

**Climate Change Commission Board Meeting Minutes (Meeting 43)
Wednesday, 22 March 2023**

A meeting of the Climate Change Commission Board Members was held via Teleconference Facility. The meeting started on Wednesday 22 March at 8.04am and concluded at 3.45pm.

Climate Change Commission Attendees:

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

Apologies:

Lisa Tumahai – Deputy Chair

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

Guests:

Aislin Kelly - Communications and Engagement Co-ordinator, Communications and Engagement
Alison Cole – Kaiwhakahaere Matua Māori
Anita King – Principal Analyst, Emissions Budgets
Antonia Burbidge – Manager, Buildings, Industry, Transport and Energy
Barry Anderson – General Manager, Sector Analysis
Ben Aves – Principal Analyst, Land, Agriculture and Waste
Briana Yee – Senior Analyst, Buildings, Industry, Transport and Energy
Chris Holland – Principal Analyst, Emissions Budgets
Damian Ryan – Manager, Strategy and Performance
Emme Bulpitt - Senior Advisor, Communications and Engagement
Eva Murray – Principal Analyst, Markets
Fran Lovell – Manager, Communications and Engagement
Grant Blackwell – Chief Scientist
Jack Donaldson – Senior Analyst, Buildings, Industry, Transport and Energy

Jazial Crossley - Principal Advisor, Communications and Engagement
Lara Brinson - Advisor, Communications and Engagement
Lara Wood – Manager, Corporate Services
Matthew Smith – Principal Analyst, Markets
Mel Rae – Manager, Emissions Budgets
Olivia Flowerday - Senior Accountant, Corporate Services
Paul Young – Senior Analyst, Emissions Budgets
Peter Riches - Senior HR Advisor, Corporate Services
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
Tia Greenaway – Manager, Rautaki Māori
Zoe Mack – Senior Analyst, Markets

The meeting started at 8.05am on Wednesday 22 March.

Rod Carr, Andy Reisinger, James Renwick, Catherine Leining, Steven Ratuva, Gemma Lawson and Anne Jonathan joined the meeting at 8.05am

Agenda Item 1: Board only time

1.0 Board only items

- 1.1 The Board noted possible additional matters for discussion.

Judy Lawrence joined the meeting at 8.07am

The Board Chair advised that the Board would proceed with part of agenda item 3.

The meeting opened with a karakia by Andy Reisinger.

Agenda Item 2: Welcome and Introductions (previously agenda item 3)

2.1 Apologies

- 2.1.1 An apology was received from Lisa Tumahai.
- 2.1.2 The Board noted that Judy Lawrence, Tanira Kingi and Andy Reisinger will be absent for portions of the meeting, and this would be reflected in the minutes.
- 2.1.3 No other apologies were received for the meeting.

2.2 Call for Additional Items

- 2.2.1 The Board requested that an update be provided on the Commission's submission on the Climate Change Response (Late Payment Penalties and Industrial Allocation) Amendment Bill.

2.3 Review of Interests

- 2.3.1 The Board noted receipt of the *Interests Agenda Memo*, and the Permissions Letter, dated 14 March 2023.
- 2.3.2 The Board noted that Tanira Kingi has interests that overlap with sections of Agenda Item 3 (previously agenda item 2) and with Agenda Item 10 (previously agenda item 6) and that he would be excused as required from those items.
- 2.3.3 The Board noted no other conflicts of interest on the meeting agenda.
- 2.3.4 The Board suggested, for efficiency reasons, that any future ETS-related agenda items be taken together, separate from the rest of the Board Meeting agenda.

2.4 Approve Draft Board Meeting Minutes

- 2.4.1 The Board reviewed the draft Board meeting minutes from 21 & 22 February 2023.
- 2.4.2 The Board agreed that the minutes from 21 & 22 February 2023 are confirmed as a true and accurate record of the meeting.

2.5 Note Risk Audit Safety and Health (RASH) Committee Meeting Minutes

- 2.5.1 The Board noted the RASH Committee Meeting Minutes from 15 November 2022.

2.6 Letters for noting

- 2.6.1 The Board noted the letter from the Minister of Climate Change to the Chairperson regarding NZ ETS Unit Limits and Price Control Settings, dated 28 February 2023.
- 2.6.2 The Board noted the letter from the Public Service Commissioner to the Chairperson regarding Political Neutrality in the Public Service, dated 9 March 2023.

2.7 Amended papers - for noting

- 2.7.1 The Board noted the amended *Quarter Two Performance Report FY2022/2023* paper from the 21 & 22 February 2023 Board meeting.
- 2.7.2 The Board noted the amended *Pou Herenga – Terms of Reference* paper from the 21 & 22 February 2023 Board meeting and resolved to adopt them as amended.

Tanira Kingi joined the meeting at 8.18am

2.8 Other Items - for noting

- 2.8.1 The Board noted the Annual Review 21/22 written question responses provided.
- 2.8.2 The Board received and noted the 2022 Audit Completion Report provided.
- 2.8.3 The Board noted that the Risk Audit Safety and Health committee had received a verbal update on the 2022 Audit Completion Report at its February meeting and

that, due to timing, the final 2022 Audit Completion Report had been provided direct to the Board.

- 2.8.4 The Board noted the costs decisions received in the matter of Lawyers for Climate Action NZ Inc v the Climate Change Commission.

