

**He Pou a Rangi Climate Change Commission Board Meeting Minutes (Meeting 52)
Tuesday and Wednesday, 19 and 20 December 2023**

A meeting of the Climate Change Commission Board Members was held in Area Event, 1 O'Reilly Avenue, Te Aro, Wellington with attendees also joining via Teleconference Facility. The meeting started on Tuesday, 19 December 2023 at 9.02am and adjourned at 5.18pm. The meeting reconvened on Wednesday, 20 December 2023 at 8.02am and concluded at 2.10pm.

Climate Change Commission Attendees:

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

Apologies:

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
Hon. Simon Watts – Minister of Climate Change
Ngaire Best – Principal Advisor, Ministry for the Environment

Guests:

Alice Engel – Project Coordinator, Markets
Alison Cole – Kaiwhakahaere Matua Māori
Anita King – Principal Analyst, Emissions Budgets
Aroha Puketapu – Principal Advisor, Ohu Iwi
Barry Anderson – General Manager, Sector Analysis
Ben Aves – Principal Analyst, Land Agriculture and Waste
Charlotte Delahunty – Programme Manager, Markets
Chris Holland – Principal Analyst, Emissions Budgets
Christie Marsh – Senior Analyst, Emissions Budgets
Corwin Wallens – Principal Analyst, Land Agriculture and Waste
Eva Murray – Principal Analyst, Markets

Gillian Thornton – Manager, Emissions Budgets
Grant Blackwell – Chief Scientist
John Andrews – Senior Analyst, Emissions Budgets
Kathy Stirrat – Chief Advisor, Operational Delivery
Kerryn Davey – Project Coordinator, Markets
Martin Dutton – Manager, Transport and Urban Systems
Mark Grams – Senior Analyst, Emissions Budgets
Matt Smith – Principal Analyst, Markets
Melanie Wills – Analyst, Land Agriculture and Waste
Natalie Trayling – Analyst, Transport and Urban Systems
Naomi O’Connor – Senior Analyst, Markets
Otis Boyle – Analyst, Markets
Phirak Appleton – General Counsel
Rachael Young – Senior Analyst, Industry and Energy
Robert Carr – Principal Analyst, Transport and Urban Systems
Robin Wilkinson – Senior Advisor, Communications and Engagement
Sam King – Manager, Land Agriculture and Waste
Simon Neale – Manager, Markets
Sophie Carroll – Manager, Government Services
Stephen Walter – General Manager, Emissions, Budgets, Adaptation, and Markets
Stuart Dymond – Chief Advisor, Governance and Executive Support
Vanessa Chalk – Senior Analyst, Adaptation
Zoe Mack – Senior Analyst, Markets

The meeting started at 9.02am on Tuesday, 19 December 2023

Rod Carr, Lisa Tumahai, Judy Lawrence, Catherine Leining, Andy Reisinger, James Renwick, Tanira Kingi, Anne Jonathan, and Gemma Lawson joined the meeting at 9.02am

Agenda Item 1: Board only time

1.1 The Board discussed the approach to the items on the meeting agenda.

Jo Hendy joined the meeting at 9.11am

1.2 The Board requested a future discussion with the Chief Executive on testing the Commission’s approach to the 2024 deliverables.

The meeting opened with a karakia by Catherine Leining.

Aroha Puketapu, Kathy Stirrat, Sophie Carroll, and Stuart Dymond joined the meeting at 9.24am

Agenda Item 2: Welcome and Introductions

2.1 Apologies

2.1.1 The Board noted apologies from Steven Ratuva.

- 2.1.2 The Board noted that Lisa Tumahai, James Renwick, Andy Reisinger, and Tanira Kingi would be absent for parts of the meeting and that this will be captured in the minutes.
- 2.1.3 The Board noted that two Commissioners have reached the end of their appointed terms and that under section 32 (3) of the Crown Entities Act, Commissioners continue in office despite the expiry of their term of office until the member is reappointed or the member's successor is appointed.
- 2.1.4 No other apologies were received for the meeting.

2.2 Call for Additional Items

- 2.2.1 No additional items were raised.

2.3 Review of Interests

- 2.3.1 The Board noted receipt of the *Memo on Commissioner Interests* dated 12 December 2023.
- 2.3.2 The Board noted the amendments to interests listed in the *Memo on Commissioner Interests* and the permissions letter dated 15 December 2023.
- 2.3.3 The Board noted that due to conditions applied to interests held by Lisa Tumahai and Tanira Kingi, they would be excused from attending agenda item 9.
- 2.3.4 The Board noted no other conflicts of interest on the meeting agenda.

