

**He Pou a Rangi Climate Change Commission Board Meeting Minutes (Meeting 48)
Tuesday and Wednesday, 15 and 16 August 2023**

A meeting of the Climate Change Commission Board Members was held in 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, 15 August 2023 at 8.49am and adjourned at 4.34pm. The meeting reconvened on Wednesday 16 August 2023 at 8.45am and concluded at 11.06am.

Climate Change Commission Attendees:

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

Invited Attendees:

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

External Guests:

Dylan Shell – virtual Chief Financial Officer, KPMG
Hamish Clark – Ministerial Advisor, Office of the Minister of Climate Change
Hon. James Shaw - Minister of Climate Change
Patricia Parre - Private Secretary, Office of the Minister of Climate Change
Tiffany Vail - Senior Advisor, Ministry for the Environment

Guests:

Alisdair Armstrong – Advisor, Government Services, Strategy and Performance
Alison Cole – Kaiwhakahaere Matua Māori
Astrid Nunns – General Manager, Strategy Engagement and Corporate Services
Barry Anderson – General Manager, Sector Analysis
Damian Ryan – Manager, Strategy and Performance
Danny Eyre – Principal Analyst, Transport and Urban Systems
Emily Button – Senior Advisor, Government Services, Strategy and Performance
Emma Donnelly - Advisor Communications and Engagement

Erika Hill Takahashi – Project Coordinator, Markets
Eva Murray - Principal Analyst, Markets
Felicia Kolonjari – Senior Scientist
Fran Lovell – Manager, Communications and Engagement
Gillian Thornton – Manager, Emissions Budgets
Grant Blackwell – Chief Scientist
Helen Eglinton - Performance and Accountability Specialist, Strategic Planning and Performance
Hugh Marshall-Tate – Senior Analyst, Transport and Urban Systems
Ian Thompson – Programme Manager
Janet Humphris - Manager, Industry and Energy Team
Karen Lavin –Manager, Adaptation
Kathy Stirrat – Chief Advisor, Operational Delivery
Katie Osborne - Analyst, Transport and Urban Systems
Martin Dutton – Manager, Transport & Urban Systems
Matt Smith- Principal Analyst, Markets
Maya Naff - Principal Analyst, Markets
Natalie Trayling - Analyst, Transport and Urban Systems
Phirak Appleton - General Counsel
Robin Wilkinson – Senior Advisor, Communications and Engagement
Sam King – Manager, Land Agriculture and Waste
Simon Neale – Manager, Markets
Stephen Walter - General Manager, Emissions Budgets, Adaptation, and Markets
Stuart Dymond – Chief Advisor, Governance and Executive Support
Tammy Thompson – Principal Advisor, Government Services
Zoe Mack – Senior Analyst, Markets

The meeting started at 8.49am on Tuesday, 15 August

Rod Carr, Judy Lawrence, Catherine Leining, Andy Reisinger, James Renwick, Steven Ratuva, Jo Hendy, Stephen Walter, Simon Neale, Matt Smith, Zoe Mack, Eva Murray, Gemma Lawson, and Anne Jonathan joined the meeting at 8.49am

The meeting opened with a karakia by Andy Reisinger

Agenda Item 1: Confirm scope for the New Zealand Emissions Trading Scheme settings 2025-2029

- 1.1 The Board noted that two Board members were absent from this agenda item because of a conflict of interest.
- 1.2 The remaining Board members confirmed that they had no interests that overlapped with the content of this agenda item.
- 1.3 The Principal Analyst introduced the paper on the scoping and project initiation for the third New Zealand Emissions Trading Scheme (NZ ETS) settings advice (2025-2029).
- 1.4 The Board discussed and gave feedback on the paper.

