrections (16%), and Police (11%). 98% of MFAT's reported electricity emissions arise outside New Zealand, often in countries with more carbon intensive electricity grids.
26. Electricity use is not separated into specific activities, but most use is associated with the operation of buildings (heating, lighting, and plug loads). Some sources of electricity use are expected to decrease over time (e.g., heating and lighting) as organisations undertake building efficiency measures. We expect that other sources, such as charging electric vehicles, will increase. We anticipate that decarbonisation of the electricity grid will assist organisations to decrease electricity emissions over time despite increased demand in some areas.
27. Inland Revenue (IR) is an example of an organisation actively working to reduce electricity emissions associated with building use. Over the past three years, IR has consolidated from three sites to one in the Wellington CBD, from three sites to two in Auckland, and is currently planning to reduce from three sites to two in Christchurch. They have also surrendered several floors within multi-level buildings. IR is undertaking NABERSNZ assessments on buildings over 2,000 square metres and, as leases for older properties expire, considering opportunities for more modern accommodation which include features such as maximising natural light, lighting control systems, energy efficient air-conditioning, modern insulation, low water use fixtures and appliances, and more convenient stairways to reduce elevator use.

### **Most organisations reduced their emissions compared to their base year**

28. All but two Tranche 1 organisations reduced their gross emissions in 2021/22 compared to their base year. National Emergency Management Agency emissions increased by 21% due to the organisation responding to a number of complex emergencies and contributing to the recovery from these events throughout 2021/22 (e.g., severe weather events in the West Coast and in Tairāwhiti). Ministry of Justice emissions increased by 8% reflecting reduced operations during



their base year of 2020/21 due to the COVID-19 pandemic but a return to near full capacity in the 2021/22 year as an essential service that was minimally affected by 2021 lockdowns.

### Organisations are in early stages of measuring value chain (Scope 3 other material) emissions

29. Value chain emissions (Scope 3 other material) emissions are not a mandatory CNGP reporting source but can be a significant source of emissions for many organisations, for example, emissions from purchased goods and services and embodied emissions. The nature and scope of these emissions varies between organisations, and it will take a significant amount of time for organisations to fully understand, report on, and reduce these emissions. Approximately 60% of Tranche 1 organisations reported some other material Scope 3 emissions in 2022, with approximately half of those emissions associated with staff commuting and half from purchased goods and services.

### The role of the SSDF

30. The \$219.54 million SSDF, administered by EECA has provided the primary source of co-funding to support emissions reductions across the CNGP, bridging the financial gap for organisations to deliver decarbonisation projects.
31. Funding is available to all of Tranches 1 and 2, other Crown Entities, Tertiary Education Institutions, and previously, District Health Boards.<sup>6</sup> State Owned Enterprises are excluded.
32. All of the tagged capital contingency is on track to be allocated by 30 June 2023. We estimate that the combined emissions reduction impact of the funding will be around 945,699 tonnes over ten years<sup>7</sup>. To date, Ministers have approved \$165.178 million in funding, with \$49.972 million pending approval in the SSDF Tranche 14 approval briefing S9(2)(f)(iv) S9(2)(f)(iv)
33. The immediate focus of the SSDF has been to phase out the 43 coal boilers remaining across the state sector, which span 24 sites<sup>8</sup>. This is progressing well, and officials expect only one coal boiler (at NZDF's Burnham site) to remain in use beyond 2025. The S9(2)(f)(iv) remaining in the tagged capital contingency is expected to support replacement of the remaining three coal boilers, across NZDF's Waiouru and Woodbourne campuses with a reasonable co-funding proportion.
34. As the SSDF approaches full allocation, the CNGP secretariat is considering opportunities to continue to support state sector organisations in delivering their emissions reductions plans. This is likely to include expanding support for fleet electrification, which EECA and MBIE expect to provide further advice to Ministers on in the SSDF Tranche 15 approval briefing.

<sup>6</sup> Eligibility for SSDF fleet capital is restricted to agencies that are mandated to comply with the All of Government Vehicles contract.

<sup>7</sup> Many assets have a lifespan of longer than ten years, meaning that the actual emissions reduction impact per dollar of capital investment in alternatives will be long-lasting.

<sup>8</sup> This excludes coal boilers across the state schooling sector, which come under the Ministry of Education-led Coal Boiler Replacement Programme.

### Focus areas for the CNGP in 2023

35. Tranche 1 results provide valuable insights into priority areas for the CNGP in 2023. The number of organisations reporting their emissions will increase significantly in 2023 with Tranche 2 and 3 organisations reporting for the first time. Resulting focus areas for the CNGP secretariat in 2023 will include the following:
- a. Considering opportunities to continue to support CNGP organisations to deliver their emissions reductions plans as funding available through the State Sector Decarbonisation Fund diminishes. Officials will work to identify the most impactful policy approaches to address remaining emissions across the state sector and will provide further advice to Ministers.
  - b. Providing continued support to CNGP organisations to reduce emissions in key areas such air travel, transport, stationary combustion, and electricity, including facilitating engagement to help identify and address system-wide barriers where appropriate. Supporting organisations to pro-actively manage a projected increase in air travel emissions following the easing of COVID-19 restrictions will be a focus of training and resource sharing as this is a priority area for most CNGP organisations.
  - c. Supporting Tranches 2 and 3 to meet 2023 reporting deadlines, including a number of organisations with large emission profiles (e.g., Te Whatu Ora, Waka Kotahi, Kāinga Ora, and schools). This will include supporting agencies to measure and verify their emissions, set targets, and plan reduction initiatives, as well as providing guidance in areas of specific interest to these organisations (e.g., embodied carbon and construction).
  - d. Providing effective support to the nearly 100 CNGP organisations and improve operational efficiency of the programme. This is expected to include procurement of a streamlined reporting and analysis tool, reassessing methods of engagement and support, continuing the training programme, and improving methods for sharing resources and best practice between organisations.
  - e. Providing guidance to support organisations to engage with and influence their wider value chain. This is an area where the programme has significant potential to drive improvements in the wider economy through influence and leadership.



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### MEETING MINUTES

<b>Date</b>	Wednesday 29 March 2023	
<b>Time</b>	1.00–2.30pm	
<b>Location</b>	Online via MS Teams	
<b>Attendees</b>	<b>Chair:</b>	James Palmer (MfE)
	<b>Members:</b>	Audrey Sonerson (MOT), Caralee McLiesh (TSY), Carolyn Tremain (MBIE), Penny Nelson (DOC), Julie Colins (MPI delegate), Aaron Martin (CL)
	<b>Attendees for item 1:</b>	David Smol
	<b>Attendees for item 5:</b>	Dave Gawn (NEMA), Paul James (DIA), Pip Fox (HUD)
	<b>Agency attendees:</b>	Anne Haira, Janine Smith, Stephen Goodman (MfE), Bryn Gandy (MOT), Paul Barker (DIA), Vicki Plater (TSY)
	<b>In support:</b>	Lisa Daniell, Chris Nees, Rachael Church (Climate Change IEB Unit)
	<b>Apologies:</b>	Ray Smith

Item	Actions
<b>Karakia timatanga</b>	
The Chair welcomed everyone to the meeting. The Chair invited David Smol to give an overview of the findings in the Smol and Bestwick report of the Board's self-assessment.	
1. S9(2)(g)(i)	
S9(2)(g)(i)	



S9(2)(g)(i)	
<b>2. Preparation for Climate Response Ministerial Group meeting on 5 April</b> <b>Lead:</b> Lisa Daniell and Chris Nees (Climate IEB Unit)	
<p>The Board discussed the draft paper and proposed additional abatement options to be provided to CRMG, noting that budget decisions will have an impact on some of the options.</p> <p>The Board discussed taking an alternative approach – providing a more practical strawperson of actions now. This is to include recommendations of: reducing the work programme to make it more manageable, being clear about the challenge to achieving emissions budgets and providing trade-off decisions. Key focus areas should include the five priority focus areas identified by the Board – with emphasis on ETS Settings and Review – including longer term and alternative sequestration (indigenous forestry and wetlands), partnerships to deliver abatement from industry.</p>	
<b>2.1 Agreed</b> that a helpful approach for Ministers could be to reduce the work programme by focusing on significant transformational levers that will have an impact on emissions budgets; a strawman is to provided at the next CRMG meeting outlining options and trade-off decisions.	
<b>2.2 Agreed</b> that key focus areas should include the five priority focus areas identified by the Board – with emphasis on ETS Settings and Review – including longer term and alternative sequestration (indigenous forestry and wetlands), partnerships to deliver abatement from industry.	
<b>2.3 Agreed</b> to have the Climate IEB Unit with Climate DCEs prepare and endorse a strawman outlining specific areas for Ministers to focus on that will have an impact on emissions budgets.	Climate IEB Unit and Climate DCEs to prepare and endorse strawman of key focus areas for CRMG
<b>2.4 Noted</b> that the Minister of Conservation should be invited to the upcoming CRMG meeting.	Climate IEB Unit to confirm CRMG attendees with PMO and include the Minister of Conservation. <b>Complete – with Minister of Conservation invited to CRMG on 11 April.</b>

<b>3. Verbal updates/noting papers</b>	
<b>3.1 ETS Review update</b> Lead: Janine Smith (MfE)	
The Board:	
<b>3.1.1 Noted</b> that that MfE, MPI and MBIE are preparing advice for Ministers on ETS settings leading up to the Budget period, and discussions are underway with Ministers on the sequestration strategy in particular, given concerns expressed by iwi/Maori on this topic.	
<b>3.1.2 Agreed</b> that further clarity is needed on the direction of travel before public consultation commences, particularly around sequestration.	
<b>3.1.3 Noted</b> that a report-back will be provided to the Board prior to papers being submitted to Ministers.	MfE to provide report back to the Board prior to papers being submitted to Ministers.
S9(2)(f)(iv)	
<b>3.3 CCIEB corporate one-pager</b> Lead: Lisa Daniell (CCIEB)	
The Board:	
<b>3.3.1 Noted</b> the CCIEB corporate one-pager.	
<b>3.3.2 Noted</b> that the Board's work programme will be discussed further at the upcoming strategy session.	
<b>4. Deep dive: Transport mode shift and freight and supply chain resilience</b> Lead: Bryn Gandy (MOT)	
Bryn Gandy, Deputy Chief Executive at the Ministry of Transport (MOT), presented this deep dive to the Board. The following key points were noted: <ul style="list-style-type: none"> <li>o The transport portfolio in ERP1 has 83 initiatives; a quarter of these deliver direct abatement. It is unlikely that transport emissions budgets (sub-sector targets) will be achieved with recent announcements relating to the Sustainable Biofuels Obligation.</li> <li>o Extreme weather events are impacting on New Zealand's freight network, which is largely coastal.</li> <li>o The uptake of low emissions vehicles has been high, and similar policies for trucks and buses are being accelerated; work is also underway in the maritime and aviation sectors.</li> <li>o Mode shift is a key priority for the transport sector, which continues to become more carbon intensive. Public transport uptake rates in New Zealand are significantly lower than many</li> </ul>	

<p>other international cities, with public transport and rail networks having been significantly underinvested in, in the past.</p> <ul style="list-style-type: none"> <li>o There is a need for a stronger communications and behaviour change-enabling information being available to support individuals' choices.</li> </ul> <p>The Board:</p>	
<p><b>4.1 Noted</b> the significant challenges to achieving Transport emissions budgets/sub-sector targets as outlined in the presentation provided.</p>	
<p><b>4.2 Noted</b> that work is underway to shift modes of transport to reduce carbon emissions, in a way that works for New Zealanders, including taking different approaches to communications that can enable behaviour shift by individuals, and taking account of differences in city geography, weather, investment in transport networks.</p>	
<p><b>5. Adaptation governance – Climate Adaptation Bill</b>  <b>Lead: Anne Haira (MfE)</b></p>	
<p>S9(2)(f)(iv)</p>	
<p><b>6. Meeting administration</b></p>	
<p>The Board</p>	
<p><b>6.1 Approved</b> the minutes of the previous meeting, dated 22 February 2023.</p>	
<p><b>6.2 Noted</b> the actions register.</p>	
<p><b>6.3 Noted</b> the indicative forward agenda for upcoming Board and CRMG meetings.</p>	
<p><b>7. Closing comments</b></p>	
<p>The Chair thanked everyone for their time and closed the meeting at 2:31pm.</p>	

2023 Actions Register: Climate Change Chief Executives Board

Action #	Meeting Date	Discussion item	Minutes	Action	Responsible	Status
02-1	22/02/2023	Chair's opening comments -1.1	The Board <b>agreed</b> to set up dedicated climate adaptation Board meetings to manage and enable focus on adaptation issues. This climate adaptation-focused Board (or sub-committee) will have oversight of specific adaptation initiatives, including the Climate Adaptation Act, and will connect with the Spatial Planning Board. Members noted that advisors or inputs from local government and/or iwi/Māori could also be useful additions.	CCIEB Unit to coordinate setting up the Climate Adaptation advisory Board	CCIEB Unit	Underway [joint Board meeting between SPRB and CCCEB held 14/3/23]
02-2	22/02/2023	Chair's opening comments - 1.2	<b>The Board agreed</b> to invite David Smol and Jenn Bestwick to a future Board meeting or its 5 April strategy session, to reflect on the Board's recent PSC self-assessment, Board's purpose and strategic work programme.	CCIEB Unit to invite David Smol and Jenn Bestwick to a strategy session with the Board	CCIEB Unit	Underway - invited to CCCEB meeting on 29/3/23, if available around other their other commitments
02-5	22/02/2023	The Board's Monitoring and Reporting: First 6 monthly ERP Progress report - 3.3	S9(2)(f)(iv)			
02-7	22/02/2023	The Board's Monitoring and Reporting: First 6 monthly ERP Progress report - 3.6	<b>Directed</b> the Climate DCEs group to work with the CCIEB Unit to provide advice to the Board on how the high volume of Cabinet papers intended over the next six months can be rationalised	CCIEB Unit and Climate DCEs to provide this advice to the Board prior to its next meeting	CCIEB Unit	In hand - prioritisation of papers prepared by CCIEB Unit (and endorsed by DCEs) to be confirmed at CCCEB meeting on 29/3/23 ahead of CRMG discussion on 5/4/23
02-10	22/02/2023	Adaptation priorities - 4.4	<b>Agreed in principle</b> to specialist climate adaptation-focused Board meetings being set up to consider implementation of the National Adaptation Plan, and its alignment to the priority areas set out at 4.1 above	CCIEB Unit to establish meetings for Climate adaptation focused Board members	CCIEB Unit	In hand [joint Board meeting between SPRB and CCCEB held 14/3/23]. Future Board meetings and items being scheduled.
03-1	29/03/2023	Preparation for CRMG	<b>The Board agreed</b> to have the Climate IEB Unit with Climate DCEs prepare and endorse a strawman outlining specific areas for Ministers to focus on that will have an impact on emissions budgets	Climate IEB Unit and Climate DCEs to prepare and endorse strawman of key focus areas for CRMG	CCIEB Unit / Climate DCEs	Completed
03-2	29/03/2023	Preparation for CRMG	<b>The Board noted</b> that the Minister of Conservation should be invited to the upcoming CRMG meeting	Climate IEB Unit to confirm CRMG attendees with PMO and include the Minister of Conservation	CCIEB Unit	Completed with Minister of Conservation invited to CRMG on 11 April

Action #	Meeting Date	Discussion item	Minutes	Action	Responsible	Status
03-3	29/03/2023	ETS Review	<b>The Board noted</b> that a report-back will be provided to the Board prior to papers being submitted to Ministers	MfE to provide a report-back to the Board prior to papers being submitted to Ministers	MfE	Open



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### Indicative Forward Agenda