2.4 Any other governance matters

- 2.4.1 No other governance matters were raised.

2.5 Approve draft Board meeting minutes

- 2.5.1 The Board reviewed the draft Board meeting minutes from 22 November 2023.
- 2.5.2 The Board confirmed the minutes from 22 November 2023 as a true and accurate record of the meeting.

2.6 Noting approved Risk, Audit Safety and Health Committee meeting minutes

- 2.6.1 The Board noted the approved Risk, Audit Safety and Health Committee meeting minutes from 14 August 2023 and from 16 October 2023.

2.7 Noting approved Pou Herenga meeting minutes

- 2.7.1 The Board noted the approved Pou Herenga meeting minutes from 5 September 2023.

2.8 Letters for noting

- 2.8.1 The Board noted that no letters had been included.

2.9 Other matters for noting

- 2.9.1 The Board noted the Briefing for the Incoming Minister.

Alison Cole, Barry Anderson, and Gillian Thornton joined the meeting at 9.31am

2.10 Actions Register

- 2.10.1 The Chief Executive updated the Board on the actions that were in progress and/or completed.
- 2.10.2 The Board noted and discussed the completed and ongoing actions.
- 2.10.3 The Board requested that action 462/2023 be added to the Horizon Report for the Board's future consideration.

2.11 Board Meeting Agenda Horizon Report

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

Aroha Puketapu, Gillian Thornton, Kathy Stirrat, Sophie Carroll, and Stuart Dymond left the meeting at 9.38am

Alice Engel, Charlotte Delahunty, Corwin Wallens, Grant Blackwell, Matt Smith, Melanie Wills, Robin Wilkinson, and Sam King joined the meeting at 9.44am

Agenda Item 3: 2050 Targets: Approval of initial recommendations

- 3.1 The Manager, Land Agriculture and Waste, outlined the context and the proposed approach to the initial recommendations.
- 3.2 The Principal Analyst, Land Agriculture and Waste, introduced the paper to be considered.
- 3.3 The Board noted recommendations 1 and 2.

Stephen Walter and Stuart Dymond joined the meeting at 9.56am

Tanira Kingi and Alison Cole left the meeting at 10.06am

- 3.4 The Board discussed recommendations 3, 4, 5 and 6.

Alison Cole joined the meeting at 10.39am

The meeting adjourned from 10.44 until 10.52am

Tanira Kingi joined the meeting at 11.02am

- 3.5 The Board requested additional analysis to be presented at the 31 January meeting relating to recommendation 3.
- 3.6 The Board agreed recommendation 4.
- 3.7 The Board requested additional analysis to be presented at the 31 January meeting relating to recommendations 5 and 6.
- 3.8 The Board noted recommendations 7 and 8.
- 3.9 The Board discussed and agreed recommendation 9, adding that insufficient global action on climate change is also a significant change since 2019.
- 3.10 The Board discussed and agreed recommendations 10, 11, 12, 13, 14, and 15, subject to the feedback provided.

- 3.11 The Board agreed that there was a significant change to the social licence for forestry as a carbon dioxide removal activity in relation to recommendation 16.
- 3.12 The Board discussed and agreed to recommendation 17.
- 3.13 The Board noted recommendation 18.

James Renwick left the meeting at 12.25pm

- 3.14 The Board requested additional analysis to be presented at the 31 January meeting relating to recommendation 19.
- 3.15 The Board noted recommendations 20, 21 and 22.
- 3.16 The Board noted that further feedback can be provided to Commission staff by 22 December 2023.
- 3.17 The Board noted that, based on the feedback received, Commission staff will continue to prepare the draft content for consultation.
- 3.18 The Board noted that any remaining or additional matters for the draft content for consultation would return to the Board for further consideration in January.
- 3.19 The Board agreed to delegate the completion of the draft content for consultation to the Chief Executive and noted that this was similar to the approach taken when preparing past draft documents for consultation.
- 3.20 The Board thanked Commission staff for their work in preparing the draft target review content for consultation.