- 1.5 The Board noted that NZ ETS settings for 2028 must be set by the Minister before 30 September 2023 following the advice the Commission provided in March this year.
- 1.6 The Board noted that the current settings for 2023-2027 will be reset by the Government at the same time as settings are made for 2028, following the High Court's direction in the judicial review brought by the Lawyers for Climate Action New Zealand Incorporated.
- 1.7 The Board noted that the Government has announced it intends to update the regulations to follow the Commission's first NZ ETS settings advice on both the volume and price controls.
- 1.8 The Board noted the proposed Board milestones.
- 1.9 The Board agreed to the scope and approach outlined in this paper for the Commission's third advice on NZ ETS settings for 2025-2029, noting the Board's feedback given.
- 1.10 The Board agreed that the Commission will aim to provide the advice to the Minister sufficiently ahead of the first auction of 2024 that market participants can be informed of the Commission's advice before that auction.
- 1.11 The Board agreed that the Commission will not consult publicly for the third NZ ETS settings advice.
- 1.12 The Board agreed that the Commission will lead targeted engagement for the project in line with the Board's engagement strategy.

Jo Hendy, Stephen Walter, Simon Neale, Eva Murray, Matt Smith, and Zoe Mack left the meeting at 10.04am

The meeting adjourned from 10.04am until 10.10am

Lisa Tumahai and Tanira Kingi joined the meeting at 10.10am

Agenda Item 2: Board only time

- 2.1 The Board noted matters raised in committee only time at the Risk Audit Safety and Health Committee meeting.
- 2.2 The Board discussed upcoming agenda items.
- 2.3 The Board noted matters to raise with the Chief Executive.

Jo Hendy joined the meeting at 10.26am

- 2.4 The Board noted items raised in the Board Only discussion with the Chief Executive.

Jo Hendy left the meeting at 10.43am

Stuart Dymond joined the meeting at 10.44am

Agenda Item 3: Review six-month progress report for CE KPIs

- 3.1 The Chief Advisor, Governance and Executive Support, introduced the second six monthly report and six-month assessment of the Chief Executive's key performance indicators.
- 3.2 The Board noted the second six-monthly report for FY 2022/23 provided by the Chief Executive against her Key Performance Indicators (KPI).
- 3.3 The Board noted that the CE KPI objectives are designed to remain consistent over time, and that the ways in which objectives are achieved and measured may change each year.

- 3.4 The Board discussed and gave feedback on the six-monthly assessment of the Chief Executive's performance against each of the four objectives.

James Renwick left the meeting at 11.34am

- 3.5 The Board agreed on a six-monthly assessment of the Chief Executive's performance against each of the four objectives.
- 3.6 The Board requested the Chair share the assessment of performance with the Chief Executive (refer to action item 461/2023).
- 3.7 The Board discussed and approved *the Chief Executive key performance indicators for FY 2023/24*, subject to the feedback given and appropriate consultation with the Chief Executive.

Stuart Dymond left the meeting at 12.01pm

Jo Hendy, Alison Cole, Barry Anderson, Astrid Nunns, Damian Ryan, Grant Blackwell, Stephen Walter, Simon Neale, Gillian Thornton, Janet Humphris, Phirak Appleton, Martin Dutton, Kathy Stirrat and Fran Lovell joined the meeting at 12.02pm

Agenda Item 4: Welcome and Introductions

4.1 Apologies

- 4.1.1 The Board noted that James Renwick would be absent for parts of the meeting and that this will be captured in the minutes.
- 4.1.2 No other apologies were received for the meeting.

4.2 Call for Additional Items

- 4.2.1 No additional items were raised.

4.3 Review of Interests

- 4.3.1 The Board noted receipt of the *Interests Agenda Memo* dated 9 August 2023.
- 4.3.2 The Board noted the Permissions letter dated 9 August 2023.
- 4.3.3 The Board noted the Public Interests Register dated 15 August 2023, and approved it for upload to the website, subject to the amendment discussed.
- 4.3.4 The Board noted a small number of upcoming amendments to interests.
- 4.3.5 The Board noted no conflicts of interest on the meeting agenda.

4.4 Any other governance matters

- 4.4.1 No governance matters were raised.

4.5 Approve draft Board meeting minutes

- 4.5.1 The Board reviewed the draft Board meeting minutes from 19 July 2023.
- 4.5.2 The Board agreed that the minutes from 19 July 2023 are confirmed as a true and accurate record of the meeting.

4.6 Note the approved Pou Herenga hui minutes

- 4.6.1 The Board noted the approved Pou Herenga hui minutes from 15 May 2023.