#### Climate Change Chief Executives Board

17 May, 1030-1200

Item	Indicative item focus	Purpose of item, and timing, specify decisions needed, and papers	Papers	Critical dates	Lead agency
1.	<b>Approval for 2nd 6 monthly monitoring and reporting design – incorporating NAP</b>	Board's next six-monthly report is due in August to Ministers. This report will include progress report on both NAP and ERP. Seeking approval from the board for the design and commissioning approach to agencies.	<b>2<sup>nd</sup> six monthly report. Draft report template for progress on ERP and NAP</b>	<b>DCE meeting date for review: 27 April</b>  <b>Due to Ministers: End August (full report)</b>	CCIEB (following agency input)
2.	<b>ETS Review update</b>  <b>**Sequestration Strategy paper to come to Board (outlining initial policy ideas) – date TBA</b>			<b>DCE meeting date for review: 30 March (oral update)</b>  <b>Cabinet paper dates: 6 papers between March-May</b>  <b>CRMG dates:</b>	MFE
3.	S9(2)(f)(iv)				MFE
4.	<b>Māori engagement across Climate policy response</b>	Provides an update on upcoming Māori engagement across the Climate policy response and proposes a joined-up approach		<b>DCE meeting date for review: 27 April</b>	MFE

29 June, 1530-1700					
Item	Indicative item focus	Purpose of item, and timing, specify decisions needed, and papers	Papers	Critical dates	Lead agency
1.	<b>Energy Strategy (TBC)</b>	One of Board's top priorities, report back requested by Board following initial discussions in late 2022. With focus on interdependencies and potential areas for early calls.		<b>DCE meeting date for review:</b> 10 May  <b>Cabinet paper dates:</b> 6 papers between March-June	MBIE
2.	<b>Adaptive Management</b>	Board's role includes advice on adaptively managing the ERP (and NAP). This item seeks endorsement of adaptive management approach (Tier 2).		<b>DCE meeting date for review:</b> 7 June (tbc)  Follows initial advice to Board in December 2022 and six-monthly report/SBO changes.	
3.	<b>Carbon removal strategy</b>	Sets out NZ's long-term vision for carbon removals. It is a critical complement to the review of the ETS and the NDC strategy and will set the long-term direction for the forestry sector as well as other forms of removal		<b>Ministerial consultation</b> in June	MFE
4.	S9(2)(f)(iv)				CCIEB (following agency input)

Climate Response Ministerial Group				
<b>9 May, 6.30-7.30pm</b>				
1.	<b>Climate Change Chief Executives Board cross-agency update</b>	CCCEB to provide advice on: <ul style="list-style-type: none"> <li>An overview of the big challenges in delivering on ERP1</li> <li>The difficult challenge of trying to find additional abatement in EB1 and that EB2 is a more likely source/place to achieve it</li> <li>What this means for top priority areas to focus on in ERP1 (the top 5 in the report)</li> <li>S9(2)(f)(iv)</li> </ul>		
	<i>Climate Change Commission draft advice (TBC)</i>			
<b>31 May, 4.00-5.00pm</b>				
	<i>Topic TBC</i>			
	<i>Māori Climate Platform update (TBC)</i>	Progress check-in		MFE
	<i>MoT draft national VKT reduction plan (TBC)</i>	For endorsement		MOT
<b>26 July, 3.30-4.30pm</b>				
	<i>Energy Strategy (TBC)</i>			MBIE
	<i>ERP2 (TBC)</i>			MFE (with CCIEB support if needed)



# CLIMATE CHANGE CHIEF EXECUTIVES BOARD

## AGENDA

Date	Last meeting	Current meeting	Next meetings
<b>Date</b>	<b>17 April 2023</b>	<b>31 May 2023</b>	<b>29 June 2023</b>
<b>Main items</b>	<ul style="list-style-type: none"> <li>Chair's opening, key actions from CRMG</li> <li>ERP2 early strategic framing</li> <li>Equitable Transitions Strategy update (MBIE &amp; MSD)</li> <li>Nature-based solutions deep dive (DOC)</li> <li><b>Noting paper:</b> Carbon Neutral Government Programme update</li> </ul>	<ul style="list-style-type: none"> <li>Climate Change Commission engagement - update on release of draft advice on ERP2</li> <li>Approval of second six-monthly monitoring and reporting structure – incorporating the NAP</li> <li>Landing adaptation priorities and S9(2)(f)(iv)</li> <li>Board's strategic engagements</li> <li>Oral item: CERF update on results from Q3</li> <li>Board-only: context sharing and preparation ahead of CRMG meeting</li> </ul>	<ul style="list-style-type: none"> <li>S9(2)(f)(iv)</li> <li>Adaptation: Strategic infrastructure deep dive S9(2)(f)(iv)</li> <li>Energy Strategy update</li> <li><b>Noting papers:</b> CCEIB corporate health dashboard; CNGP update meeting</li> </ul>
Date	Time	Location	Attendees
31 May 2023	1230-1400 hours	Microsoft Teams (Teams link provided in invite)	<p><b>Attendees:</b> James Palmer (MfE) (Chair), Caralee McLiesh (TSY), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Dave Samuels (TPK), Paul James (DIA), Penny Nelson (DOC), Ray Smith (MPI), Aaron Martin (Crown Law), Bryn Gandy (MOT delegate), Andrew Crisp (HUD)</p> <p><b>Attendee invited for item 2:</b> Jo Hendy (Chief Executive, Climate Change Commission)</p> <p><b>Apologies:</b> Audrey Sonerson (MOT)</p> <p><b>In support of the meeting:</b> Lisa Daniell, Chris Nees, Rachael Church (CCIEB Unit)</p> <p><b>Agency attendees:</b> Janine Smith, Anne Haira, Hayden Johnston (MfE)</p>
#	Time	Agenda item	Recommended actions
1.	2 mins 1230-1232	Chair's opening comments and welcome to new Board members Lead: Chair	
1.1		Karakia timatanga Chair's opening comments and welcome to new Board members	
2.	30 mins 1232-1300	Climate Change Commission update on release of advice on ERP2 Lead: Jo Hendy, Chief Executive Climate Change Commission	
2.		<p>This item provides an opportunity to discuss the Climate Change Commission's draft advice on ERP2 with the Chief Executive of the Commission.</p> <p><i>Paper 2.1: Aotearoa New Zealand's second emissions reduction plan - Topics for discussion with the Climate Change Commission</i></p>	<p><b>2.1 Discuss</b> the six system-wide themes identified in the Climate Change Commission's draft advice:</p> <ul style="list-style-type: none"> <li>Empowering Māori</li> <li>Committing to levels of gross emissions</li> <li>Forestry and link to the NZ ETS</li> <li>Energy and transport</li> <li>Better integration with adaptation</li> <li>Managing the impacts of a rising carbon price</li> </ul>

3.	10 mins 1300- 1310	S9(2)(f)(iv)	
S9(2)(f)(iv)			
4.	15 mins 1310- 1325	Adaptation priorities	
4.1	Landing adaptation priorities Lead: Chair / Lisa Daniell (CCIEB Unit)		
4.1	<p>This item seeks agreement to dedicated at least half of future meeting time to adaptation matters, align on whether all members wish to attend those items, and confirm areas of adaptation focus in coming months.</p> <p><i>Paper 4.1: Integrating Adaptation priorities and Board's collective governance response</i></p>	<p><b>4.1 Agree</b> to one of the recommended options for governance and meeting arrangements.</p> <p><b>4.2 Confirm</b> areas of Board adaptation focus – those that members are concerned about or consider to be a priority, so that the IEB Unit can work with agencies to shape Board papers over coming months.</p> <p><b>4.3 Agree</b> to hold an adaptation strategy session in early September to inform a BIM, that can also cover the S9(2)(f)(iv)</p>	
4.2	S9(2)(f)(iv)		
S9(2)(f)(iv)			

5.	10 mins 1325- 1335	Oral item: Board's strategic engagements Lead: Chair / Lisa Daniell	
5.1		The purpose of this item is to discuss who, how and when to include key external engagements at Board meetings in order to best enable insights relevant to the Board's role and so that engagements can be arranged by the Climate IEB Unit. S9(2)(f)(iv)	<b>5.1 Agree</b> how regular key external engagements with private sector/industry groups, local government, Māori Climate Platform, NGOs should be undertaken – either within existing Board meetings (30 minute slots), or through standalone sessions
6.	5 mins 1345- 1350	Oral item: CERF update on results from Q3 Lead: Caralee McLiesh	
6.1		The purpose of this item is to update the Board on the CERF monitoring and reporting results from Q3.	
7.	10 mins 1350- 1400	Board only: Context sharing and preparation ahead of CRMG meeting Lead: Chair	
7.1		This item provides an opportunity to: share context; confirm forward agenda priorities; any final discussion before CRMG meeting being held 4.00-5.00 pm.  <i>Papers (circulated separately for CRMG):</i> <i>CRMG papers on emissions budgets and sufficiency analysis</i>	
8.	5 mins 1355- 1400	Meeting administration Lead: Chair / Lisa Daniell (CCIEB Unit)	
8.1		Minutes of previous meetings: <ul style="list-style-type: none"> <li>Wednesday 29 March 2023</li> <li>Monday 17 April 2023</li> </ul>	<b>8.1 Approve</b> the minutes of the previous meetings held on 29 March and 17 April 2023
8.2		Actions register as at 31 May 2023	<b>8.2 Note</b> the current actions

## Board-agreed priorities and forward scheduling

Mitigation-focused priorities				
Priority area	DCE meeting date for review	Board meeting date	Cabinet paper dates	CRMG dates, if applicable
ERP2	S9(2)(f)(iv)			
ETS Review	21 June	29 March as AOB/noting item	1 paper in May	May (relates to ERP1 discussion)
He Waka Eke Noa	S9(2)(f)(iv)			N/A
Transport mode shift	TBC	29 March as substantive discussion item	7 papers between March-May	July (relates to ERP2 discussion)
Energy Strategy	21 June	Proposed 29 June (optimum timing to be confirmed with MBIE)	1 paper in May	July (relates to ERP2 discussion)
Partnerships to support abatement with New Zealand's largest emitters	TBC	Engagements TBC		
Adaptation-focused priorities				
Priority area	DCE meeting date for review	Proposed Board meeting date	Cabinet paper dates	CRMG dates, if applicable
Access to the right data and information	TBC	S9(2)(f)(iv)	n/a	
Managed retreat S9(2)(f)(iv)	24 May TBC for policy item	31 May – process for landing policy decisions S9(2)(f)(iv)	TBC	
Flood-resilient buildings and communities	TBC	S9(2)(f)(iv)	DIA: Co-investment in Westport's flood resilience (May Cabinet) DIA: Local Government Flood Resilience Co-investment Fund (jointly with MBIE)	
Strategic infrastructure	TBC	29 June – Deep dive (proposed)		
Emergency response, lessons for long-term resilience (proposed priority)	TBC	29 June – Deep dive (proposed)		











































## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### COVERSHEET: Item 4.1

<b>To</b>	Climate Change Chief Executives Board			
<b>Meeting date</b>	31 May 2023			
<b>Agenda item name</b>	Landing adaptation priorities			
<b>Item lead</b>	Chair / Lisa Daniell			
<b>Lead agency</b>	MfE / CCIEB			
<b>Verbal update</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Reason for Board's consideration</b>	This item seeks alignment on how and what the Board focuses on in the adaptation space with its expanded remit and membership.			
<b>Key focus areas</b>	Confirm governance arrangement for Board (smaller focused group of CEs, or full Board) Confirm areas of adaptation focus for upcoming meetings.			

<b>Recommendations</b>	<ul style="list-style-type: none"> <li>Agree to one of the recommended options for governance and meeting arrangements.</li> <li>Confirm areas of Board adaptation focus – those that members are concerned about or consider to be a priority, so that the IEB Unit can work with agencies to shape Board papers over coming months.</li> <li>Commit to an adaptation strategy session in early September to inform a BIM, that can also cover the S9(2)(f)(iv)</li> </ul>
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<b>Has the Board previously considered this item, if so, when?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	
	Oral items only at February and April meetings			
<b>Has this item been considered/endorsed by Climate DCEs?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	24 May 2023
	Climate DCEs acknowledged the need for stronger integration between adaptation and mitigation and the need to ensure dedicated time on adaptation matters			
<b>Will this item be going to CRMG or Cabinet?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Date</b>	
<b>Relevant Cabinet decisions and dates</b>	N/A			



# Climate Change Chief Executives Board

## Integrating Adaptation priorities and Board's collective governance response

May 2023



# Adaptation priorities and scope of the Board – reflecting on the critical need for sufficient focus and effort towards **New Zealand’s adaptation response**

Recognising the need for adaptation to be prioritised alongside mitigation in dealing with the adverse effects of climate, the Board’s scope has formally expanded to incorporate adaptation, and in coming months there will be a focus on National Adaptation Plan (NAP) implementation and reporting.

Recent extreme weather events in New Zealand, including Cyclone Gabrielle, have materially moved our context and highlighted the critical importance of adaptation and the need for increased focus on immediate needs in the response, opportunities in the recovery, and the longer-term implementation of adaptation focused policy.

The government’s adaptation strategy is currently spread across multiple agencies and various groups. It is a live and fast-moving issue which needs to be pulled together to ensure a coherent, consistent and effective response.

The Board has agreed to four priority areas (below). We suggest that the scope of these and actions being undertaken within each area form the basis of upcoming Board meeting items in order to better understand the nature and scope of government’s response in these areas (and adequacy of that).

## The Board’s previously agreed priorities within the National Adaptation Plan

**Managed retreat** <sup>S9(2)(f)(iv)</sup>

**Strategic infrastructure**

**Flood-resilient buildings and communities**

**Access to the right data and information to take adaptation action**

# Options and recommendations

The Climate IEB Unit has assessed several options to address the Board's adaptation governance role and scope as effectively as possible, acknowledging the need to grip up this issue across government, as well as take a more integrated approach to both adaptation and mitigation challenges and solutions. In order to do this, we also recommend that at least half the Board's time needs to reorient and cover adaptation matters.

## There are two main options to manage this scope:

1. A dedicated Adaptation-focused Board grouping be formed to allow for focused discussion on med/long-term adaptation priorities
  - These meetings would be held back-to-back with the existing Board ERP/mitigation meetings in the interest of efficiency and diary management for CEs, allowing all overlapping topics (such as Budget/CERF, reporting, engagement, BIM) to be covered together.
  - The quorum for this group could be a sub-set of IEB CEs with responsibilities for priority areas of the NAP (noting that all members could still be invited to join each meeting based on relevance of the specific topic and diary availability).
2. The full Board meets to consider all adaptation-specific items, with 50% of the Board's time dedicated to these [Option recommended by interagency Climate DCEs]
  - Maintaining a full Board approach, using existing frameworks to reflect the approach of more integration on adaptation and mitigation issues rather than separating out the two (noting that this option will require a strict approach to inclusion of highest-priority mitigation agenda items to ensure adaptation matters are adequately represented).

## We recommend the following next steps for the Board:

- A. Agree one of the recommended options (above) for governance and meeting arrangements
- B. Confirm areas of Board focus – those that members are concerned about or consider to be a priority, so that the IEB Unit can work with agencies to shape Board papers over coming months (see next slide for suggested items)
- C. Commit to an adaptation strategy session in early September to inform a BIM, that can also cover the Board's views on system stewardship and options for longer-term institutional arrangements across the adaptation response

# Suggested adaptation forward agenda items

Agenda items would include reports from lead agencies on adaptation priorities to arm the Board to best play its governance role and update the Board on the nature and scope of government's response in these areas, including any contextual changes since the time the NAP was agreed:

- **Managed retreat (May, June, August meetings):**

- S9(2)(f)(iv) [Redacted]
- Managed retreat is an agreed upon priority of the Board and a central focus here is required
- S9(2)(f)(iv) [Redacted]

- **Strategic infrastructure (June meeting)**

- To incorporate: lessons for building long-term resilience (considering lessons from Cyclone recovery efforts and resilient infrastructure opportunities); and upcoming amends to Building Act through the *Building for Climate Change Programme*

- **Flood-resilient buildings and communities (June meeting):**

- S9(2)(f)(iv) [Redacted]

The **Board's August six-monthly report on the NAP** will also cover the above areas, progress and criticality of actions within the NAP and across the climate portfolio (e.g. risks, opportunities and views on areas of future emphasis and sequencing of the adaptation response (noting the Climate Change Commission will also consider the adequacy and progress of the NAP as part of its ongoing monitoring role (every 2 years.))















## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

COVERSHEET: Item 5				
To	Climate Change Chief Executives Board			
Meeting date	31 May 2023			
Agenda item name	Oral item: Board's strategic engagements			
Item leads	Chair / Lisa Daniell			
Lead agency	CCIEB			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	<p>Discuss who, how and when to include key external engagements at Board meetings in order to best enable insights relevant to the Board's role and so that engagements can be arranged by the Climate IEB Unit (integrate into Board meetings or standalone sessions).</p> <p>S9(2)(f)(iv)</p>			
Recommendations	<p><b>Agree</b> how regular key external engagements with private sector/industry groups, local government, Māori Climate Platform, NGOs should be undertaken – either within existing Board meetings (30 min slots), or through standalone sessions that could be established.</p>			
Comments	S9(2)(f)(iv)			

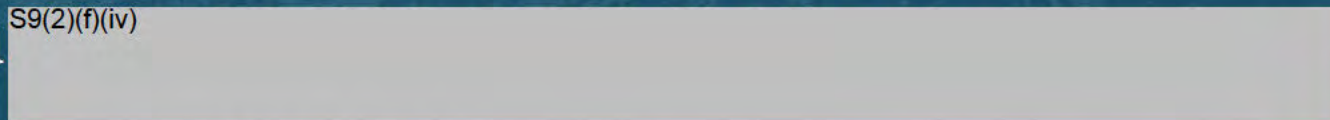


# Climate Change Chief Executives Board

Stakeholder engagement and

May 2023

S9(2)(f)(iv)



# Context and purpose

## Purpose:

- This slide pack seeks the Board's endorsement to its preferred approach to stakeholder engagement and following discussion at the Board's strategy session in early April.

## Context and approach:

- At the Board's strategy session
- In developing options for stakeholder engagement, we are mindful of the large number of potential groups to connect to, your existing full Board meeting load, and the direct engagements you already have in your roles as CEs (separately and together in other boards/groupings) and engagements that the IEB Unit undertakes.
- Slides 3 sets out initial options for stakeholder engagement. We seek your direction on the whether there are other priority stakeholders you want us to consider, and your preferred way to engage (short items in current meetings or a standalone half/full day).
- Slide 4 sets out a

## Recommendations:

- **Provide feedback** on your preferred approach to stakeholder engagement, both who to engage with and how.







## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### COVERSHEET: Item 8

<b>To</b>	Climate Change Chief Executives Board			
<b>Meeting date</b>	31 May 2023			
<b>Agenda item name</b>	Meeting administration			
<b>Item lead</b>	Chair / Lisa Daniell			
<b>Lead agency</b>	MfE / CCIEB Unit			
<b>Verbal update</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>• Approve the minutes of the previous meetings held on 29 March and 17 April</li> <li>• Note the open actions, as at 31 May</li> </ul>			
<b>Comments</b>	<p>Due to time constraints at the previous Board meeting, the minutes of the meeting held on 29 March have not yet been formally approved.</p> <p>An indicative forward agenda has not been provided for the administration part of this meeting, as there will not be sufficient time available for review. However, key dates for the Board's priority focus areas are outlined on page 4 of the main meeting agenda.</p>			



## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

### MEETING MINUTES

<b>Date</b>	Monday 17 April 2023
<b>Time</b>	3.30pm – 5.00pm
<b>Location</b>	Online via MS Teams
<b>Attendees</b>	<p><b>Chair:</b> James Palmer (MfE)</p> <p><b>Members:</b> Audrey Sonerson (MOT), Carolyn Tremain (MBIE), Penny Nelson (DOC), Ray Smith (MPI), Aaron Martin (CL), Vicki Plater (TSY delegate)</p> <p><b>Attendee invited for item 6:</b> Pip Fox (HUD)</p> <p><b>Agency attendees:</b> Anne Haira, Janine Smith, Hemi Smiler, Simon Mandal-Johnson (MfE), Jamie Kerr (MBIE), Simon MacPherson (MSD), Ruth Isaac (DOC)</p> <p><b>In support:</b> Lisa Daniell, Chris Nees, Rachael Church (Climate Change IEB Unit)</p> <p><b>Apologies:</b> Caralee McLiesh (TSY)</p>

Item	Actions
<b>Karakia timatatanga; Chair's opening comments</b>	
The Chair welcomed everyone to the meeting.	
<b>1. Key actions from CRMG</b> <b>Lead: Chair</b>	
<p>The Chair provided an update on the key actions arising from the CRMG meeting on 11 April. PMO has confirmed that the updated modelling information should include Budget 23 decisions; so this report back is due by June.</p> <p>The next CRMG meetings are 9 May and 31 May. The report back on additional mitigation options and updated adding up for abatement, is to be provided for 31 May; this report will again focus on consolidation of existing work and building on priority areas for ERP2. Ministers will need to discuss potential implications of the additional options provided.</p>	
The Board:	
<p><b>1.1 Noted</b> that the draft CRMG minutes for 11 April need to accurately reflect the options provided to Ministers on the priorities within the existing work programme, with a tighter focus on a prioritised shortlist S9(2)(f)(iv)</p>	<p>Draft CRMG minutes to be amended to accurately reflect Board's recommendations</p> <p><b>Lead: CCIEB Unit</b> (provided this feedback to the Office on 19 April).</p>
<p><b>1.2 Agreed</b> that quantitative information on ERP progress and Emissions Budgets should be provided to CRMG on a six-monthly basis.</p>	

S9(2)(f)(iv)	
1.4 <b>Noted</b> that Climate DCEs are exploring ETS pass-through costs into the economy and the extent to which government intervention is warranted.	
1.5 <b>Agreed</b> that if Climate DCEs consider the work on the ETS costs is displacing other more important work on emissions reduction, that should be communicated to the Board for further action/decisions.	
2. S9(2)(h)	
S9(2)(h)	
3. Board strategy session debrief and key actions Lead: IEB Unit	
<p>Following the Board strategy session on 5 April, the IEB Unit provided a two-page summary of actions, and is preparing an updated work plan which will be submitted to the Board for its feedback and endorsement.</p> <p>At the strategy session, the Board agreed that a collective narrative on climate policy is needed. This will draw from lessons learned in ERP1, link closely to ERP2, and feed into a BIM</p>	



S9(2)(f)(iv)		
Penny Nelson and the Chair thanked the IEB Unit for organising the session.		
The Board:		
3.1 <b>Noted</b> that the Board's Terms of Reference include adaptation and meeting agendas should include adaptation-focused discussions.		
3.2 <b>Directed</b> the IEB Unit to tailor meeting agendas to support strategic conversations for adaptation and mitigation-focused discussions, and work with agencies on the format of papers being submitted for the Board's consideration.		IEB Unit to further tailor meeting agendas and paper processes to support most strategic mitigation and adaptation-focused items <b>Lead: CCIEB Unit (working with Chair)</b>
4.	S9(2)(f)(iv)	
S9(2)(f)(iv)		

<p><b>6.1(2)(d)</b> [Redacted]</p>	
<p>[Redacted]</p>	
<p>[Redacted]</p>	
<p>[Redacted]</p>	
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<p>[Redacted]</p>	
<p><b>6. Nature-based solutions</b> Lead: Penny Nelson &amp; Ruth Isaac (DOC)</p>	
<p>The Prime Minister and CRMG have asked for further information on the links between climate change and biodiversity, in particular opportunities for nature-based solutions (NBS). Building New Zealand’s evidence base for NBS will encourage further investment so that public and private sector efforts are better resourced. This will help to manage current limitations of policy and regulatory frameworks.</p>	

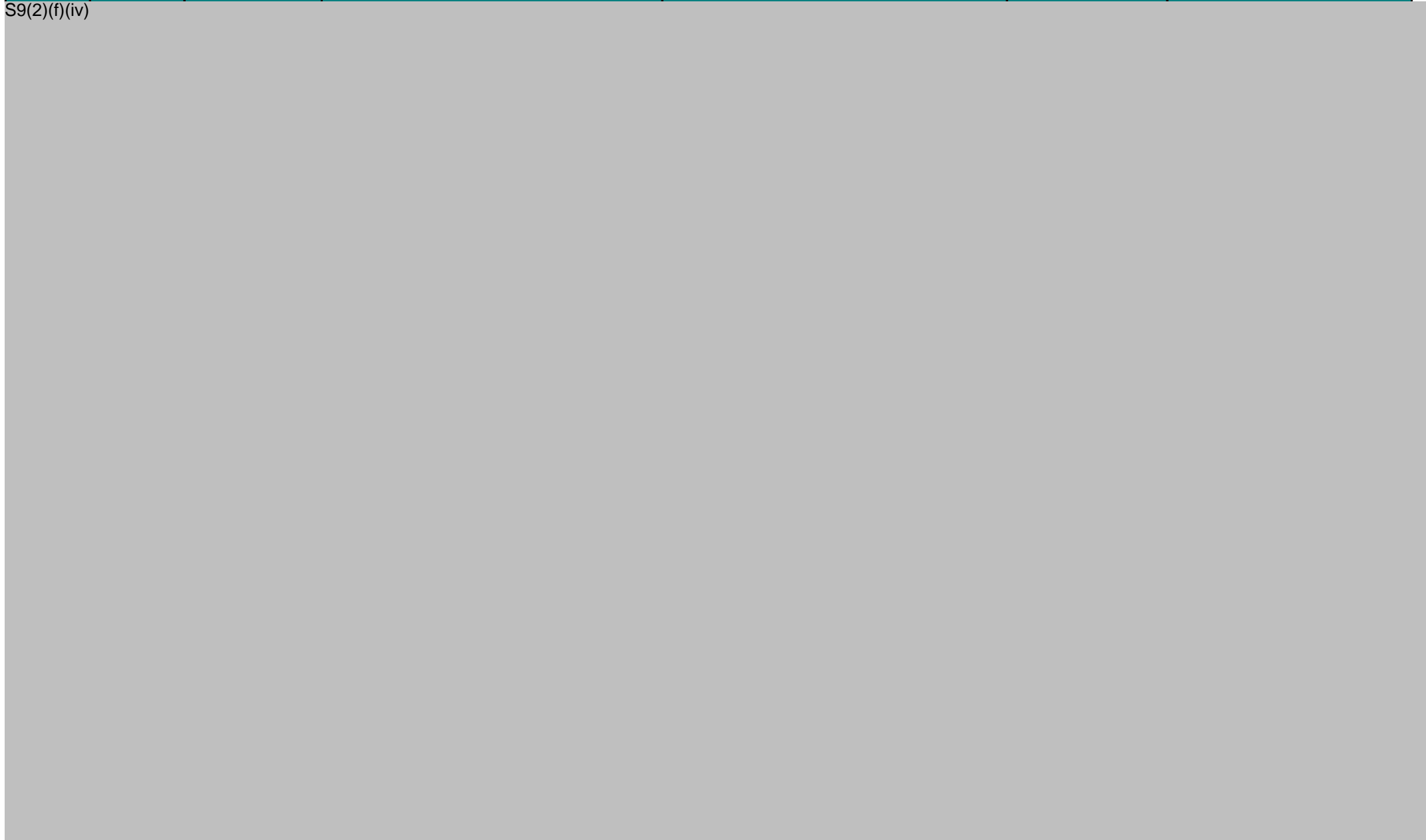
<p>The Board acknowledged the layout of the presentation, which was useful and practical in setting out the interactions between different workstreams, and opportunities for NbS integration.</p> <p>Greater coordination of work on native forest restoration, wetlands and biodiversity credits is needed across agencies. The Board noted the importance of joining up with other agencies to avoid duplication or mis-alignment with work already in hand, including that funded by CERF and underway within Te Uru Rakau (TUR) on native forest restoration (e.g. for seedlings, sequestration analysis, hill country erosion).</p> <p>The Board agreed that governance of ERP/NAP chapters should continue as intended/assigned, and if there are missing components or opportunities for integration of Nbs then that should be considered by work programme and chapter leads – with a report back requested by MfE, MPI (TUR), DOC.</p>	
<p>The Board:</p>	
<p><b>6.1 Noted</b> existing commitments to nature-based solutions (NbS) and active interest from Ministers, including the Prime Minister, in making practical progress.</p>	
<p><b>6.2 Endorsed</b> the investigation of immediate opportunities to support:</p> <ul style="list-style-type: none"> <li><b>6.2.1</b> cyclone recovery –building back better with nature;</li> <li><b>6.2.2</b> wetland restoration in flood prone catchments;</li> <li><b>6.2.3</b> native forest restoration and reversion on erosion-prone slopes in cyclone-affected areas ;</li> <li><b>6.2.4</b> development of a biodiversity credit system.</li> </ul>	
<p><b>6.3 Agreed</b> to develop a work programme to integrate nature-based solutions in key areas of climate policy, including:</p> <ul style="list-style-type: none"> <li><b>6.3.1</b> <b>s 9(2)(f)(iv)</b> : working with MfE to understand options for using public conservation land to offset government emissions;</li> <li><b>6.3.2</b> Green infrastructure: working with MfE, MOT, HUD and others to improve incentives for NbS in urban environments.</li> </ul>	
<p><b>6.4 Agreed</b> that the NbS work programme will include a whole-of-government perspective of the ETS Review work on improving incentives for sequestration through permanent indigenous forests.</p>	
<p><b>6.5 Noted</b> that DOC, MfE and MPI will work together on improving sequestration incentives through permanent indigenous forests.</p>	<p>DOC, MfE and MPI to continue work on improving sequestration incentives through permanent indigenous forests</p> <p><b>Lead: DOC, with support from MfE and MPI</b></p>
<p><b>6.6 Agreed</b> to commission DCEs to ensure the different strands of the government’s work on incentives for permanent indigenous forests are brought together into the NbS work programme.</p>	<p>Relevant DCEs to ensure strands of the government’s work on incentives for permanent indigenous forests are included in the NbS work programme</p>

	<b>Lead: DOC - with MfE and MPI (TUR)</b>
<b>6.7 Noted</b> that governance of ERP/NAP chapters or actions should continue as intended/assigned - with any specific missing components or opportunities to be identified.	
<b>6.8 Agreed</b> that DOC, MfE and MPI will provide advice on the scope, resources and timeframes to deliver both immediate opportunities and a medium-long term work programme.	DOC, MfE and MPI to report back on the scope, resources and timeframes to deliver immediate opportunities and a medium-long term work programme to integrate NbS – including identification of any current gaps in ERP chapters or actions <b>Lead: DOC, MfE, MPI</b>
<b>7. Noting paper</b>	
<b>7.1 Carbon Neutral Government Programme update</b>	
The Board:	
<b>7.1 Noted</b> the update provided (no discussion).	
<b>Closing comments</b>	
The Chair thanked everyone for their time and closed the meeting at 5.02pm.	