Alice Engel, Alison Cole, Barry Anderson, Corwin Wallens, Grant Blackwell, Jo Hendy, Matt Smith, Melanie Wills, Sam King, and Stuart Dymond left the meeting at 12.49pm

The meeting adjourned from 12.49pm until 1.15pm

Martin Dutton, Natalie Trayling and Robert Carr joined the meeting at 1.15pm

Agenda Item 4: International Shipping and Aviation: Approval of options for consultation

- 4.1 The Manager, Transport and Urban Systems, introduced the purpose of the paper.
- 4.2 The Board noted the provided approach to consultation.
- 4.3 The Board discussed the Commission's initial assessment as set out in the five decision documents and agreed to the options for consultation.
- 4.4 The Board discussed and agreed to the proposed draft key messages for the consultation subject to the feedback given.
- 4.5 The Board noted the proposed structure of the report.
- 4.6 The Board noted that further feedback can be provided to Commission staff by 22 December 2023.
- 4.7 The Board agreed to delegate the completion of the draft content for consultation to the Chief Executive and noted that this was similar to the approach taken when preparing past draft documents for consultation.

Grant Blackwell joined the meeting at 1.33pm

Tanira Kingi left the meeting at 1.44pm

Alison Cole joined the meeting at 1.49pm

The meeting adjourned from 2.35pm until 2.45pm

Stuart Dymond joined the meeting at 2.54pm

Jo Hendy joined the meeting at 3.03pm

Stuart Dymond left the meeting at 3.10pm

Charlotte Delahunty, Martin Dutton, Natalie Trayling, Robert Carr, and Robin Wilkinson left the meeting at 3.26pm

Barry Anderson, Sophie Carroll, and Tanira Kingi joined the meeting at 3.28pm

Agenda Item 5: Pre-meeting discussion

5.1 The Board discussed the purpose of the meeting with the Minister of Climate Change.

5.2 The Board discussed possible topics to be raised with the Minister of Climate Change.

Anne Jonathan and Gemma Lawson left the meeting at 3.38pm

The Minister of Climate Change, a Principal Advisor from Ministry for the Environment, and Stuart Dymond joined the meeting at 3.41pm

Agenda Item 6: Meeting with the Minister of Climate Change

6.1 The Minister of Climate Change was introduced to the Board.

6.2 The Board and the Minister of Climate Change discussed the upcoming work of the Commission and the priorities for the incoming government.

The Minister of Climate Change, a Principal Advisor from Ministry for the Environment, Grant Blackwell, and Sophie Carroll left the meeting at 4.25pm

Anne Jonathan, Gemma Lawson, and Kathy Stirrat joined the meeting at 4.28pm

Agenda Item 7: Interests Process: Update

7.1 The Board noted the recommendations as set out in the paper.

7.2 The Board discussed and provided feedback on the proposed approaches to manage interests.

Agenda Item 8: General Business

8.1 No general business matters were raised.

The meeting adjourned for the day at 5.18pm.

The meeting reconvened on Wednesday, 20 December at 8.02am.

Rod Carr, Andy Reisinger, Catherine Leining, James Renwick, Judy Lawrence, Jo Hendy, Anne Jonathan, Barry Anderson, Charlotte Delahunty, Eva Murray, Gemma Lawson, Kerryn Davey, Naomi O'Connor, Otis Boyle, Simon Neale, Stephen Walter, Vanessa Chalk and Zoe Mack joined the meeting at 8.02am

Agenda Item 9: New Zealand Emissions Trading Scheme (NZ ETS) 2024: Approval of final recommendations

9.1 The Manager, Markets, introduced the *Findings and Recommendations for 2024 NZ ETS Unit Limit and Price Control settings advice (2025-2029)*.

- 9.2 The Board noted the legislative requirements and matters that must be considered for this advice, and how these have been fulfilled and considered by Commission staff in their analysis.
- 9.3 The Board noted the relevant mandatory matters and the purpose of the Act, as they relate to these considerations.
- 9.4 The Board noted that Commission staff have concluded analysis to form final recommendations for the NZ ETS unit limit and price control settings 2024 advice (for years 2025-2029), with numbers subject to a final QA/QC.
- 9.5 The Board discussed and gave feedback on the options presented.
- 9.6 The Board agreed to proceed with Option A.
- 9.7 The Board noted the report will include commentary on the role of the NZ ETS in reducing the abatement gap between domestic emission levels and the nationally determined contribution.
- 9.8 The Board agreed to Option 1, subject to the feedback given.
- 9.9 The Board agreed to the recommendations in Table 1, incorporating the recommended updates.
- 9.10 The Board agreed to the recommendations in Table 2, incorporating the recommended updates.
- 9.11 The Board agreed to the recommendations in Table 3.
- 9.12 The Board agreed to the recommendations in Table 4.
- 9.13 The Board agreed to delegate the approval of minor amendments to the Chief Executive and noted that substantive changes would need to come back to the Board.