4.7 Letters for noting

- 4.7.1 The Board noted the letter from the Chair to the Climate Response Ministerial Group re: advice on unit limits and price control settings for the NZ ETS 2024- 2028, dated 13 July 2023.
- 4.7.2 The Board noted the letter to the Chair from the Minister of Climate Change re: advice on unit limits and price control settings for the NZ ETS 2024 - 2028, dated 31 July 2023

The Board Chair requested that the Chair of the Risk Audit Safety and Health (RASH) Committee present the Update on the RASH Committee meeting (previously Agenda item 7).

4.8 Update from Risk Audit Safety and Health Committee

- 4.8.1 The Chair of the RASH Committee provided an update to the Board from the RASH meeting held on 14 August 2023.
- 4.8.2 The Chair of the RASH Committee noted that the Committee had referred the financial report from the Quarterly Finance Update: End of Q4 FY22/23 to the Board.

Alison Cole left the meeting at 12.11pm

4.9 Other matters for noting

- 4.9.1 The Board noted the agreed dates for Board meetings and for the RASH committee meetings for 2024 and 2025.

Karen Lavin joined the meeting at 12.15pm

4.10 Actions Register

- 4.10.1 The Chief Executive updated the Board on the actions that were in progress and/or completed.
- 4.10.2 The Board noted the completed actions and further agreed to also close action 460/2023.
- 4.10.3 The Board thanked Commission staff for managing the Actions Register.

4.11 Board Meeting Agenda Horizon Report

- 4.11.1 The Chief Executive presented the *Board Meeting Agenda Horizon report* to the Board.
- 4.11.2 The Board noted and discussed the *Board Meeting Agenda Horizon report*.

4.11.3 The Board requested an update on the matter removed from the September agenda (refer to action item 462/2023)

Andy Reisinger left the meeting at 12.19pm

4.11.4 The Board noted and discussed the engagements calendar.

Dylan Shell, and Stuart Dymond joined the meeting at 12.27pm

Agenda Item 5: Chief Executive Report

5.1 The Chief Executive Report: 1 July to 31 July 2023 was taken as read.

5.2 The Chief Executive provided the Board with an overview of the Commission's performance during July 2023.

5.3 The Chief Executive introduced Janet Humphris, Manager, Industry and Energy Team.

5.4 The Board welcomed Janet Humphris to the Commission.

5.5 The Manager, Industry and Energy Team, updated the Board on the Ministry of Business, Innovation, and Employment's current consultation on advancing Aotearoa New Zealand's energy transition.

5.6 The General Manager, Sector Analysis, provided the Board an update on other relevant sector developments.

5.7 The General Manager, Strategy Engagement and Corporate Services, updated the Board on the Build programme.

Simon Neale left the meeting at 12.53pm

Ian Thompson joined the meeting at 1.03pm

5.8 The General Manager, Emissions Budgets, Adaptation, and Markets introduced the updated July statutory deliverable dashboard report and updated the Board on developments relating to the statutory deliverables.

5.9 The Board discussed the Chief Executive's Report, and the updates given.

5.10 The Board requested the update from the General Manager, Emissions Budgets, Adaptation, and Markets, relating to the plan for the National Climate Change Risk Assessment, be provided to the Board in writing (refer to action item 463/2023).

5.11 The Board noted that the timeline of work relating to the National Climate Change Risk Assessment would be included in the Board Agenda Horizons Report from October 2023.

5.12 The Board noted the Chief Executive's Report.

5.13 The Board noted the updated approach to the statutory deliverable dashboard report.

5.14 The Board noted that an increased level of detail might be required in future dashboards if any deliverables were not in green.

5.15 The Board thanked Commission staff for their work in running a successful Maui.Tech forum.

Fran Lovell left the meeting at 1.23pm

Damian Ryan left the meeting at 1.32pm

Andy Reisinger and Sam King joined the meeting at 1.36pm

Tanira Kingi, Astrid Nunns, Stephen Walter, Kathy Stirrat, Sam King, Gillian Thornton, Janet Humphris, Phirak Appleton, Karen Lavin, Dylan Shell, Stuart Dymond, and Ian Thompson left the meeting at 1.42pm
The meeting adjourned from 1.42pm until 2pm
Danny Eyre, Felicia Kolonjari, Hugh Marshall-Tate, Natalie Trayling, Katie Osborne, Robin Wilkinson, Maya Naff, and Erika Hill Takahashi joined the meeting at 2pm

Agenda Item 6: Confirm scope for International Aviation and Shipping

- 6.1 The Manager, Transport & Urban Systems, introduced the paper, seeking the Board's approval to the scope of the review of emissions from international aviation and shipping (IAS).