**2023 Actions Register: Climate Change Chief Executives Board - open actions**

Action #	Meeting	Discussion item	Minutes	Action	Responsible	Status
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S9(2)(f)(iv)



Action #	Meeting Date	Discussion item	Minutes	Action	Responsible	Status
04-12	17/04/2023	ERP2 Early Strategic Framing	S9(2)(f)(iv)		MfE (with support from CCIEB Unit)	Open - in hand
04-13	17/04/2023	S9(2)(f)(iv)	S9(2)(f)(iv)			
04-15	17/04/2023	Nature-based solutions	<b>The Board agreed</b> that DOC, MfE and MPI will provide advice on the scope, resources and timeframes to deliver both immediate opportunities and a medium-long term work programme.	DOC, MfE and MPI to report back on the scope, resources and timeframes to deliver immediate opportunities and a medium-long term work programme to integrate NbS - including identification of any current gaps in ERP chapters or actions	DOC/MfE/MPI	Open

# CLIMATE RESPONSE MINISTERIAL GROUP MEETING

AGENDA			
Date	Wednesday 31 May 2023		
Time	4.00pm – 5.00pm		
Location	8.5 + Zoom for officials		
Agenda items	<b>Agenda item 1:</b> Climate Change Chief Executives Board – emissions budgets update <b>Agenda item 2:</b> NDC Strategy		
Attendees	<b>Chair:</b> Rt Hon Chris Hipkins – Prime Minister <b>Deputy Chair:</b> Hon James Shaw – Minister of Climate Change Hon. Carmel Sepuloni – Deputy Prime Minister Hon. Kelvin Davis – Minister for Māori Crown Relations: Te Arawhiti Hon. Grant Robertson – Minister of Finance Hon. Megan Woods – Minister of Energy and Resources Hon. Michael Wood – Minister of Transport Hon. Damien O'Connor – Minister of Agriculture Hon. David Parker – Minister for the Environment Hon. Peeni Henare – Minister of Forestry, Associate Minister for the Environment Hon. Kieran McAnulty – Minister of Local Government Hon. Barbara Edmonds – Minister for Economic Development Hon. Willow-Jean Prime – Minister of Conservation Hon. Rachel Brooking – Associate Minister for the Environment <b>Apologies:</b> [TBC]		
#	Time	Agenda Item	Recommendations
1	4.00-4.30pm	Climate Change Chief Executives Board update on emissions budgets Lead Speakers: Rt Hon Chris Hipkins, Hon James Shaw	
	<p>This item provides advice from the Board following the last CRMG:</p> <ul style="list-style-type: none"> <li>Updated emissions estimates information (abatement figures and emissions estimates) to assess whether we are on track to meet emissions budgets 1-3.</li> <li>s 9(2)(h) [REDACTED]</li> <li>Analysis on additional policy options to deliver abatement, in particular the request from Ministers to examine additional options for s 9(2)(f)(iv) [REDACTED]</li> </ul> <p><b>Supporting documents:</b> Report-back to CRMG on meeting our Emissions Budgets</p>		<p>1.1. s 9(2)(h) [REDACTED]</p> <p>1.2. <b>Note</b> that changes to the calculation of New Zealand's baseline emissions (methodological changes) mean that emissions are projected to land within the Emissions Budget 1 limit of 290Mt.</p> <p>1.3. <b>Note</b> that without the impact of these changes to our emissions baseline, we currently estimate a 1.5Mt shortfall in abatement for EB1 (10Mt of the 11.5Mt envisaged at the time ERP1 was agreed), with significant uncertainty around this estimate.</p>

<p>Slide presentation: CRMG report back on emissions budgets</p>	<p>1.4. <b>Note</b> that there are a range of risks from relying on the methodological changes in baseline emissions to meet emissions budgets.</p> <p>1.5. <b>Note</b> that all the options investigated by officials for further abatement in EB1 have high risks and significant trade-offs, with the most feasible option for delivering abatement (albeit minor, if any) being revising our NZ ETS settings to tighten the cap on NZETS emissions.</p> <p>1.6. <b>Note</b> that the Board recommends not adding further initiatives to ERP1 and instead maintaining a tight focus on implementing the remaining ERP1 measures to their full effect in order to support emissions reductions required now and in future emissions budgets.</p> <p>1.7. <b>Note</b> that if necessary, and recommended by the Climate Change Commission, there is the option of borrowing up to 1% of the next emissions budget (borrowing) – for EB1 up to 3.05Mt (advice due end 2027).</p> <p>1.8. <b>Either:</b></p> <p style="padding-left: 20px;">i. <b>Agree</b> to not adding further initiatives to ERP1 and maintain focus on implementing the remaining ERP1 measures to their full effect (<b>Board recommendation</b>).</p> <p style="padding-left: 40px;"><i>or</i></p> <p style="padding-left: 20px;">ii. <b>Direct</b> officials to pursue any additional abatement options for EB1 from the six initiatives identified in <b>Appendix 1</b>.</p> <p>1.9. <b>Note</b> that the Board will continue to monitor progress across the ERP actions and update you in the next six-monthly report (due August 2023).</p> <p>1.10. <b>Note</b> the Climate Change Commission will be providing advice on any necessary revision to notified emissions budgets in late 2024, which can include consideration of methodological changes.</p>
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## CLIMATE CHANGE CHIEF EXECUTIVES BOARD

# Report-back to CRMG on meeting our Emissions Budgets

Date Submitted:	25 May 2023	Tracking #: BRF-3315
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	Action sought:	Response By:
Rt Hon Chris HIPKINS, Chair of the Climate Response Ministerial Group	Agree to forward this briefing note and attached slides to Climate Response Ministerial Group	13 June 2023
CC: Hon James SHAW, Minister of Climate Change	For information and feedback	N/A

Actions for Minister's Office Staff	If agreed, forward this briefing note and appendices to: The Climate Response Ministerial Group
Number of appendices: # 3	Appendix 1: Initiatives to support additional abatement Appendix 2: Slides for CRMG to support its meeting on 31 May 2023 Appendix 3: Information on the uncertainty for emissions projections

### Climate Change IEB Unit contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Sylvia Frean		
Deputy Exec Director	Chris Nees	s 9(2)(a)	✓
Exec Director	Lisa Daniell	s 9(2)(a)	

# Report-back to CRMG on Emissions Budgets

## Key messages

*This report responds to CRMG's request for updated estimates on how we are tracking against emissions budgets and information on options to address any shortfall*

1. Under the Climate Change Response Act 2002, New Zealand expresses its emissions reduction budgets as an amount of maximum allowable emissions over a five-year period (emissions budgets) rather than a specific level of abatement to be achieved in that five-year window.
2. There are three main factors driving whether we achieve these emissions budgets:
  - a) policy changes to reduce emissions (our first Emissions Reduction Plan (ERP1));
  - b) external factors (e.g., economic conditions, oil prices, behaviour); and
  - c) how we measure actual emissions (methodology).

*Recent changes to the way we measure our emissions mean our baseline emissions are lower than estimated in ERP1 which, combined with wider impacts, indicate emissions are now projected to land within the Emissions Budget 1 (EB1) limit of 290Mt.*

3. s 9(2)(h)
4. Officials note there are risks from relying on methodological changes to meet EB1. These include that future methodological changes could have the opposite effect and make it harder to achieve the budget, and that any decision to reduce abatement efforts now will increase the task in future emissions budgets periods.
5. The Climate Change Commission (the Commission) will provide advice on whether to revise existing budgets as a result of methodological improvements in late 2024.

*Emissions estimates including only policy changes and external factors (excluding methodological changes), indicate a 1.5Mt shortfall in achieving the level of abatement sought for EB1 at the time ERP1 was agreed (11.5Mt)*

6. There is a large amount of uncertainty around these estimates, which are rooted in the quality of policy assumptions and cannot be quantified with high certainty. In addition, a range of factors outside of government policy (e.g., COVID-19, global oil prices, inflationary pressures) have a material impact on emissions and meeting the emissions budget. As a result, we consider this estimate as a moderately weak rather than strong signal that there will be a shortfall for EB1.

*The projections also suggest the trajectory for achieving EB2 and EB3 is now more difficult*

- [REDACTED]
7. The projections also downgrade estimates of abatement from policy impacts across Emissions Budget 2 (EB2) and Emissions Budget 3 (EB3), compared to estimates in ERP1. Although the projections suggest we are still broadly on-track to meet these, much of the previously projected buffer (overachievement) has gone and there is a higher degree of uncertainty around these longer run projections. The ERP2 process will need to consider how to address any gap or restore buffers.

s 9(2)(h)

- [REDACTED]
- [REDACTED]

*Additional opportunities to increase abatement in order to meet EB1 are limited, emphasising the importance of effective implementation*

10. Officials have not identified opportunities to increase abatement s 9(2)(f)(iv) [REDACTED]
11. We have also revisited abatement options that we previously advised Ministers about. **Appendix 1** provides a breakdown of these options which includes increasing fuel excise duties, s 9(2)(f)(iv) [REDACTED] and using the annual review of ETS settings to tighten the cap on ETS auction volumes.
12. Of this set, the most feasible option (albeit delivering minor, if any abatement) is to consider tightening ETS volumes and the cost containment reserve trigger price in the context of the current review of ETS settings. The other options have more significant costs and draw backs and would divert resources from focusing on the delivery of ERP1 and the development of ERP2.
13. The Board considers it critical to maintain a strong focus on delivering the remaining ERP1 actions effectively and preparing for ERP2, with key priorities being:
  - a) The ETS review
  - b) The annual update to ETS unit limit and price control settings
  - c) Agricultural emissions pricing
  - d) Transport mode shift
  - e) The Energy Strategy
  - f) Partnerships to support abatement from New Zealand's largest emitters.

## Recommendations

We recommend that you:

- a) **Note** that changes to the calculation of New Zealand's baseline emissions (methodological changes) means that emissions are projected to land within the EB1 limit of 290Mt.  

**Noted**
- b) **Note** that without the impact of the methodological changes to our emissions baseline, we currently estimate a 1.5Mt shortfall in abatement for EB1 (10Mt of the 11.5Mt envisaged at the time ERP1 was agreed), with significant uncertainty around this estimate.  

**Noted**
- c) **Note** that there are a range of risks from relying on the methodological changes in baseline emissions to meet emissions budgets.  

**Noted**
- d) **Note** that all the options investigated by officials for further abatement in EB1 have high risks and significant trade-offs, with the most feasible option for delivering (minor, if any) abatement being revising our NZ ETS settings to tighten the cap on NZ ETS emissions.  

**Noted**
- e) **Note** that the appropriate vehicle for considering NZ ETS settings is through the current review which will set 2024-2028 auction volumes and price controls.  

**Noted**
- f) **Note** that the Board recommends not adding further initiatives to ERP1 and instead maintaining a tight focus on implementing the remaining ERP1 measures to their full effect in order to support emissions reductions required now and in future emissions budgets, reflecting:
  - i. The high degree of uncertainty around emissions projections, including that they are not able to include all ERP actions meaning this estimate is a moderately weak rather than strong signal that there will be an abatement shortfall for EB1.
  - ii. The range of significant risks and trade-offs that come with these the additional options identified in this note; and
  - iii. That adding additional policies now to ERP1 would reduce effort and resources available to focus on delivering the current initiatives and developing ERP2.

**Noted**

- g) **Note** that if necessary, and recommended by the Climate Change Commission, there is the option of borrowing up to 1% of the next emissions budget (borrowing) – for EB1 up to 3.05Mt (advice due end 2027).

**Noted**

h) **Either:**

- i. **Agree** to not adding further initiatives to ERP1 and maintain focus on implementing the remaining ERP1 measures to their full effect (**Board recommendation**).

**Agree/Disagree**

*or*

- ii. **Direct** officials to pursue any additional abatement options for EB1 from initiatives identified in **Appendix 1**.

**Yes/No**

- i) **Note** that the Board will continue to monitor progress across the ERP actions and update you in the next six-monthly report (due August 2023).

**Noted**

- j) **Note** that the Ministry for the Environment will lead separate advice to Ministers for consideration at the next CRMG meeting (26 July) about methodological change more broadly in the context of emissions budgets and the 2050 target.

**Noted**

- k) s 9(2)(f)(iv)

[Redacted text]

**Noted**

<p>Lisa Daniell Executive Director, Climate Change Chief Executives Board</p> <p>Date: 25 May 2023</p>	
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<p>Rt Hon Chris HIPKINS, Chair of the Climate Response Ministerial Group</p>	
<p>Date</p>	

## Purpose

1. This briefing responds to the request from the Climate Response Ministerial Group (CRMG) for additional information on:
  - a. updated abatement figures, to include policies in the 2023 CERF package and the implementation of 2022 CERF package policies
  - b. options for additional abatement in the first emissions budget (EB1) through s 9(2)(f)(iv), and wider options.

## Context

2. On 11 April 2023, CRMG met to discuss progress and risks to meeting EB1, following advice from the Climate Change Chief Executives Board (the Board) and revised modelling assumptions provided by MfE [*BRF-2993 4 April 2023 refers*].
3. MfE officials and the Board advised CRMG that we were no longer on track to meet EB1, following risks progressing since the first six-monthly report provided by the Board to CRMG, updated abatement figures, and revised modelling information.
4. CRMG requested officials report-back by June 2023, with revised abatement and sufficiency information, together with options to provide additional abatement, where possible.
5. This briefing is organised in three sections:
  - Section 1:** Retesting whether we are on track to meet our emissions budgets
  - Section 2:** The legal requirement to meet emissions budgets
  - Section 3:** Additional abatement options for EB1
6. We attach slides at **Appendix 2** to support discussion at CRMG's meeting on 31 May 2023.

## Section 1: Retesting whether we are on track to meet our Emissions Budgets

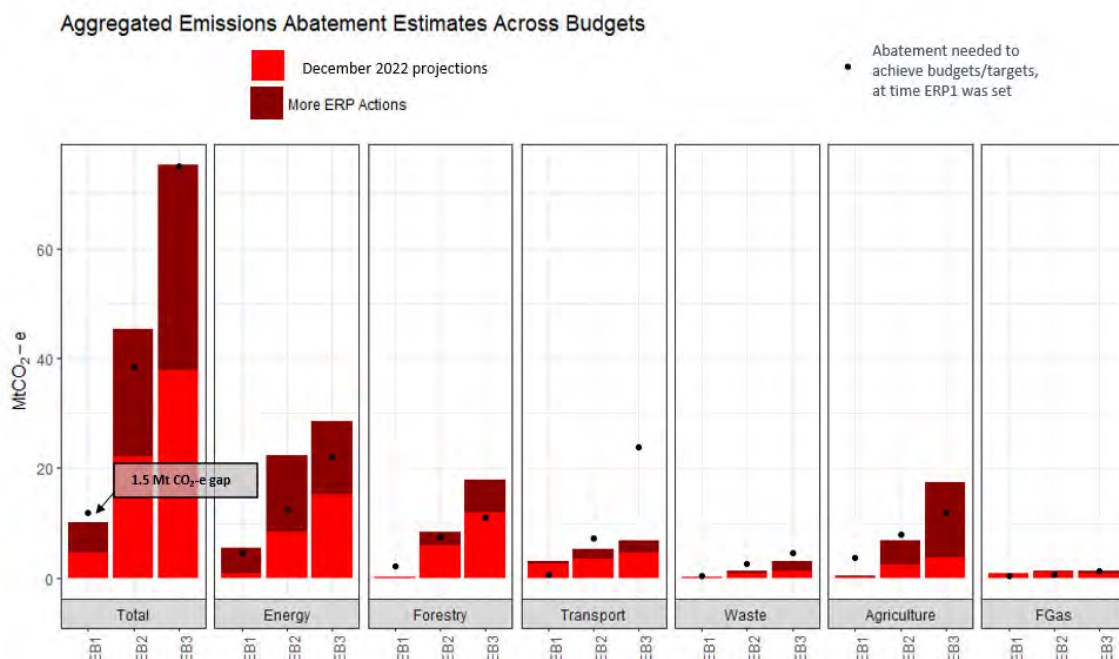
### *Setting emissions budgets and the challenges of measuring and estimating emissions*

- The first three emissions budgets were set in 2022, and the first emissions budget (EB1) set a limit on net emissions of 290Mt for the period 2022-2025. The corresponding abatement sought for EB1 through ERP1 at the time, was 11.5Mt.
- Modelling available when the ERP1 was released indicated that New Zealand could meet EB1 based on projections that accounted for quantified policy impact of some initiatives in the ERP.
- Estimates at the time indicated EB1 would be met if all quantified policies were delivered and achieved at the high impact scenario level (abating a total of 11.9Mt).

### *We have retested our emissions reduction estimates*

- Following direction from CRMG we have updated estimates of emissions reductions to take account of a wider set of ERP1 policy impacts (shown as brown bars in Chart 1) in addition to what was included in our December 2022 projections of policy and key economic variables (shown as red bars in Chart 1) that CRMG considered in April 2023.
- Chart 1 (below) shows that achieving the EB1 through ERP1 abatement is finely balanced, with an estimated 1.5 Mt CO<sub>2</sub>-e gap between the level of abatement required at the time ERP1 was agreed, and the latest abatement estimates.

