

**He Pou a Rangi Climate Change Commission Board Meeting Minutes (Meeting 58)**  
**Tuesday 23 July 2024**

A meeting of the Climate Change Commission Board Members was held at the office of the Climate Change Commission Board Room, Level 21, Aon Centre, 1 Willis Street, Wellington with attendees also joining via Teleconference Facility. The meeting started on Tuesday, 23 July 2024 at 8.46am and concluded at 4.06pm.

**Climate Change Commission Attendees:**

Dr Rod Carr – Board Chair  
Lisa Tumahai – Deputy Chair  
Catherine Leining  
Professor James Renwick  
Dr Judy Lawrence  
Distinguished Professor Steven Ratuva

**Apologies:**

Dr Andy Reisinger  
Dr Tanira Kingi

**Invited Attendees:**

Jo Hendy – Chief Executive  
Gemma Lawson – Senior Board Coordinator and Minute Taker  
Anne Jonathan – Executive Assistant

**Guests:**

Alice Engel – Project Coordinator, Markets  
Astrid Nunns – General Manager, Strategic Operations  
Corwin Wallens – Principal Analyst, Land Agriculture and Waste  
Charlotte Delahunty – Programme Manager, Markets  
Ellen Winter – Principal Advisor, Planning and Performance Reporting  
Eva Murray – Principal Analyst, Markets  
Fran Lovell – Manager, Strategic Engagement, and Information Management  
Gillian Thornton – Manager, Emissions Budgets  
Grant Blackwell – Chief Scientist  
Janet Humphris – Manager, Industry and Energy  
Julia Fink – Manager, Finance and Assurance  
Karen Lavin – Manager, Adaptation  
Kathy Stirrat – acting General Manager, Corporate Services  
Kerryn Davey – Project Coordinator, Markets  
Marcus Stickley – Manager, Communication and Engagement Delivery,  
Martin Dutton – acting General Manager, Sector Analysis

Matthew Smith – Principal Analyst, Markets  
Maya Naff - Principal Analyst, Markets  
Natalie Trayling – Analyst, Transport and Urban Systems  
Robert Carr – Principal Analyst, Transport and Urban Systems  
Sally Garden – Principal Analyst, Adaptation  
Sam Holmes - Principal Analyst, Emissions Budgets  
Sam King – Manager, Land Agriculture and Waste  
Simon Neale – Manager, Markets  
Sophie Carroll - Manager, Government Services and Performance Reporting.  
Stephen Walter – General Manager, Emissions Budgets, Adaption and Markets  
Tammy Thompson – Principal Advisor, Business Services  
Vanessa Chalk- Senior Analyst, Markets

*The meeting started at 8.46am on Tuesday, 23 July 2024*

*Rod Carr, Lisa Tumahai, Catherine Leining, Judy Lawrence, Steven Ratuva, Anne Jonathan, and Gemma Lawson joined the meeting at 8.46am*

### **Agenda Item 1: Board only time (previously agenda item 1)**

- 1.1 The Board discussed agenda items for the Board meeting and the ongoing work programme.

*James Renwick joined the meeting at 8.59am*

*Jo Hendy joined the meeting at 9.10am*

- 1.2 The Board discussed agenda items for the Board meeting and the ongoing work programme with the Chief Executive.
- 1.3 The Board requested that a Board-led meeting be scheduled following the August Board meeting and invited the Chief Executive to attend (refer to action item 482/2024).

*Anne Jonathan and Gemma Lawson left the meeting at 9.17am*

- 1.4 The Board continued to discuss the content of the meeting with the Chief Executive.

The meeting opened with a karakia by Judy Lawrence.

*Grant Blackwell, Stephen Walter, Astrid Nunns, Kathy Stirrat, Tammy Thompson, Martin Dutton, and Gemma Lawson joined the meeting at 9.25am*

### **Agenda Item 2: Pivot24 Project Update**

- 2.1 The Chief Executive introduced the *Pivot24 Project: Establishing a sustainable Commission* paper and the *Pivot24: Resizing the Commission's work programme* paper.
- 2.2 The Board discussed the papers.
- 2.3 The Board noted their previous request to the Chief Executive to undertake a restructure of the Commission to give effect to the FY 24/25 and out-years budget.