Tanira Kingi joined the meeting at 2.08pm

- 6.2 The Board discussed and gave feedback on the proposed scope.
- 6.3 The Board noted that the Climate Change Response Act 2002 (the Act) requires the Commission to review whether emissions from international aviation and shipping (IAS) should be included in the 2050 target and if so, how the target should be amended.
- 6.4 The Board noted the Act sets out parameters for the review as well as matters that the Commission must consider.
- 6.5 The Board noted the key project building blocks as set out in the proposed scope.
- 6.6 The Board noted this scope proposes knowledge products that cover all legislative parameters.
- 6.7 The Board agreed the project will assess the targets and pathways and mechanisms set by the International Civil Aviation Organization and International Maritime Organization against the purpose of the Act and the Paris Agreement.
- 6.8 The Board agreed the project will primarily use global decarbonisation pathways for international aviation and shipping when assessing existing and anticipated technological developments.
- 6.9 The Board agreed the project will consider the most appropriate metric to measure Aotearoa New Zealand's emissions from IAS.
- 6.10 The Board agreed the project will consider, as part of current available scientific knowledge, the warming impacts from international shipping and aviation beyond the direct impact of IAS emissions, although this is outside the strict requirements of the Act.
- 6.11 The Board agreed on the issues to be considered out of scope.
- 6.12 The Board noted that a Programme Steering Group will be the advisory and decision-making mechanism for the project management aspects of the IAS Review.
- 6.13 The Board agreed that the IAS review will involve consultation alongside emissions budget and the targets review advice in March 2024.
- 6.14 The Board approved the final scope of the IAS Review as set out in this paper, subject to the amendments discussed.

Andy Reisinger, Barry Anderson, Martin Dutton, Danny Eyre, Felicia Kolonjari, Hugh Marshall-Tate, Katie Osborne, Maya Naff, Robin Wilkinson, Erika Hill Takahashi, and Natalie Trayling left the meeting at 2.59pm
The meeting adjourned from 2.59pm – 3.09pm
Dylan Shell, Stuart Dymond, Damian Ryan, Emily Button, Alisdair Armstrong and Helen Eglinton joined the meeting at 3.10pm

The Board Chair noted that the Update from RASH (previously Agenda item 7), had been provided as part of Agenda item 4.

Agenda Item 7: Review 2022/23 Q4 Performance Report

- 7.1 The Manager, Strategy and Performance introduced the Quarter Four Performance Report 2022/23 financial year.
- 7.2 The Board reviewed and discussed the Quarter Four (1 April – 30 June 2023) performance report as appended.
- 7.3 The Board noted the changes made to presentation of Performance Measures #3 and #9.
- 7.4 The Board approved the year-end status and accompanying commentary for the Commission's FY22-23 Performance Measures, subject to any final Board amendments being made.
- 7.5 The Board agreed to send the approved Performance Measures to the auditors ahead of the formal audit process beginning 29 August.
- 7.6 The Board noted that the approved Performance Measures will be inserted into the next draft of the Annual Report that the Board will review in September.
- 7.7 The Board noted that the financial statements are the same as those presented in Quarterly Finance Update paper presented to the RASH committee.
- 7.8 The Board agreed to send the quarter four report to the Ministry for the Environment in their role as the Commission's monitoring agency.

Alison Cole joined the meeting at 3.23pm

Dylan Shell, Emily Button, Alisdair Armstrong and Helen Eglinton left the meeting at 3.32pm

Barry Anderson, Kathy Stirrat, Tammy Thompson, and Emma Donnelly joined the meeting at 3.33pm

Agenda Item 8: Initial paper on Briefing for the Incoming Minister

- 8.1 The Chief Advisor, Operational Delivery, was introduced to the Board.
- 8.2 The Board welcomed the Chief Advisor, Operational Delivery to the Commission.
- 8.3 The Chief Advisor, Operational Delivery introduced the purpose of the Briefing for the Incoming Minister (BIM).
- 8.4 The Board noted the value for the Commission in providing a BIM.
- 8.5 The Board discussed and offered feedback on strategic challenges and opportunities for incorporation into the Commission's 2023 BIM.
- 8.6 The Board noted that the final version of the BIM would be tabled in the Board's September meeting.