**Chart 1: Abatement at the time ERP1 was agreed (without methodological changes)**



Note: abatement impacts from Electric Arc Furnace at NZ Steel's Glenbrook mill are included



12. There is considerable uncertainty over these projections and relevant caveats are provided in **Appendix 3**.

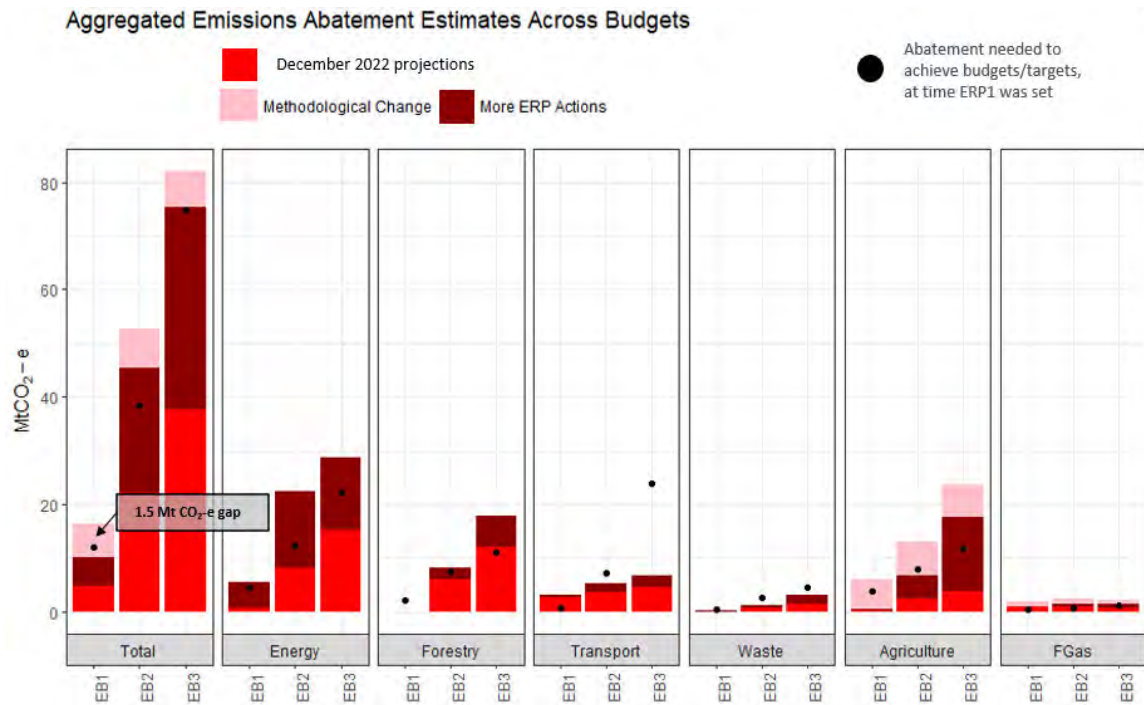
*Measuring progress against emissions budgets is challenging and changes can occur as new information comes to light*

13. During the course of an emissions budget, a range of factors will affect whether the budgets are achieved, only some of which are within Government's control. These include:
- methodology changes as we improve our estimates of emissions over time, that can revise both historic and projected emissions up or down
  - updates to quantified policy emissions impacts (e.g., performance of the clean car discount)
  - additional impacts from initiatives that were not able to be quantified or fully quantified
  - external factors such as economic conditions, COVID, the Ukraine war and behavioural change.

*Methodological changes*

14. Every year, methodological improvements are made to the way emissions are estimated in New Zealand's annual greenhouse gas inventory. This follows the Intergovernmental Panel on Climate Change's (IPCC's) guidelines for the preparation and continuous improvement of national greenhouse gas inventories. Accepting the risk of inconsistencies between an emissions budget and the national inventory emissions estimates is considered preferable to delaying science-based updates to the inventory.
15. Subsequent to CRMG's request for further information, the Ministry for the Environment released New Zealand's Greenhouse Gas Inventory (13 April), that include methodological improvements. Of importance is revised calculations on agricultural emissions (e.g., inclusion of non-pasture feed activities in the Agriculture Inventory Model and improved activity data for within-year dairy cattle population fluctuations).
16. These revised calculations mean that agricultural emissions were not as high as projected when emissions budgets levels were set in 2022. The impact of this recent methodological change means our baseline emissions (and emissions inventories) are lower than originally calculated - by approximately 1Mt per year, as shown in Chart 2 below.

Chart 2: Abatement with methodological changes



17. s 9(2)(h)

18. The Ministry for the Environment will lead separate advice to Ministers for consideration at the next CRMG meeting (26 July) about methodological change more broadly in the context of emissions budgets and the 2050 target.

19. From a policy perspective, officials have identified risks associated with relying on these methodological changes for achieving EB1. These include:

- that future methodological changes could have the reverse effect and make it harder to achieve emissions budgets
- that the uncertainty associated with emissions projections is high (see Appendix 3)
- that any resulting softening of effort to reduce emissions now risks increasing the task in future emissions budgets periods.

20. The results of methodological changes and our policy initiatives in ERP1 to achieve the required abatement for EB1 will not be known until after the budget period has ended.

*Updates to quantified policy emissions impacts for EB1, EB2 and EB3*

21. Our projections downgrade estimates of abatement from policy impacts across Emissions Budget 2 (EB2) and Emissions Budget 3 (EB3). Although we are still broadly on

track to meet these, much of the previously projected buffer (overachievement) has gone.

22. Agriculture abatement estimates have been revised downwards in EB1, EB2 and EB3 due to revised assumptions around the cost effectiveness and adoption rate of on-farm mitigation technologies. This is related to the impacts of the methodological changes discussed above.
23. Energy policy estimates have been revised downwards in EB1, EB2 and EB3 from the original forecasts primarily to account for the following factors:
  - The speed of project delivery has been slower than originally expected due to the global energy crisis, supply chain delays, and worsening economic conditions,
  - Emissions impacts of large emitter partnerships will take longer to implement than originally allowed for, and
  - The Equipment Replacement Scheme has taken longer to implement than originally allowed for. Note that in this modelling the reductions in the forecasts are not completely lost, they are delayed and now fall outside the first three emissions budgets (i.e., the reductions will still happen, but later than originally anticipated).
24. Transport policy abatement estimates in EB1 have increased due to a change in the policy setting for the Clean Car Discount, as well as changes in baseline modelling assumptions for transport emissions projections (e.g., GDP, oil prices), see Chart 3 below.

**Chart 3: Estimated Emissions Abatement Changes for EB1 compared to original estimates in ERP1**



25. Transport policy abatement estimates in EB2 and EB3 have reduced significantly (compared to at the time ERP1 was agreed) due to the cancellation of the Sustainable Biofuels Obligation, as shown in Charts 4 and 5.
26. Forestry emissions removals estimates have significantly increased in EB2 and EB3 due to the inclusion of several new initiatives not captured in the 'with-existing-measuring' emissions projections such as Maximising Carbon Storage, Establishing Native Forests at Scale, and Investing in expanding the supply of woody biomass. Forestry baseline removals have also increased due to new data on afforestation and deforestation rates.

**Chart 4: Estimated Emissions Abatement Changes for EB2**



**Chart 5: Estimated Emissions Abatement Changes for EB3**



7.

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### Section 3: Additional abatement opportunities to meet EB1

43. CRMG asked officials to provide further information on potential options that could provide additional abatement in EB1, in particular s 9(2)(f)(iv) [Redacted]

44. The emissions abatement projections for meeting EB1 fall within the range of uncertainty and there are no additional options to s 9(2)(f)(iv) [Redacted]. Given this and combined with the uncertainty around emissions projections, the Board's advice is to maintain a tight focus on implementing the remaining ERP1 measures to their full effect. Doing so will also support the significant adjustments and deeper emissions reductions required for future emissions budgets.

s 9(2)(f)(iv) [Redacted]

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s 9(2)(f)(iv)

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*Role of the NZ ETS for further abatement in EB1*

- 56. Reducing the level of NZU supply could be achieved by reducing the volume of auction supply. One option is to add the reduced auction volume to the cost containment reserve (CCR). In this case, the volume would be released if auction prices were high. Alternatively, the auction volume could be removed from the total available supply. This would require sectors covered by the ETS to do more work to reduce emissions. In both cases, the option would be more effective if the CCR trigger price was increased at the same time so that the supply of CCR volumes was less likely.
- 57. The current NZ ETS settings, including auction volumes for 2024 and 2025 and auction price controls, are being consulted on with policy decisions expected on 3 August 2023. The consultation includes options to increase auction price controls in line with the recommendation of the Commission. Reducing auction volumes without adding these volumes to the CCR is not an option being consulted on. Reducing auction volumes will also have an expected fiscal cost – auctioned volumes will fall, although this will be offset, to some extent at least, by a higher expected price per unit.
- 58. The impact of change to the ETS would be uncertain and likely to be minor in EB1 due to it being late in an EB period and in a context of a high stockpile. Emission reductions delivered by the ETS require investment certainty of high and rising prices, and have a time lag. ETS settings is a much more effective tool to achieve long-term emission reductions. To have any impact on EB1 the changes would need to be dramatic such as:

[REDACTED]

no further auctions in EB1, signalling that there will be no ongoing ceiling on ETS prices, and/or the Government becoming a significant purchaser of units.

59. Consequences would include pass through into higher household prices, possible business closures, a split from the Climate Change Commission's advice, and reduced regulatory certainty in the ETS.

*Wider options for further abatement considered for further abatement*

60. Officials provide further information on options for abatement in EB1 (discussed at CRMG meeting 11 April) at **Appendix 1**. Some are now funded through Budget '23, but the remainder are unlikely to offer abatement in EB1.

## Next steps

61. The Board will continue to monitor progress across ERP1 actions and update you in the next six-monthly report, due with CRMG in August 2023.
62. MfE will lead separate advice to Ministers for consideration at the next CRMG meeting (26 July) about methodological change in the context of emissions budgets and the 2050 target more broadly.

63. s 9(2)(f)(iv)
- [REDACTED]
- [REDACTED]
- [REDACTED]

## Appendix 1: Information on additional abatement options to meet EB1

Initiative description	Abatement confidence for EB1	Abatement cost	Complexity to implement	Trade-offs
<p>Tighten the ETS cap via:</p> <ol style="list-style-type: none"> <li>1. Reducing the number of units supplied in the Government auctions</li> <li>2. Removing the cost containment reserve or increasing the ETS auction trigger price for the cost containment reserve</li> </ol>	<p><b>Low:</b></p> <ul style="list-style-type: none"> <li>• Some additional emission reduction possible but unlikely to reduce emissions materially in EB1 due to investment lag; any additional land use change to exotic forestry would not produce reductions fast enough.</li> <li>• The cost containment reserve is a market price control mechanism, implemented through auctions. Removing it or increasing the ETS auction trigger price reduces the stockpile risk to meeting budgets (noting the CCR is not expected to be triggered under current settings).</li> </ul>	<p><b>Medium:</b></p> <ul style="list-style-type: none"> <li>• Likely to have some effect on market expectations of future prices, resulting in higher NZU prices in near term.</li> </ul>	<p><b>Low</b></p> <p>Can be implemented relatively quickly via annual ETS settings advice. Consultation already underway on ETS settings</p>	<p><b>Medium:</b></p> <p>Maybe some raising of NZU prices, although this will be mitigated significantly by the stockpile.</p> <p>Negative impact on regulatory certainty and confidence in the ETS settings.</p> <p>Not following Climate Change Commission advice.</p>
<p>Significant increases to fuel excise duty and road user charges</p>	<p><b>Low:</b> No abatement estimate is available. The Ministry of Transport understands that road transport demand in New Zealand is relatively inelastic, or non-responsive, to price changes. Therefore, significant increases in fuel excise duty (FED) and road user charges (RUC) would be required to materially impact vehicle kilometres travelled (VKT). Empirical evidence shows that the predominant response to high fuel prices is for households to reduce other types of expenditure, particularly food, heating or other vehicle costs (inspections, oil changes, tyres). Wealthier households,</p>	<p><b>High:</b> High direct cost on households and businesses. Higher freight costs could pose a significant burden on households. We understand that the road transport industry is highly competitive, and as a result, any increase in freight costs (including arising from RUC increases) tends to be passed on to consumers,</p>	<p><b>Medium:</b> From a legislative standpoint, implementing increases could be relatively straightforward. However, it would represent a significant shift in policy. Currently, the rates for Fuel Excise Duty (FED) and Road User Charges (RUC) are designed to achieve a revenue target for planned transport investments. These</p>	<p><b>High:</b> This initiative would have significant cost of living impacts. Implementing this ahead of increases in public transport and active mode infrastructure and/or services mean that those with limited options for travel modes would be significantly</p>



Initiative description	Abatement confidence for EB1	Abatement cost	Complexity to implement	Trade-offs
	<p>on the other hand, often opt to transition to more fuel-efficient vehicles. Scenario-based modelling suggested that the 25 cent per litre reduction in petrol excise duty (set to end on 30 June) could result in an increase in VKT by 1-2 per cent. However, the accuracy of this modelling is uncertain. Furthermore, the overall pressure on household budgets might offset any increase in travel distances.</p>	<p>especially when internal cost-saving measures are not feasible.</p>	<p>rates are not set with the explicit goal of reducing emissions. Likely to be real challenges related to communication and public acceptance as observed overseas.</p>	<p>disadvantaged which would likely lead to substantial equity impacts.</p>
<p>[Redacted]</p>	<p>s 9(2)(f)(iv) [Redacted]</p>	<p>[Redacted]</p>	<p>s 9(2)(f)(iv) [Redacted]</p>	<p>s 9(2)(f)(iv) [Redacted]</p>
<p>s 9(2)(f)(iv) [Redacted]</p>	<p>s 9(2)(f)(iv) [Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>





Initiative description	Abatement confidence for EB1	Abatement cost	Complexity to implement	Trade-offs
			s 9(2)(f)(iv)	
s 9(2)(f)(iv)				





## **Appendix 2: Slides to support CRMG discussion on 31 May 2023**

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**– See attached –**



## Appendix 3: Information on the uncertainty for emissions projections

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The updating of abatement estimates has been a rapid cross-agency exercise. As such, data has undergone peer review to the extent possible but is subject further quality assurance including work on uncertainties.

The data presented are the “best available information” but come with the following caveats:

- a. The latest emissions inventories incorporate the effect of methodological changes, which reflect improvements to how we measure and project GHG emissions.
- b. This is a provisional update only and should only be used to gauge the impact of including the latest Inventory activity data. A complete update will occur near the end of 2023.
- c. All emissions abatement estimates use AR5 conversion factors.
- d. Methodological Impacts refers to “changes in knowledge” and how emissions are measured rather than policy impacts.
- e. We have attempted to ensure the quality of the data and insights presented, however there are some gaps in the quality assurance process for this exercise due to the size of this task and the short delivery timeframe.
- f. There is considerable uncertainty in our abatement estimates and further work is needed to understand uncertainties and abatement bands (high and low estimates).
- g. Estimates assume ETS prices used in the Dec 22 projections run (e.g., a carbon price of \$64 in 2025), and do not incorporate impacts of the ETS review or recent ETS price changes.