- 2.4 The Board noted that, to give effect to the Board's request, the Chief Executive has established a new project named "Pivot24".
- 2.5 The Board noted that the Pivot24 project will manage four related workstreams: Restructure the Commission, Resize the work programme, Financial analysis, and Support staff through change.
- 2.6 The Board noted that the Pivot24 project is supported by an internal Steering Group and external specialist advice.
- 2.7 The Board noted that, provisions of the Crown Entities Act notwithstanding, the Board has delegated to the Chief Executive the functions and powers of organisational change, with the exception of appointing Tier Two leaders.
- 2.8 The Board agreed to delegate the decisions on the organisational structure at the tier two level to the Board Chair and the Risk Audit Safety and Health (RASH) Committee Chair.
- 2.9 The Board noted that the proposal on the organisational structure at the tier two level would be circulated to Board members for their information at the same time it was sent to the Board Chair and the RASH Committee Chair.
- 2.10 The Board agreed to delegate engagement with the Chief Executive on the "Restructure the Commission" workstream within the Pivot24 Project to the Board Chair and the RASH Committee Chair, to provide assurance from a governance perspective.
- 2.11 The Board noted that updates will be provided at each monthly Board meeting, and that critical timebound updates would be provided outside of meetings where relevant.
- 2.12 The Board noted that Commission staff will resize the work programme over the remainder of calendar year 2024 in response to budget outcomes and the decision to restructure the Commission.
- 2.13 The Board noted that a proposed revised scope of the 2050 Target Review is covered in a separate paper tabled at this meeting.
- 2.14 The Board noted the implications and timing for Board decision making and involvement in the work programme over the remainder of calendar year 2024.
- 2.15 The Board noted that the resizing is consistent with board decisions made to date for all other statutory deliverables and strategic documents.
- 2.16 The Board discussed the paper and provided feedback on the collective ways of working and expectations for the Board and staff.

*Karen Lavin, Anne Jonathan, Sally Garden, and Sophie Carroll joined the meeting at 10.35am*

### **Agenda Item 3: Welcome and Introductions**

#### **3.1 Apologies**

- 3.1.1 The Board noted that apologies had been received from Tanira Kingi and Andy Reisinger for the meeting.
- 3.1.2 The Board noted that Lisa Tumahai and Steven Ratuva had provided apologies for parts of the meeting and that this will be recorded in the minutes.
- 3.1.3 No other apologies were received for the meeting.

### **3.2 Call for Additional Items**

- 3.2.1 No additional items were raised.

### **3.3 Review of Interests**

- 3.3.1 The Board noted receipt of the *Memo on Commissioner Interests* dated 10 July 2024.
- 3.3.2 The Board noted that Lisa Tumahai and Tanira Kingi have interests that hold the condition that they may not be involved in the oversight, preparation, or authorisation of advice on pricing related to domestic units created for New Zealand's Emissions Trading Scheme.
- 3.3.3 The Board noted that Lisa Tumahai and Tanira Kingi would not be present for Agenda Item 12: 2025 New Zealand Emissions Trading Scheme advice: Initial Scope.
- 3.3.4 The Board noted no other possible conflicts of interest on the meeting agenda.

### **3.4 Any other governance matters**

- 3.4.1 The Board discussed and noted the attendance register.

### **3.5 Approve draft Board meeting minutes**

- 3.5.1 The Board reviewed the draft meeting minutes from the 12 June out-of-cycle Board meeting and from the 19 June Board meeting.
- 3.5.2 The Board confirmed the minutes from 12 June 2024 as a true and accurate record of the meeting.
- 3.5.3 The Board confirmed the minutes from 19 June 2024 as a true and accurate record of the meeting.

### **3.6 Confirmation of National Adaptation Plan Progress Assessment 2024 findings and recommendations**

- 3.6.1 The Board noted that a number of findings and recommendations for the National Adaptation Plan Progress Assessment 2024 had been circulated to Commissioners for approval.
- 3.6.2 The Board confirmed their approval of the provisionally agreed overarching finding 1, key finding 1 and 2, and recommendation 1 and 2 as circulated to Commissioners by email on 10 June 2024.
- 3.6.3 The Board confirmed their approval of key finding 3 and recommendation 3, as circulated to Commissioners by email on 18 June 2024.
- 3.6.4 The Board confirmed their approval of recommendations 1, 2, 4, 8 and 9, as circulated to Commissioners by email on 19 July 2024.