Alison Cole joined the meeting at 9.23am

The meeting adjourned from 9.35am until 9.39am

- 9.14 The Board discussed and provided feedback on the key messages on the logic and reasoning for the Commission's 2024 advice.
- 9.15 The Board noted that Commission staff will bring any material issues that require an update to key messages to the Board's attention.

Charlotte Delahunty, Eva Murray, Naomi O'Connor, Otis Boyle, Kerryn Davey, Simon Neale, Stephen Walter, Vanessa Chalk and Zoe Mack left the meeting at 10.15am

The meeting adjourned from 10.14am until 10.30am

Sophie Carroll, Kathy Stirrat, Phirak Appleton and Stuart Dymond joined the meeting at 10.30am

Agenda item 10: Chief Executive Report

- 10.1 The Chief Executive Report: 1 to 30 November 2023 was taken as read.
- 10.2 The Chief Executive provided the Board with an overview of the Commission's performance during November 2023.
- 10.3 The Board noted and discussed the Chief Executive's report.
- 10.4 The Board requested that Appendix 5 be deferred to the February Risk, Audit, Safety and Health committee meeting.
- 10.5 The Board thanked the Chief Executive and the Commission staff for their work this year.

Sam King, Gillian Thornton, Dylan Shell, and Lisa Tumahai joined the meeting at 10.40am

Chris Holland joined the meeting at 11am

Sam King left the meeting at 11am

Sophie Carroll, Kathy Stirrat, Phirak Appleton, Stuart Dymond and Dylan Shell left the meeting at 11.07am

Christie Marsh, Anita King, Mark Grams, Rachael Young and Ben Aves joined the meeting at 11.10am

John Andrews, and Charlotte Delahunty joined the meeting at 11.20am

Agenda Item 11: Emissions Budget 4: Approval of initial recommendations

11.1 The Manager, Emissions Budgets, introduced the context of the paper.

11.2 The Board noted the proposed advice aligns with the approved scope.

11.3 The Board discussed proposed recommendation 2(a).

11.4 The Board agreed to consult on proposed recommendation 2(a).

Jo Hendy left the meeting at 11.34am

Jo Hendy joined the meeting at 11.52am

Jo Hendy left the meeting at 12.35pm

Anne Jonathan and Rachael Young left the meeting at 12.45pm

Jo Hendy joined the meeting at 12.48pm

11.5 The Board discussed proposed recommendation 2(b).

11.6 The Board agreed to consult on proposed recommendation 2(b), subject to the feedback given.

11.7 The Board discussed and agreed to consult on proposed recommendation 2(c).

11.8 The Board discussed proposed recommendation 2(d).

11.9 The Board agreed to consult on proposed recommendation 2(d), subject to the feedback given.

11.10 The Board noted the structure of the consultation document.

11.11 The Board noted and gave feedback on the key messages for each chapter.

11.12 The Board noted that minor changes to the analysis may be made following completion of formal quality assurance processes. If these changes are substantial, Commission staff will present these changes and their implications to the Board for agreement prior to consultation.

11.13 The Board noted the planned consultation dates.

11.14 The Board noted that further feedback can be provided to Commission staff by 22 December 2023.

11.15 The Board agreed to delegate the completion of the draft advice to the Chief Executive and noted that this was similar to the approach taken when preparing past draft documents for consultation.

Andy Reisinger, Anita King, Ben Aves, Chris Holland, Christie Marsh, Gillian Thornton, James Renwick, John Andrews, and Mark Grams left the meeting at 1.14pm

The meeting adjourned from 1.14pm until 1.45pm

Stephen Walter, Stuart Dymond, and Anne Jonathan joined the meeting at 1.45pm

Agenda Item 12: Statutory Deliverables: Update

12.1 The Programme Manager introduced the update on the Statutory Deliverables.

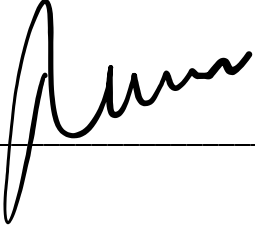
12.2 The Board noted and discussed the November Programme Dashboard report, and the

Programme on a Page for the Statutory Deliverables Programme.

Lisa Tumahai closed the meeting with a karakia.

The meeting finished at 2.10pm.

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

Signed:  _____

Date: 27/2/2024

Proactively released