**These slides accompany Briefing Note BRF-3315, prepared by the Climate Change Chief Executives Board for CRMG, to support its discussion on 31 May 2023**

**These slides provide:**

- 1. Updated information to assess whether we are on track to meet the first emissions budgets.**
- 2. Analysis on additional policy options to deliver abatement, in particular the request from Ministers to examine additional options s 9(2)(f)(iv) .**



# Summary and recommendations

## Are we on track to achieve emissions budgets?

1. Methodological changes to calculation of New Zealand's baseline emissions mean that **emissions are projected to land within the EB1 limit of 290Mt.**
2. Without the impact of these methodological changes to our emissions baseline, we currently estimate a 1.5Mt shortfall in abatement for EB1.
3. There are a range of **risks from relying on these changes in baseline methodology to meet emissions budgets**, including that future changes may have reverse effects; that any associated less effort to reduce emissions now increases the task in future budgets; and that there is significant uncertainty around the projections.
4. **The trajectory for achieving EB2 and EB3 is also estimated to be more difficult.** Agencies have collectively downgraded projections for policy impacts across these periods. While estimates suggest we are still broadly on track to meet them, much of the previously-projected overachievement has gone. There is also a very high degree of uncertainty around these numbers.
5. MfE will lead advice to Ministers in July about how to manage methodological change in the context of emissions budgets and the 2050 target more broadly.

s 9(2)(h)

## Recommended next steps

7. Officials have investigated a range of options to increase abatement in EB1. Reducing NZ ETS auction volumes as part of the annual process has been identified as the only viable option, but would only have a minor if any impact on EB1 due to lags in investment decisions and the small impact on price due to the stockpile of units. The appropriate vehicle for considering NZ ETS settings is through the current review which will set 2024-2028 auction volumes and price controls.
8. The Board does not recommend adding further initiatives to ERP1. Instead, a tight focus is needed on implementing the remaining ERP1 measures to full effect, to support emissions reductions required now and in future emissions budgets, reflecting:
  - The high degree of uncertainty with emissions projections, including they are not able to include many ERP actions.
  - The range of significant risks and trade-offs that come with the additional options identified in slides 5-6
  - That adding additional policies now to ERP1 would reduce effort and resources available to focus on delivering the current initiatives and developing the foundations for ERP2 and beyond where deeper emissions cuts are required.

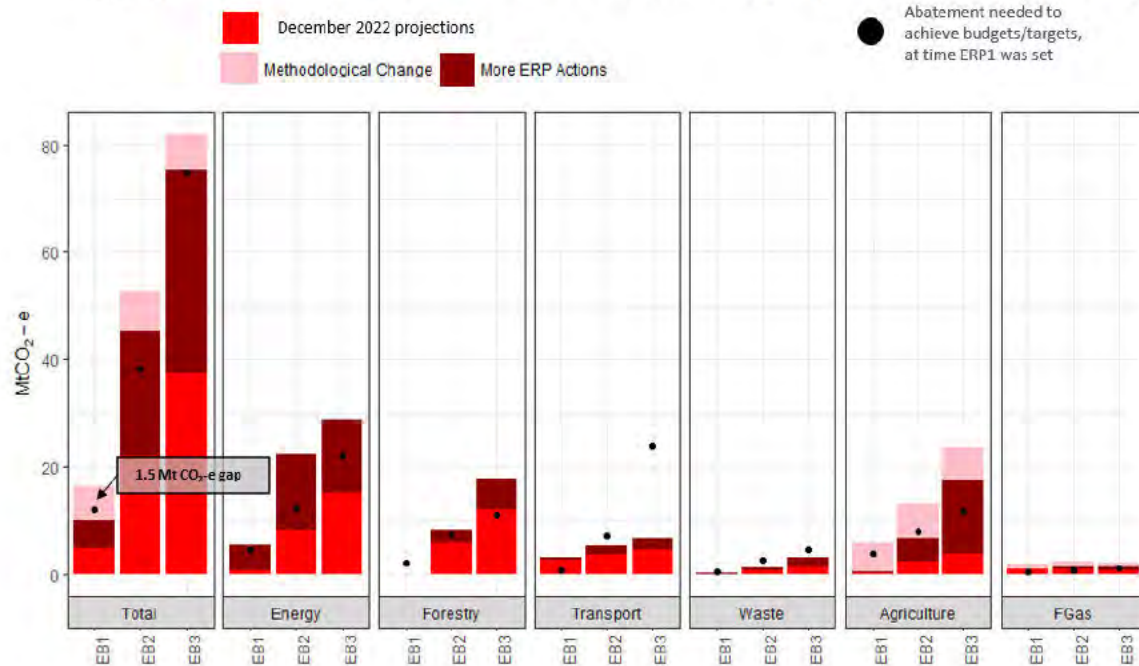
# Updated emissions estimates

Three key factors affect whether we achieve our emissions budgets: how we measure actual emissions (methodology), external factors (e.g., economic conditions, oil prices, behaviour), and policy changes designed to reduce emissions (ERP1). The charts show our current estimates of abatement that can be achieved for EB1-3, with and without the impacts of recent methodological changes. They respond to CRMG's request by including the impact of more ERP policies (brown), compared to the previous projections (red).

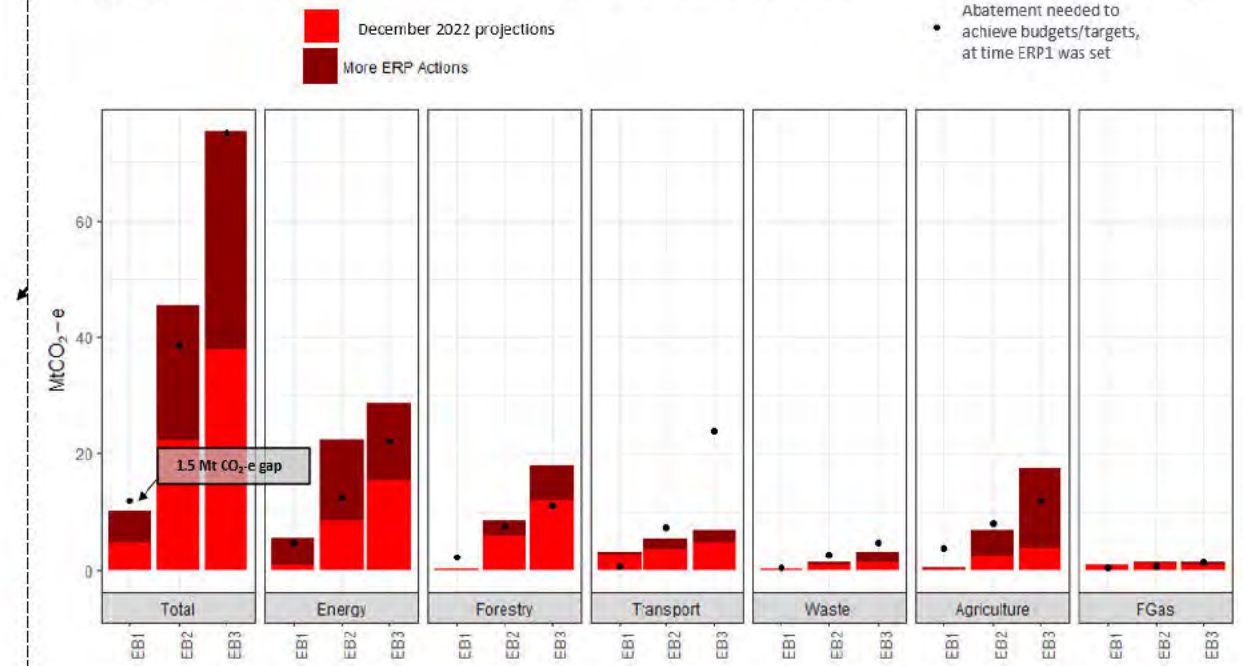
## Key messages:

- Methodological changes to baseline emissions mean that emissions are projected to land within the EB1 limit of 290Mt.
- Without these methodological changes to baseline emissions, achieving the abatement necessary for EB1 remains finely balanced with a 1.5Mt shortfall but within the range of uncertainty around these projections.
- The details of how abatement estimates have changed within sectors across EB1 is shown at slide 7

### Aggregated Emissions Abatement Estimates Across Budgets (with methodological change)



### Aggregated Emissions Abatement Estimates Across Budgets (without methodological change)



## Note:

- Data includes expected abatement impacts from Electric Arc Furnace at NZ Steel's Glenbrook mill
- Caveats and risks to these projections are set out in the accompanying Briefing Note

# Additional abatement options for EB1

CRMG directed officials to provide further information on potential options that could provide additional abatement in EB1.

## *Speeding up abatement from GIDI*

- Materially increasing EB1 reductions from GIDI is not feasible, due to the lengthy timeframes required to deliver GIDI projects, and global and domestic constraints (e.g., inflationary pressures, labour shortages) which are putting pressure on delivering existing and any new GIDI initiatives
- s 9(2)(f)(iv)

## *Wider options for abatement in EB1*

- The following slides set out further information on wider options for abatement in EB1 that have previously been provided to CRMG.
- Reducing NZ ETS auction volumes as part of the annual process has been identified as the only viable option, but would only have a minor if any impact on EB1 due to lags in investment decisions and the small impact on price due to the stockpile of units. This not recommended due to the impacts on regulatory certainty and overriding the role of the Commissions advice.

# Abatement options to meet EB1

Initiative description	Abatement confidence for EB1	Abatement cost	Complexity to implement	Tradeoffs
<p>Reducing ETS auction volumes:</p> <ol style="list-style-type: none"> <li>Reducing the number of units supplied in the Government auctions</li> <li>Removing the cost containment reserve or increasing the ETS auction trigger price for the cost containment reserve</li> </ol>	<p><b>Low:</b></p> <ol style="list-style-type: none"> <li>Some additional emission reduction possible but unlikely to reduce emissions materially in EB1 due to investment lag; any additional land use change to exotic forestry would not produce reductions fast enough.</li> <li>The cost containment reserve is a market price control mechanism, implemented through auctions. Removing it or increasing the ETS auction trigger price reduces the stockpile risk to meeting budgets (noting the CCR is not expected to be triggered under current settings).</li> </ol>	<p><b>Medium:</b></p> <p>Likely to have some effect on market expectations of future prices, resulting in higher NZU prices in near term.</p>	<p><b>Low:</b></p> <p>Can be implemented quickly via annual ETS settings advice. Consultation already underway on ETS settings</p>	<p><b>Medium:</b></p> <p>Maybe some raising of NZU prices, although this will be mitigated significantly by the stockpile.</p> <p>Negative impact on regulatory certainty and confidence in the ETS settings.</p> <p>Not following Climate Change Commission advice.</p>
<p>Significant increases to fuel excise duty and road user charges</p>	<p><b>Low:</b> No abatement estimate is available. Road transport demand in NZ is relatively non-responsive to price changes. Therefore, significant increases in charges and duties would be required to materially impact vehicle kilometres travelled (VKT).</p> <p>Evidence shows the main response to high fuel prices is for households to reduce other types of expenditure, particularly food, heating or other vehicle costs.</p> <p>Wealthier households often opt to transition to more fuel-efficient vehicles.</p> <p>Scenario modelling suggested the current 25 cent per litre reduction in petrol excise duty could result in an increase in VKT by 1-2%. However, the accuracy of this modelling is uncertain. Furthermore, the overall pressure on household budgets might offset any increase in travel distances.</p>	<p><b>High:</b> High direct cost on households and businesses. Higher freight costs could pose a significant burden on households.</p>	<p><b>Medium:</b> From a legislative standpoint, implementing increases could be relatively straightforward.</p> <p>However, it would represent a significant shift in policy. Currently, these transport revenues are designed to achieve a target for planned transport investments, and rates are not set with the explicit goal of reducing emissions.</p> <p>Likely to be real challenges related to communication and public acceptance as observed overseas.</p>	<p><b>High:</b> This initiative would have significant cost of living impacts. Implementing this ahead of increases in public transport and active mode infrastructure and/or services mean that those with limited options for travel modes would be significantly disadvantaged which would likely lead to substantial equity impacts.</p>
<p>[Redacted]</p>	<p>s 9(2)(f)(iv)</p> <p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>

# Abatement options to meet EB1 continued

Initiative description	Abatement confidence for EB1	Abatement cost	Complexity to implement	Tradeoffs
<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>
<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>
<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>	<p>[Redacted]</p>

# Key changes in EB1 abatement estimates

This chart shows the net effect on abatement from changes in assumptions about policy effectiveness and projections. It excludes the impacts of methodological change.

- Agriculture abatement estimates have been revised downwards in EB1 due to revised assumptions around the cost effectiveness and adoption rate of on-farm mitigation technologies.
- Energy Policy estimates have been revised downwards from the original forecasts primarily to account for:
  - The speed of project delivery has been slower than originally expected due to the global energy crisis, supply chain delays, and worsening economic conditions,
  - Emissions impacts of large emitter partnerships will take longer to implement than originally allowed for, and
  - The Equipment Replacement Scheme has taken longer to implement than originally allowed for. Note that in this modelling the reductions in the forecasts are not completely lost, they are delayed and now fall outside the first three Emissions Budgets (i.e., the reductions will still happen, but later than originally anticipated).
- Transport estimates for emissions reductions compared to ERP baseline have increased due to quantified policy impacts (e.g., the success of the Clean Car Discount), the impact of non-quantified policy and macro settings (e.g., GDP, oil price, etc.).

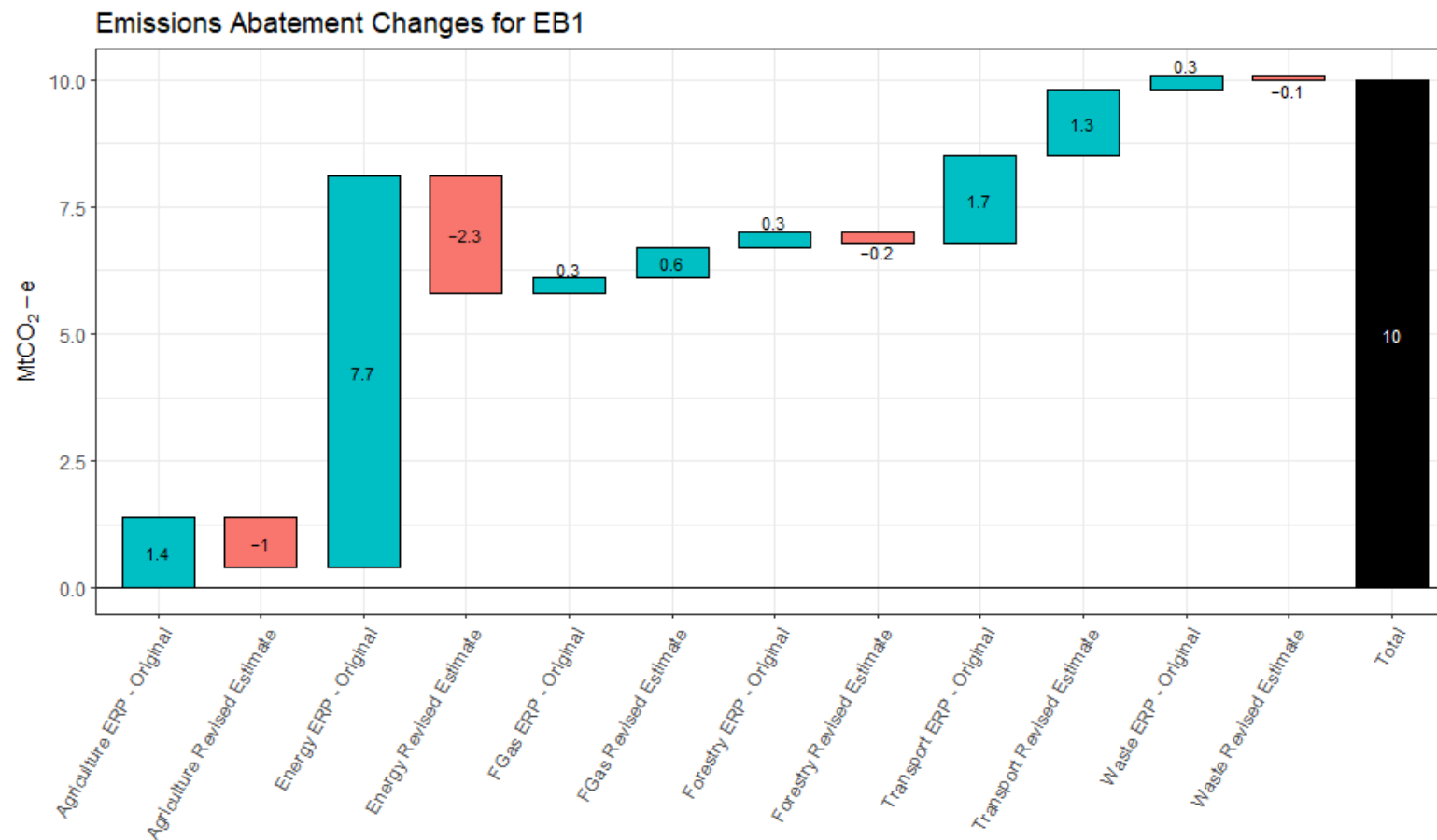


Chart note: bars for each sector are additive. E.g. revised abatement estimate for agriculture is  $1.4 - 1 = 0.4\text{Mt}$