### **3.7 Letters for noting**

- 3.7.1 The Board noted the letter from the Minister of Finance to the Minister of Climate Change regarding Budget 2024, dated 24 June 2024.
- 3.7.2 The Board noted the letter from the Board Chair to the Minister of Climate Change, regarding repayment of Agriculture Emissions funding, dated 10 July 2024.

### 3.8 Other matters for noting

- 3.8.1 The Board noted the unanimous written resolution as agreed by the Board, regarding the *Budget FY2024-25 Appropriation instalment plan and cashflow forecast* and confirmed by email on 10 July 2024.
- 3.8.2 The Board noted the submission to the Finance and Expenditure Committee on the Inquiry into climate adaptation, dated 14 June 2024

### 3.9 Actions Register

- 3.9.1 The Chief Executive updated the Board on the actions.
- 3.9.2 The Board noted and discussed the ongoing actions.

### 3.10 Board Meeting Agenda Horizon Report

- 3.10.1 The Chief Executive presented the *Board Meeting Agenda Horizon Report* to the Board.
- 3.10.2 The Board noted and discussed the *Board Meeting Agenda Horizon Report* and the engagements calendar.

*Sally Garden left the meeting at 10.46am*

*The meeting adjourned from 10.46am until 10.56am*

*Janet Humphris, Gillian Thornton, Fran Lovell, and Julia Fink joined the meeting at 10.56am*

#### Agenda Item 4: Chief Executive Report

- 4.1 The Chief Executive Report: 1 –30 June 2024 was taken as read.
- 4.2 The Chief Executive provided the Board with an overview of the Commission's performance during June 2024.
- 4.3 The Board discussed and noted the Chief Executive's report.

*Marcus Stickley joined the meeting at 11.16am*

*Karen Lavin, Janet Humphris, Fran Lovell, Gillian Thornton, and Julia Fink left the meeting at 11.25am*

*Ellen Winter joined the meeting at 11.26am*

#### Agenda Item 5: Annual Report: First draft

- 5.1 The General Manager, Strategic Operations, introduced the *Annual Report proposed themes and narrative* paper.
- 5.2 The Board noted that Annual Report development is underway for 2023/24, in line with the Commission's obligations under the Crown Entities Act 2004.
- 5.3 The Board discussed the proposed themes and case studies for the Annual Report 2023/24.
- 5.4 The Board agreed to the proposed themes for the Annual Report 2023/24.
- 5.5 The Board gave feedback on the proposed case study topics for each strategic intention.
- 5.6 The Board noted that a first draft of the Annual Report 2023/24 will be provided to the Board at its August 2024 meeting, in line with the timeline provided at the June 2024 Board meeting.

*Kathy Stirratt, Sophie Carroll, Marcus Stickley, and Ellen Winter left the meeting at 11.53am  
Gillian Thornton, Sam Holmes, Charlotte Delahunty, and Kerry Davey joined the meeting at 11.54am*

#### **Agenda Item 6: National Determined Contribution Domestic Contribution: Terms of Reference and Project Scope (previously agenda item 7)**

- 6.1 Commission staff introduced the *Section 5K request – Detailed scope of work on [Nationally Determined Contribution] Domestic Contribution* paper and confirmed that the final Terms of Reference (TOR) had not yet been received.
- 6.2 The Board noted the final TOR for the report on feasible domestic contributions to New Zealand's second Nationally Determined Contribution requested by the Minister under section 5K of the Climate Change Response Act (CCRA), are not expected to differ from the draft TOR.
- 6.3 The Board noted that the final TOR would be circulated to the Board once received.
- 6.4 The Board noted this request for advice replaces the previous section 5K request on the second Nationally Determined Contribution received in October 2023.
- 6.5 The Board discussed the context and various considerations to account for in the scope of the work.
- 6.6 The Board noted that all matters under section 5M(a-g) of the CCRA and its purpose are relevant considerations to this work.
- 6.7 The Board noted the proposed scope allows for both delivery to the Terms of Reference as they currently stand, and in a manner consistent with the Commission's obligations under the CCRA.
- 6.8 The Board noted the proposed project timeline and scope will allow the work to be delivered to the Minister by 31 October.
- 6.9 The Board noted any expansions to the proposed scope pose a high risk to project delivery and quality.
- 6.10 The Board agreed to the detailed scope for the report in Table 1 and directed the inclusion of qualitative discussion of emissions pathways past 2050.