Andy Reisinger, and Stephen Walter joined the meeting at 3.46pm

Kathy Stirrat, Tammy Thompson, and Emma Donnelly left the meeting at 4.03pm.

Emily Button, Alisdair Armstrong and Helen Eglinton joined the meeting at 4.04pm

Agenda Item 9: Annual Report

- 9.1 The Manager, Strategy and Performance introduced the first pre-audit outline draft Annual Report 2022/23.

- 9.2 The Board noted the initial outline draft of the Annual Report 2022/23.
- 9.3 The Board discussed and provided feedback on the draft report.
- 9.4 The Board noted that the year-end 2022/23 performance measures' results are included in the separate Quarter 4 Performance Report for the Board's review and approval.
- 9.5 The Board noted that the year-end 2022/23 financial statements are included in a separate paper for review and approval by the RASH committee and Board.
- 9.6 The Board noted that once approved the performance measures and financial statements will be added to the next version of the draft Annual Report to be reviewed by the Board in September
- 9.7 The Board noted that our appointed Auditors will conduct the formal audit of annual financial information and the non-financial performance measures on 29 August 2023.
- 9.8 The Board noted the timeline of key dates to draft, review, print and table the Annual Report 2022/23.
- 9.9 The Board requested that guidance be provided to the Commissioners to ensure that Commissioner biographies in the Annual Report are consistent (refer to action item 464/2023).

The meeting adjourned for the day at 4.34pm.

The meeting reconvened on Wednesday, 16 August at 8.45am.

Rod Carr, Lisa Tumahai, Tanira Kingi, Andy Reisinger, Catherine Leining, Judy Lawrence, Steven Ratuva, James Renwick, and Jo Hendy joined the meeting at 8.45am

The Board discussed possible matters to raise with the Minister of Climate Change.

James Shaw, Hamish Clark, Tiffany Vail, and Patricia Parre joined the meeting at 8.57am

Visit from the Minister of Climate Change

The Minister of Climate Change discussed the Commission's performance and upcoming work programme with the Board. The Minister expressed his appreciation for the work of the Commission. The Board acknowledged the Minister's engagement with, and support of, the Commission's work.

James Renwick, James Shaw, Hamish Clark, Tiffany Vail, and Patricia Parre left the meeting at 10.00am

The meeting adjourned from 10.00am to 10.16am

Grant Blackwell, Barry Anderson, Stephen Walter, Alison Cole, Stuart Dymond, Felicia Kolonjari, Erika Hill Takahashi, Anne Jonathan, and Gemma Lawson joined the meeting at 10.16am.

Agenda Item 10: QA/QC system and update on application of the Analytical Approach framework

- 10.1 The Chief Scientist introduced the Enduring Quality Management System and update on the Analytical Approach paper.
- 10.2 The Board noted that it had previously approved quality assurance approaches for Ināia tonu nei and the 2022 statutory deliverables.
- 10.3 The Board noted that common quality assurance needs and expectations apply to the work of all the Commission's business groups.

- 10.4 The Board noted the attached draft quality management system strategy contains the principles, expectations, roles, and processes that should ensure all the work of the Commission is produced to expected standards and is fit for purpose.
- 11.1 The Board discussed and gave feedback on the attached draft strategy.
- 11.2 The Board approved the quality management strategy, in principle, subject to the Board's feedback.
- 11.3 The Board noted the analytical approach project for each project has been incorporated into the Programme Management Framework and Quality Management System.

Agenda Item 11: General Business

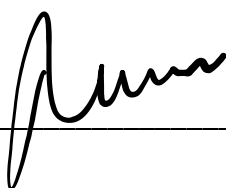
- 11.1 No items of general business were raised.

Tanira Kingi closed the meeting with a karakia.

The meeting finished at 11.06am.

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

Signed: _____



Date: 13/9/2023