Note: The briefing note provides similar information for EB2 and EB3 abatement estimates

s 9(2)(h)

s 9(2)(h)



s 9(2)(h)

s 9(2)(h)

# CLIMATE CHANGE INTERDEPARTMENTAL EXECUTIVE BOARD

## AGENDA

### Climate Change Interdepartmental Executive Board

Thursday 29 June 2023, 1330 – 1500

(in person / MS Teams)

<b>Attendees</b>	James Palmer (Chair, MfE), Audrey Sonerson (MoT), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Paul James (DIA), Penny Nelson (DoC), Ray Smith (MPI), Aaron Martin (CL), James Beard (TSY delegate)
<b>Invited</b>	Andrew Crisp (HUD), Dave Samuels (TPK)
<b>In support</b>	Lisa Daniell, Rachael Church (CCIEB Unit)
<b>Agency attendees</b>	Paul Barker (DIA), Janine Smith, Anne Haira, Hayden Johnson, Hemi Smiler, Simon Mandal-Johnson (MfE), and officials from MBIE and MSD
<b>Apologies</b>	Caralee McLiesh (TSY)

31 May 2023	29 June 2023	1 August 2023
<ul style="list-style-type: none"> <li>Climate Change Commission engagement - update on release of draft advice on ERP2</li> <li>Approval of second six-monthly monitoring and reporting structure – incorporating the NAP</li> <li>Landing adaptation priorities and Climate Change Adaptation Bill update</li> <li>Board's strategic engagements</li> <li>Oral item: CERF update on results from Q3</li> <li>Board-only: context sharing and preparation ahead of CRMG meeting</li> </ul>	<ul style="list-style-type: none"> <li>ERP2</li> <li>Options to address the distributional impacts of emissions pricing</li> </ul> <p><b>Adaptation:</b></p> <ul style="list-style-type: none"> <li>Flood resilient built environment and communities</li> <li>Direction of Climate Change Adaptation Bill</li> </ul> <p><b>Noting papers:</b></p> <ul style="list-style-type: none"> <li>CCEIB corporate health dashboard; meeting administration</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with Aotearoa Circle</li> <li>Board's long-term strategic narrative on climate policy</li> <li>Adaptive management</li> </ul> <p><b>Adaptation:</b></p> <ul style="list-style-type: none"> <li>Climate Change Adaptation Bill update</li> <li>Access to the right data and information to take adaptation action</li> <li>Strategic infrastructure</li> </ul>

#	Time	Item	Recommended actions
<b>Karakia timatanga / Chair's opening comments / Board-only time</b>			
1	15 mins	<b>Board-only time/context sharing</b>	-

S9(2)(f)(iv)

S9(2)(f)(iv)

## Adaptation priority focus area updates

4	25 mins	<p><b>Flood resilient built environment and communities</b>  <b>Lead:</b> Paul James / Paul Barker (DIA)</p> <p>This item provides an overview of planned priority actions and identifies gaps, barriers, and further work that needs to be prioritised.</p> <p>Key points:</p> <ul style="list-style-type: none"> <li>• This is one of the adaptation priority focus areas which will be highlighted in the Board's upcoming six-monthly report (due August).</li> <li>• We seek to provide an overview of the strategic context of this priority focus area and identifies significant milestones, gaps, and challenges, to enable Board to have a better view on progress and its collective governance task and ensure the Board has the relevant background and information to move towards an adaptation-focused strategy session in September.</li> <li>• Key issues being raised include; many NAP actions are either not funded or are in initial stages, some actions also have long lead in times will take time to see an impact</li> </ul> <p><i>Paper:</i>  4.1 Flood resilient built environment and communities</p>	<p><b>4.1 Note</b> key messages presented in the paper</p> <p><b>4.2 Note</b> that the DCE group are doing further work examining gaps in policy response and identify upcoming points where Government intervention is needed now.</p>
5	10 mins	<p><b>Direction of Climate Change Adaptation Bill</b>  <b>Lead:</b> Anne Haira / Hayden Johnston (MfE)</p> <p>This item provides an update on managed retreat and the climate change adaptation bill work programme to support the Board's six-monthly report.</p> <p>Key points:</p> <ul style="list-style-type: none"> <li>• The Minister has proposed a change in approach from introducing a Bill this year (as stated in the National Adaptation Plan) to undertaking a Joint Environment and Māori Affairs Select Committee Inquiry prior to Bill development.</li> </ul>	<p><b>5.1 Note</b> that the proposed approach has been developed to reduce the risks associated with short timeframes and limited engagement; and to increase the likelihood of wide support and buy-in</p> <p><b>5.2 Note</b> that the proposed approach delays the delivery timeframe for the Climate Change Adaptation Bill as set out in the NAP</p>

		S9(2)(f)(iv)	
<b>Any other business / noting papers</b>			
<b>6</b>	5 mins	<p><b>CCIEB quarterly update</b>  <b>Lead:</b> Lisa Daniell (CCIEB Unit)</p> <p>This item provides a brief oral update on the following items:</p> <ul style="list-style-type: none"> <li>• Upcoming priorities, including CERF approach and BIM</li> <li>• Strategic Intentions being updated - now including adaptation</li> <li>• Board's Operating Procedures, including appointment of Deputy Chair, updated June 2023</li> <li>• Board's Terms of Reference, updated June 2023</li> <li>• OIA proactive release plan</li> <li>• Branding/visual identity update</li> </ul> <p><i>Paper:</i>  6.1 Corporate health dashboard, 29 June 2023</p>	<b>6.1 Note</b> the quarterly update provided
		<p><b>Meeting administration</b>  <b>Lead:</b> Chair / Lisa Daniell (CCIEB Unit)</p> <ul style="list-style-type: none"> <li>• Minutes of previous meeting, 31 May 2023</li> <li>• Actions register as at 23 June 2023</li> <li>• Indicative forward agenda</li> </ul> <p><i>Papers:</i>  6.2 Minutes of previous meeting  6.3 Actions register  6.4 Indicative forward agenda</p>	<p><b>6.2 Approve</b> the minutes of the previous meeting</p> <p><b>6.3 Note</b> the updated actions register</p> <p><b>6.4 Review</b> the indicative forward agenda</p>

Climate Change Interdepartmental Executive Board's agreed long-term priorities Critical path for Cabinet papers / CRMG papers				
Mitigation-focused priorities				
Priority area	DCE meeting date for review	Board meeting date	Cabinet paper dates	CRMG dates
ERP2	21 June	29 June	TBC	July (ERP2)
ETS Review	30 March	29 March as AOB/noting item	1 paper in May	May relates to ERP1 discussion)
He Waka Eke Noa	21 March	29 March as AOB/noting item	S9(2)(f)(iv)	N/A
Transport mode shift	TBC	29 March as substantive discussion item	7 papers between March-May	July (relates to ERP2 discussion)
Energy Strategy	TBC	Proposed 29 June (need to confirm optimum timing with MBIE)	1 paper in May	July (relates to ERP2 discussion)
Partnerships to support abatement with New Zealand's largest emitters	TBC	Engagements TBC		
Adaptation-focused priorities				
Priority area	DCE meeting date for review	Board meeting date	Cabinet paper dates	CRMG dates
Access to the right data and information to take adaptation action	5 July	S9(2)(f)(iv)	N/A	
Managed retreat S9(2)(f) S9(2)(f)(iv)	21 June	S9(2)(f)(iv)	TBC	July
Flood-resilient built environment and communities	21 June	29 June – Deep dive		
Strategic infrastructure	19 July	S9(2)(f)(iv)		
Emergency response, lessons for long-term resilience (proposed priority)	31 August	28 September – Deep dive (proposed)		



## CLIMATE CHANGE INTERDEPARTMENTAL EXECUTIVE BOARD

<b>COVERSHEET: Item 2</b>				
<b>To</b>	Climate Change Chief Executives Board			
<b>Meeting date</b>	29 June 2023			
<b>Agenda item name</b>	ERP2			
<b>Item lead</b>	Lisa Daniell (CCIEB Unit) & Hemi Smiler (MfE)			
<b>Lead agency</b>	CCIEB Unit / MfE			
<b>Verbal update</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Reason for Board's consideration</b>	S9(2)(f)(iv) The PCE report on ERP1 processes will also be finalised issued in August. The PCE will engage direct with the Board on this review on 28 July.			
<b>Key focus areas</b>	S9(2)(f)(iv)			
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>S9(2)(f)(iv)</li> </ul>			
<b>Has the Board previously considered this item, if so, when?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	17 April 2023
	Multiple previous meetings. S9(2)(f)(iv) S9(2)(f)(iv)			
<b>Has this item been considered/endorsed by Climate DCEs?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	21 June 2023
	DCEs have been provided an earlier version of paper. No specific feedback received. s 9(2)(f)(iv)			
<b>Will this item be going to CRMG or Cabinet?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	26 July 2023
	s 9(2)(f)(iv)			
<b>Relevant Cabinet decisions and dates</b>				
<b>Comments</b>	A meeting with the Parliamentary Commissioner for the Environment is being scheduled for the Board in late July to discuss the PCE's findings from its ERP1 process review.			









## CLIMATE CHANGE INTERDEPARTMENTAL EXECUTIVE BOARD

COVERSHEET: Item 3				
To	Climate Change Chief Executives Board			
Meeting date	29 June 2023			
Agenda item name	Options to address the distributional impacts of emissions pricing			
Item lead	Janine Smith			
Lead agency	MfE, supported by TSY, MBIE, MSD			
Verbal update	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Supporting paper	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	s 9(2)(f)(iv) [Redacted] [Redacted] [Redacted] [Redacted]			
[Redacted]	[Redacted]			
[Redacted]	s 9(2)(f)(iv) [Redacted] [Redacted] [Redacted] [Redacted] [Redacted] [Redacted] [Redacted]			
Has the Board previously considered this item, if so, when?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Date	
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	21 June 2023
Will this item be going to CRMG or Cabinet?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	CRMG – 26 July 2023
Relevant Cabinet decisions and dates				
Comments	s 9(2)(f)(iv) [Redacted] [Redacted] [Redacted] [Redacted] [Redacted]			





















## CLIMATE CHANGE INTERDEPARTMENTAL EXECUTIVE BOARD

### COVERSHEET: Item 4

<b>To</b>	Climate Change Chief Executives Board			
<b>Meeting date</b>	29 June 2023			
<b>Agenda item name</b>	Flood resilient built environment and communities			
<b>Item lead</b>	Paul James and Paul Barker			
<b>Lead agency</b>	DIA / HUD			
<b>Verbal update</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Reason for Board's consideration</b>	<p>This is one of the adaptation priority focus areas which will be highlighted in the Board's upcoming six- monthly report (due August).</p> <p>Seeks to provide an overview of the strategic context of this priority focus area and identifies significant milestones, opportunities, gaps, barriers, and further work that needs to be prioritised.</p> <p>Introducing adaptation focus areas ensures the Board has the relevant background and information to move towards an adaptation-focused strategy session in September.</p>			
<b>Key focus areas</b>	<p>Visibility of adaptation and NAP actions and progress on those, gaps and challenges, to enable Board to have a better view on progress and its collective governance task.</p> <p>Risk to manage: Many NAP actions are either not funded or are still being scoped and some actions also have long lead in times will take time to see an impact.</p>			
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>• <b>Note</b> key messages presented in the paper</li> <li>• <b>Note</b> that lead agencies are working with the IEB Unit and Climate DCE group to do further work examining gaps in policy response and identify upcoming points where Government intervention may be needed,</li> </ul>			
<b>Has the Board previously considered this item, if so, when?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<b>Date</b>	
	This is one of four adaptation priority focus areas recently agreed by the Board so has not previously been discussed			
<b>Has this item been considered/endorsed by Climate DCEs?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	21 June 2023
	DCEs agreed to discuss this item further, to look at policy impacts for rural communities in particular, identify systemic gaps that need to be addressed and points where the Board can influence these. Especially points where government intervention is needed over the next five years while adaptation initiatives with long lead in times begin to have an impact.			
<b>Will this item be going to CRMG or Cabinet?</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<b>Date</b>	
<b>Relevant Cabinet decisions and dates</b>				
<b>Comments</b>	The CCIEB Unit is working with DIA on this priority focus area for next six-monthly report (Aug).			

# Flood resilient built environment and communities

Lead Agencies: DIA, HUD

## **Strategic context:**

Recent extreme weather events have shown the destructive impact of the changing climate on communities. Cyclone Gabrielle has highlighted the urgency of adapting to our changing climate and revealed the scale of the challenge. We need to proactively reduce our exposure to these extreme weather events and the associated flood hazard. Building flood resilience is one of the natural hazard domains where we can have the most impact in reducing risk.

## **Significant milestones:**

- Government has announced \$22.9 million of co-investment funding for building flood resilience at Westport.
- Establishment of 10 water services entities from July 2024.
- RBNZ have completed stress testing exercise on resilience of the banking system.
- TPK have mapped socio-economic and climate vulnerability of iwi-Māori.

## **Opportunities, challenges and risks:**


- The role of local government as the primary risk manager needs to be part of the NAP.
- The absence of appropriate funding and financing tools for flood resilience is a barrier to our ability to adapt.
- Councils need new tools to ensure risk informed development in high flood risk areas (s 9(2)(f)(iv) [REDACTED])
- The importance of the Government's resource management reform in 2023 and realising the associated flood resilience policy outcomes.
- Actions by local and central government need to be informed by community needs and aspirations; in turn focus is needed to enhance community understanding of risk and resilience mitigations.



## CLIMATE CHANGE INTERDEPARTMENTAL EXECUTIVE BOARD

COVERSHEET: Item 5				
To	Climate Change Chief Executives Board			
Meeting date	29 June 2023			
Agenda item name	Managed retreat (and advancing the Climate Adaptation Act)			
Item lead	Anne Haira / Hayden Johnston			
Lead agency	Ministry for the Environment			
Verbal update	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reason for Board's consideration	This update is provided to support the six-monthly monitoring and reporting on this adaptation priority focus area. An issues paper is in development which will be coming to agencies for their feedback and support.			
Key focus areas	<ul style="list-style-type: none"> <li>• s 9(2)(f)(iv)</li> </ul> <p>[Redacted content]</p>			
[Redacted]	[Redacted content]			
Has the Board previously considered this item, if so, when?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	May 2023
Has this item been considered/endorsed by Climate DCEs?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	21 June 2023
	Verbal update provided to Climate DCEs (ahead of Cabinet Committee or Cabinet consideration)			
Will this item be going to CRMG or Cabinet?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Date	26 June (Cabinet) 27 July (CRMG) 7 August (Cabinet)

S9(2)(f)(iv)







## CLIMATE CHANGE INTERDEPARTMENTAL EXECUTIVE BOARD

### COVERSHEET: Item 6

<b>To</b>	Climate Change Chief Executives Board			
<b>Meeting date</b>	29 June 2023			
<b>Agenda item name</b>	CCIEB quarterly update / meeting administration			
<b>Item lead</b>	Lisa Daniell			
<b>Lead agency</b>	CCIEB Unit			
<b>Verbal update</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<b>Supporting paper</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<b>Key focus areas</b>	<p>Note the following updates</p> <ul style="list-style-type: none"> <li>• Strategic Intentions being updated to include adaptation priority focus areas (to be circulated to Board separately)</li> <li>• Operating procedures updated - noting the appointment of the Deputy Chair and new members</li> <li>• Terms of Reference for the Board updated – updated to reflect adaptation</li> <li>• OIA proactive release plan underway</li> <li>• Branding/visual identity update</li> </ul>			
<b>Comments</b>	Minutes of the previous meeting held on 31 May 2023 are attached for approval, together with the updated actions register for noting, and updated indicative forward calendar for review and any comment.			