The Board Chair noted that Agenda item 7 on the verbal update from the Pou Herenga hui would be postponed.

*Astrid Nunns left the meeting at 12.04pm  
Gillian Thornton, Sam Holmes, and Kerry Davey left the meeting at 12.29pm  
The meeting adjourned from 12.30pm until 1pm  
Sam King, Corwin Wallens, Matthew Smith, Alice Engel, and Maya Naff joined the meeting at 1pm*

#### **Agenda Item 7: 2050 Target Review: First set of final decisions (formerly agenda item 8)**

- 7.1 Commission staff introduced the *2050 Target Review – Significant Change Decisions* paper.
- 7.2 The Board discussed the proposed findings on significant change.
- 7.3 The Board agreed that the following findings for Section 5T topics have significantly changed since 2019:
  - a. Global action, expressed through long-term emissions targets.



- b. Global action, relating to the action the world needs to take to limit warming to 1.5°C.
  - c. Consensus on the scientific understanding of the risks associated with the impacts of climate change.
- 7.4 The Board directed that there had also been significant change since 2019 regarding equity implications, specifically generational equity.
- 7.5 The Board agreed that the following findings for Section 5T topics have not significantly changed since 2019 and there is no reason to believe they are likely to significantly change:
  - a. Economic and fiscal circumstances relating to climate change in Aotearoa New Zealand.
  - b. International agreement obligations as they relate to climate change.
  - c. Renewable energy developments and expected future costs.
  - d. Technological developments relating to methane inhibitors.
  - e. Distributional impacts relating to climate change in Aotearoa New Zealand.
  - f. Principle risks and uncertainties associated with emissions reductions and removals.
  - g. Social, cultural, environmental, and ecological circumstances relating to climate change in Aotearoa New Zealand.
- 7.6 The Board agreed to the following project overview recommendations:
  - a. That significant change could potentially justify an alternative target.
  - b. That Commission staff are to investigate alternative target options to respond to the significant changes and bring them to the Board for future decisions.

*Lisa Tumahai left the meeting at 1.56pm*

#### **Agenda Item 8: Change to scope of 2050 target review (formerly agenda item 9)**

- 8.1 The Manager, Land Agriculture and Waste, introduced the *2050 Target Review: rescoping in light of Pivot24* paper.
- 8.2 The Board discussed the paper.
- 8.3 The Board noted that the project owner and sponsor have reviewed the scope of the 2050 Target review in light of adjustments to the Commissions overall budget and capability.
- 8.4 The Board agreed that the following three components are formally removed from the scope of the 2050 Target review:
  - a. determining the appropriateness of using a 1990 baseline to assess changes to land use, land use change and forestry emissions out to 2050.
  - b. exploring inconsistencies between Greenhouse Gas Inventories and Integrated Assessment Model mitigation pathways.
  - c. providing an indication of how budgets may need to change in order to align with any recommendations to change the 2050 target.
- 8.5 The Board noted that these matters could have been in scope, and that the change of scope is as a result of the Commission needing to prioritize within the time and resources available.

*Sam King, Corwin Wallens, and Matthew Smith left the meeting at 2.12pm*

*Robert Carr and Natalie Trayling joined the meeting at 2.13pm*

#### **Agenda Item 9: International Aviation and Shipping: First set of final decisions (formerly agenda**

item 10)

- 9.1 The acting General Manager, Sector Analysis introduced the *International shipping and aviation review – Approval of the first three of five final recommendations* paper.
- 9.2 The Board discussed and gave feedback the proposed messages and recommendations.
- 9.3 The Board noted the feedback received through consultation on the International Shipping and Aviation discussion document.
- 9.4 The Board agreed that the Commission should recommend:
  - a. the Government includes international shipping and aviation emissions in the 2050 target.
  - b. the Government adopts the following measures for how to count emissions from international shipping and aviation:
    - i. For aviation: refuelling taking place in Aotearoa New Zealand based on bunker fuel use by all international operators.
    - ii. For shipping: an estimate of 50% of the emissions to/from the next overseas port by all international operators and 100% of their emissions travelling between ports in Aotearoa New Zealand and while docked.
  - c. the inclusion of other climate impacts from international shipping and aviation in the 2050 target is reconsidered in future five-yearly target reviews.
- 9.5 The Board noted that key messages and the report structure will be brought to the Board in September along with the final two decision areas:
  - a. Structure of the target including international shipping and aviation.
  - b. The level of emissions reduction to aim for.