# Climate Change Chief Executives Board – Corporate health dashboard, 29 June 2023

Team	
Executive Director	Lisa Daniell Deputy: Chris Nees
Period ending	30 June 2023

People	
Team profile	People / FTEs: 9.2 FTE across 12 roles (includes leadership) Contractors: None Fixed term: 0.8FTE to December
Cross agency representation	No current secondees, but we are exploring opportunities to support the Board's role in ERP2 work
Upcoming appointments	<b>Vacancies (&amp; forecasted start dates):</b> Chief Advisor (currently recruiting), Manager (currently recruiting)

S9(2)(g)(i)

Key relationships and upcoming external engagements by Unit	
Past engagements	Institute of Directors Chapter Zero; Aotearoa Circle; Singapore Centre for Strategic Futures, EY-NZ, Zespri, Deloitte, Westpac, Ambassador Designate Stockholm, Toha,
Upcoming engagements	S9(2)(f)(iv)

Board Administrative documents	
To distribute	1. Updated Strategic intent to include the NAP 2. Updated Terms of Reference to include the NAP 3. Updated Operating procedures to include the NAP
Upcoming signouts	The Board's First Annual report will be required to be published in October and signed by all CEs in September (proposed as annex to MfE report as servicing agency)

Upcoming deliverables (coming quarter)		Paper 6.1
1	s 9(2)(f)(iv)	
2	<b>Second six-monthly ERP and first NAP progress report</b> being developed, including consideration of Deloitte recommendations to enhance consistency, data confidence, QA; as well as NAP integration. Due 15 Aug 23 to Board, for end Aug delivery to PM (and CRMG).	
3	<b>Strategic narrative and BIM</b> – approach to work being developed to workshop with agencies and test through Climate Directors and DCEs in Jul	
4	<b>Adaptive management advice:</b> Key recommendations for the Board in order to better enable its future adaptive management approach and functions to be discharged due to Board in Aug	

IEB Unit's key risks/opportunities	
1	s 9(2)(f)(iv)
2	<b>Integrating adaptation into the Board's role.</b> Shifting emphasis on adaptation will require deliberate effort by the Board, the Unit and agencies advising Board.
3	<b>Upcoming intensity to deliver the second six monthly report:</b> Now expanded in scope to monitor the NAP and requires short turnaround from receiving agency info and delivering report.

**Overall Programme Status: Green**

Past quarter significant deliverables: Advice to CRMG on meeting emissions budgets s 9(2)(f)(iv) integration of the NAP into the 2<sup>nd</sup> monitoring and reporting commissioning, mapping of interdependencies between various ERP and NAP strategies.

Next quarter: Pinch points in Jul and Aug when the 2<sup>nd</sup> monitoring and report is due from all ERP/NAP agencies to the Board which will require significant coordination across the system. The system is currently working well with good cooperation between the Unit and agencies.

Upcoming meetings	
Climate Deputy Chief Executives (DCE) Meetings: 5 Jul, 19 Jul, 2 Aug, 16 Aug, 31 Aug	
Climate Response Ministers Group (CRMG) Meetings: 26 July	
Climate Change Chief Executives Board (CCIEB) meetings: 1 Aug, 15 Aug (2 <sup>nd</sup> six-monthly report), 30 August. Engagement with PCE on ERP1 process review: 30 mins on 28 July.	

Key performance indicators (from current strategic intent).	
1	<b>Build a cross-government understanding and strategic approach that aligns the Government's overall economic wellbeing strategy with its climate change response.</b>
2	<b>Support Aotearoa New Zealand to meet our first three emissions budgets by coordinating an all-of-government approach to climate policy.</b>

**CLIMATE CHANGE INTERDEPARTMENTAL EXECUTIVE BOARD****MEETING MINUTES**

<b>Date</b>	31 May 2023	
<b>Time</b>	12.30 – 2.00 pm	
<b>Location</b>	Online via MS Teams	
<b>Attendees</b>	<b>Chair:</b>	James Palmer (MfE)
	<b>Members:</b>	Caralee McLiesh (TSY), Carolyn Tremain (MBIE), Dave Gawn (NEMA), Paul James (DIA), Penny Nelson (DOC), Ray Smith (MPI), Aaron Martin (CL), Bryn Gandy (MoT delegate)
	<b>Attendees for item 2:</b>	Jo Hendy (Chief Executive, Climate Change Commission), Stuart Dymond (CCC)
	<b>Agency attendees:</b>	Pip Fox (HUD – item 2), Janine Smith, Anne Haira, Hayden Johnston (MfE)
	<b>In support:</b>	Lisa Daniell, Chris Nees, Rachael Church (CCIEB Unit)
	<b>Apologies:</b>	Audrey Sonerson (MOT)

<b>Item</b>	<b>Actions</b>
<b>Karakia timatanga</b>	
<b>1. Chair's opening comments and welcome to new Board members</b> <b>Lead: Chair</b>	
The Chair opened the meeting, welcoming the two new Board members, Dave Gawn (Chief Executive National Emergency Management Association) and Paul James (Chief Executive Department of Internal Affairs). Jo Hendy, Chief Executive of the Climate Change Commission, was also welcomed to the meeting. The Chair noted that the IEB Unit has been working with agencies to reduce the volume of reading for the Board, using slides as an abbreviated format.	
S9(2)(f)(iv)	

s 9(2)(f)(iv)

[Redacted text block containing multiple paragraphs of information, all obscured by grey bars.]

s 9(2)(f)  
(iv)

[Redacted text block containing a few lines of information, all obscured by grey bars.]

[Redacted text block containing multiple paragraphs of information, all obscured by grey bars.]

**3. Approval of second six-monthly monitoring and reporting structure – incorporating the NAP**  
**Lead: Chris Nees (CCIEB Unit)**

The second six monthly report will include the NAP for the first time, and will also reflect improvements in line with recommendations from Deloitte on data and confidence testing from the Board’s first report.

The reporting framework is similar to the first six monthly report, with chapter lead agencies being asked to collate monitoring data.

Working level engagement groups are being set up, supported by the IEB Unit, to develop outlook reports on priority areas for the NAP.

**Key discussion points:**

- Co-leadership is an important part of the reporting process: the Kanoa team in MBIE will have ongoing roles with flood resilient communities; NIWA does a lot of work on data and information and having authoritative data from a single source would be useful.

[Redacted text block containing multiple paragraphs of information, all obscured by grey bars.]

- s 9(2)(f)(iv)
  - The Board agreed to the proposed structure of the second six-monthly report and noted that the final report will be received for its endorsement in August.  
*[Ray Smith left the meeting after item 3]*
- The Board:
- 3.1 Approved** the proposed structure for the second six-monthly report with the following features:
- Integration of the NAP into the monitoring and reporting process
  - Improved data to assess progress against emissions budgets and towards NAP goals, including developing leading indicators for the ERP
  - An overall assessment of progress across critical actions and against the Board's top priority areas agreed for the ERP and NAP
  - ERP chapter outlooks that provide high-level assessments of progress, risks, and opportunities across the ERP
  - NAP priority focus area outlooks that provide an overview of outcomes and challenges for the four adaptation priorities agreed by the Board
- 3.2 Approved** the proposed commissioning of lead agencies to gather monitoring data and reporting on ERP and the NAP, and draft one page 'outlooks'.

IEB Unit to liaise with the Kanoa team in MBIE and NIWA on adaptation focus area relating to data and information.

**Lead: IEB Unit**

IEB Unit to commission lead agencies to provide their monitoring data and reporting for ERP and NAP.

**Lead: IEB Unit (with input from lead agencies)**

#### 4. Adaptation

##### 4.1 Landing adaptation priorities Lead: Chair/Lisa Daniell (CCIEB Unit)

The Chair noted the Board's remit includes adaptation and this is an important focus for the Board, including significant interrelationships between mitigation and adaptation.

##### Key discussion points:

- DCEs have recommended splitting meeting agenda time equally between mitigation and adaptation priorities. Board members noted that a formal structure may not be needed on a permanent basis but would be helpful to have in place for a period.
- A strategic session focused on adaptation will be organised for the Board, similar to the mitigation-focused strategy session held in April. This session will consider whether the Board's current focus areas and priorities need adjusting and also priorities for a BIM.
- Board noted the four priority focus areas and noted that it would be valuable to also consider lessons learned from emergency management and how these are being integrated into future responses, including medium and long-term implications and policy work.
- Additional areas of focus (for future or integrated within Board report backs) could include land use, wetlands and equity impacts of legislative reform.

The Board:

- 4.1.1 Agreed** to maintain a full Board approach to consider all adaptation-specific items, with 50% of the Board's time dedicated to these.
- 4.1.2 Noted** that the integration of adaptation and mitigation at Board meetings will require the highest-priority mitigation agenda items to ensure adaptation matters are adequately represented (and for DCEs to be delegated other items).

Meeting agenda time to be split equally between mitigation and adaptation priority areas.

**Lead: IEB Unit**

4.1.3 Noted that the Board:

- a Confirmed the following adaptation focus areas, noting that the IEB Unit will work with agencies to shape Board papers over coming months:
  - i. Access to the right data and information to take adaptation action;
  - ii. Managed retreat s 9(2)(f)(iv)
  - iii. Flood-resilient built environment and communities;
  - iv. Strategic infrastructure;
  - v. Emergency response, lessons for long-term resilience
- b Will hold an adaptation-focused strategy session in early September, to consider its priority focus areas, inform a BIM that can also cover the Board’s views on system stewardship and options for longer-term institutional arrangements across the adaptation response.

IEB Unit to organise an adaptation-focused strategy session for the Board in September 2023, which will also consider the Board’s adaptation priorities.  
 Lead: IEB Unit

**4.2 Climate Change Adaptation Bill update**  
 Lead: Anne Haira and Hayden Johnston (MfE)

The NAP includes a specific action to progress the Climate Change Adaptation Bill, which is expected to be introduced by the end of 2023 s 9(2)(f)(iv)

[Redacted text]

**5. Oral item: Board’s strategic engagements**  
 Lead: Chair / Lisa Daniell (CCIEB Unit)

At the strategy session in April 2023, the Board expressed an interest in s 9(2)(f)(iv)

[Redacted text]

The Board also indicated a desire to be well connected with key climate change stakeholders and experts.

s 9(2)(f)(iv)

Engagements with key stakeholders was also discussed – with options for this being either: building existing meetings or arranged as standalone sessions.

**Key discussion points:**

The starting point for the IEB Unit will be to look at existing data to understand views of New Zealanders with respect to implementation of climate policy – barriers, opportunities.

There is great value in interacting with people and communities who have actual experience in managed retreat s 9(2)(f)(iv)

[Redacted text]

The Board:

5.1 s 9(2)(f)(iv)

[Redacted text]

s 9(2)(f)(iv)

[Redacted text]

<p>5.2 <b>Agreed</b> to the proposed engagements with NGOs, public and private sector stakeholders, Local Government, Māori, and priority industry sectors – with the addition of community members impacted by managed retreat.</p> <p>5.2 <b>Noted</b> a preference for key engagements to be scheduled as part of the Board’s existing meetings, with the possible addition/inclusion of one hour web-based sessions at a future point, given the volume of work the Board is responsible for within its core function.</p>	<p>Key stakeholder engagements to be scheduled as part of the Board’s existing meeting schedule, as well as possible webinar/engagement sessions.</p> <p><b>Lead: IEB Unit</b></p>
<p>S9(2)(g)(i)</p>	
<p><b>7. Board only: Context sharing and preparation ahead of CRMG meeting</b> Lead: Chair</p>	
<p>The following key points were discussed regarding preparation for the CRMG meeting: <u>Update on emissions budgets</u></p> <ul style="list-style-type: none"> <li>• s 9(2)(h) [redacted]</li> <li>• Recommended focus is on what is currently in the ERP rather than adding new/enhanced or additional policies.</li> </ul>	
<p><b>8. Meeting administration</b> Lead: Chair / Lisa Daniell (CCIEB Unit)</p>	
<p>The Board:</p> <p>8.1 <b>Approved</b> the minutes of the previous meetings, dated 29 March 2023 and 17 April 2023.</p> <p>8.2 <b>Noted</b> the actions register.</p>	
<p><b>9. Closing comments</b></p>	
<p><b>Karakia whakakapī</b></p>	
<p>The Chair thanked everyone for their time and closed the meeting at 1.57pm.</p>	

## 2023 Actions Register: Climate Change Chief Executives Board - open actions

Action #	Meeting Date	Discussion item	Minutes	Action	Responsible	Status
S9(2)(g)(i)						
04-12	17/04/2023	ERP2 Early Strategic Framing	S9(2)(f)(iv)		MfE (with support from CCIEB Unit)	Open - in hand
S9(2)(f)(iv)						

Action #	Meeting Date	Discussion item	Minutes	Action	Responsible	Status
04-15	17/04/2023	Nature-based solutions	<b>The Board agreed</b> that DOC, MfE and MPI will provide advice on the scope, resources and timeframes to deliver both immediate opportunities and a medium-long term work programme.	DOC, MfE and MPI to report back on the scope, resources and timeframes to deliver immediate opportunities and a medium-long term work programme to integrate NbS - including identification of any current gaps in ERP chapters or actions	DOC/MfE/MPI	Open
05-1	31/05/2023	CCC update on release of advice on ERP2	<b>The Board noted</b> the update provided by Jo Hendy and invited the Climate Change Commission to attend future Board meetings, including once its ERP2 advice is finalised.	IEB Unit to invite CCC to further engage with the Board, including once the advice on ERP2 is finalised	IEB Unit	Open
05-2	31/05/2023	Approval of second six-monthly monitoring and reporting structure, incorporating the NAP	<b>The Board approved</b> the proposed commissioning of lead agencies to gather monitoring data and reporting on ERP and the NAP, and draft one page 'outlooks'	IEB Unit to commission lead agencies to provide their monitoring data and reporting for ERP and NAP; IEB Unit to liaise with the Kanoa team in MBIE and NIWA on adaptation focus area relating to data and information	IEB Unit (with input from lead agencies)	Open
05-3	31/05/2023	Adaptation	<b>The Board agreed</b> to maintain a full Board approach to consider all adaptation-specific items, with 50% of the Board's time dedicated to these	Meeting agenda time to be split equally between mitigation and adaptation priority areas	IEB Unit	Open
05-4	31/05/2023	Adaptation	<b>The Board noted</b> that an adaptation-focused strategy session will be organised in early September, for the Board to consider its priority focus areas, inform a BIM that can also cover the Board's views on system stewardship and options for longer-term institutional arrangements across the adaptation response	IEB Unit to organise an adaptation-focused strategy session for the Board in September 2023, which will also consider the Board's	IEB Unit	Open
05-5	31/05/2023	s 9(2)(f)(iv)	[REDACTED]	[REDACTED]	MfE Climate	Ongoing
05-6	31/05/2023	Board's strategic engagements	<b>The Board agreed</b> to commission the IEB Unit to provide a summary of current information on New Zealanders' attitudes and views on climate change and identify any gaps requiring further data or research work. (Noting IEB Unit to consider and act within guidance (including PSC's) with respect to surveys on public opinion	The IEB Unit will review data on policy implementation barriers and opportunities, including gaps and options for further information	IEB Unit	Open



Action #	Meeting Date	Discussion item	Minutes	Action	Responsible	Status
05-7	31/05/2023	Board's stratgic engagements	<b>The Board agreed</b> to the proposed engagements with NGOs, public and private sector stakeholders, Local Government, Māori, and priority industry sectors – with the addition of community members impacted by managed retreat	Key stakeholder engagements to be scheduled as part of the Board's existing meeting schedule, as well as possible webinar/engagement sessions	IEB Unit	Open - IEB Unit is working on the Board's engagement schedule