*Stephen Walter, Robert Carr, Charlotte Delahunty, Alice Engel, Maya Naff, and Natalie Trayling left the meeting at 2.45pm*

*The meeting adjourned from 2.45pm until 2.57pm*

**Agenda Item 10: Methane Review Ministerial Advisory Panel engagement (formerly agenda item 11)**

- 10.1 The Board noted that the Membership and Terms of Reference for the Independent Methane Science Review have been released.
- 10.2 The Board discussed possible engagement with the Independent Methane Science Review.
- 10.3 The Board confirmed that the Commission will not proactively engage with the Independent Methane Science Review.
- 10.4 The Board noted that Commission staff ought to be ready to respond if requests are made regarding relevant documents that the Commission holds.
- 10.5 The Board noted that the Independent Methane Science Review is being conducted completely separately and independently from the Commission's development of advice on the 2050 target which is due to be provided to the Government by December 2024.
- 10.6 The Board requested that Commission staff seek to confirm whether the draft report, due on 1 November 2024, will be released to the public or otherwise could be shared with the Commission to help inform its advice (refer to action item 483/2024).

*Stephen Walter, Simon Neale, Eva Murray, Charlotte Delahunty, and Kerry Davey joined the meeting at 3.31pm.*



### Agenda Item 11: Statutory Deliverables: Update (formerly agenda item 12)

- 11.1 Commission staff introduced the update on the Statutory Deliverables.
- 11.2 The Board noted and discussed the June Programme Dashboard reports and the Programme on a Page for the Statutory Deliverables Programme.

*Vanessa Chalk and Matthew Smith joined the meeting at 3.35pm*

### Agenda Item 12: 2025 New Zealand Emissions Trading Scheme advice: Initial Scope (formerly agenda item 13)

- 12.1 The Board noted that no Commissioners present have interests registered that overlap with the content of this item.
- 12.2 The Manager, Markets, introduced the *Project initiation and provisional scoping for the 2025 advice on [New Zealand Emissions Trading Scheme] unit limits and price control settings for 2026-2030* paper.
- 12.3 The Board noted that Ministerial decisions on the New Zealand Emissions Trading Scheme (NZ ETS) settings for 2025-2029 will be finalised before 30 September 2024, following the advice we provided in late February 2024.
- 12.4 The Board noted that Commission staff now need to begin work on 2025 NZ ETS settings advice project, relating to the settings for the 2026-2030 period.
- 12.5 The Board discussed the proposed scope and timeline.
- 12.6 The Board agreed to an approach to scoping the 2025 NZ ETS settings project that focuses on essential analysis only, given time and resource constraints.
- 12.7 The Board agreed that the Commission has an established methodology for the advice; and that a fundamental reset will likely be necessary for subsequent 2026 NZ ETS settings advice.
- 12.8 The Board agreed to the initiation of the 2025 NZ ETS settings project (for 2026-2030 settings) based on the initial analytical scope as set out in the paper.
- 12.9 The Board agreed that the Commission will not consult publicly on this advice and that Commission staff will undertake targeted engagement for the project in line with the Board-approved engagement strategy.
- 12.10 The Board agreed to a provisional due date of February 2025 to provide the advice to the Minister, sufficiently ahead of the anticipated first auction of 2025, that market participants can be informed of the Commission's advice before that auction.
- 12.11 The Board noted the draft project phases and Board interaction points provided, including the Board's confirmation of the final project scope in September.
- 12.12 The Board noted that to meet a provisional due date of February 2025, a final decision on recommendations will be sought from the Board in November 2024.
- 12.13 The Board thanked Commission staff for their work.

*Steven Ratuva left the meeting at 3.58pm*

### Agenda Item 13: General Business (previously agenda item 14)

- 13.1 No matters of general business were raised.

*Jo Hendy closed the meeting with a karakia.*

*The meeting finished at 4.06pm.*

These minutes have been accepted as a true and accurate record by the Board of the Climate Change Commission.

Signed:  \_\_\_\_\_

Date: 27/8/2024

Proactively released