2.9 Approve Draft Special Board Meeting Minutes

- 2.9.1 The Board reviewed the draft special Board meeting minutes from 19 January 2023.
2.9.2 The Board agreed that the minutes from 19 January 2023 are confirmed as a true and accurate record of the meeting.
2.9.3 The Board reviewed the draft special Board meeting minutes from 14 March 2023.
2.9.4 The Board agreed that the minutes from 14 March 2023 are confirmed as a true and accurate record of the meeting.
2.9.5 The Board reviewed the draft special Board meeting minutes from 3 February 2023.
2.9.6 The Board agreed that the minutes from 3 February 2023 are confirmed as a true and accurate record of the meeting.

Judy Lawrence left the meeting at 8.24am

The meeting adjourned from 8.24am until 8.30am

Jo Hendy, Barry Anderson, Alison Cole, Stuart Dymond, Antonia Burbidge, Mel Rae, Simon Neale, Jazial Crossley and Jack Donaldson joined the meeting at 8.30am.

The Board Chair summarised items raised in Board only time relevant to the agenda and the outcomes of the Board's consideration of some items under Agenda Item 2.

Agenda Item 3: ERP2 - approval of recommendations for consultation (previously agenda item 2)

- 3.1 The Manager, Buildings, Industry, Transport and Energy Analysis introduced the purpose and context of this paper.
3.2 The Board noted the proposed approach to consultation, including the release and closing dates.
3.3 The Board noted that the Communications and Engagement team will contact individual Commissioners regarding their preferences for involvement in opportunities for consultation.
3.4 The Board agreed that legal advice will be sought by the Commission post-consultation.
3.5 The Board noted the proposed policy framework.
3.6 The Board noted the revised structure of the report.
3.7 The Board discussed and provided feedback on proposed recommendations 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 19, and 20 and the related key messages.
3.8 The Board agreed to the revised recommendation 4, 5, 10, 15, 19 and 20 for the consultation draft.
3.9 The Board agreed to the proposed recommendation 8, 11, 12, 13 and 14 for the consultation draft.

Fran Lovell and Tia Greenaway joined the meeting at 8.45am

Jazial Crossley left the meeting at 8.50am
Sam King and Briana Yee joined the meeting at 8.55am
Simon Neale left the meeting at 9.05am
Tia Greenaway left the meeting at 9.12am
Fran Lovell left the meeting at 9.28am
Alison Cole left the meeting at 9.49am
Alison Cole joined the meeting at 9.56am
Steven Ratuva left the meeting at 10am
Tanira Kingi left the meeting at 10.18am

The meeting adjourned from 10.18am to 10.31am

Simon Neale, Eva Murray, Paul Young and Chris Holland joined the meeting at 10.31am

- 3.10 The Board noted that Tanira Kingi has been excluded from the discussion of recommendations 1, 2, and 3 due to overlapping interests.
- 3.11 The Board discussed and provided feedback on proposed recommendations 1, 2, and 3 and the related key messages.
- 3.12 The Board agreed to the proposed recommendation 2 for the consultation draft.

Jack Donaldson left the meeting at 10.42am
Stephen Walter joined the meeting at 11.39 am
Eva Murray, Paul Young and Chris Holland left the meeting at 11.51am

The meeting adjourned from 11.51am to 11.56am

Tanira Kingi and Anita King joined the meeting at 11.56am

- 3.13 The Board agreed to the revised recommendation 9 for the consultation draft.
- 3.14 The Board discussed and provided feedback on proposed recommendations 6 and 7 and the related key messages.
- 3.15 The Board agreed to the revised recommendation 6 for the consultation draft.
- 3.16 The Board agreed to the proposed recommendation 7 for the consultation draft.

Stephen Walter and Anita King left the meeting at 12.15pm
Eva Murray, Chris Holland, Paul Young and Ben Aves joined the meeting at 12.19pm

- 3.17 The Board noted that Andy Reisinger and Tanira Kingi have interests related to agricultural research, however the Board agreed that the issues under discussion were sufficiently high level that the two Commissioners were not required to be excused.
- 3.18 The Board discussed and provided feedback on proposed recommendation 16 and the related key messages.
- 3.19 The Board agreed to the proposed recommendation 16 for the consultation draft.
- 3.20 The Board discussed and provided feedback on proposed recommendations 17 and 18 and the related key messages.
- 3.21 The Board agreed to the revised recommendations 17 and 18 for the consultation draft.

Tanira Kingi and Ben Aves left the meeting at 1.04pm

Steven Ratuva joined the meeting at 1.04pm

- 3.22 The Board agreed to the revised recommendation 1 for the consultation draft.
- 3.23 The Board agreed to the revised recommendation 3 for the consultation draft.
- 3.24 The Board agreed to the proposed key messages for the consultation draft, further to the discussion in this meeting.
- 3.25 The Board agreed to delegate approval of the final ERP 2 consultation document to the Chief Executive.

Andy Reisinger, Steven Ratuva, Alison Cole, Antonia Burbidge, Sam King, Mel Rae, Eva Murray, Chris Holland, Paul Young, and Briana Yee left the meeting at 1.22pm

The meeting adjourned from 1.22pm to 2.00pm

Tanira Kingi, Stephen Walter, Grant Blackwell, Fran Lovell, Lara Wood and Dylan Shell joined the meeting at 2.00pm

Agenda Item 2: Welcome and Introductions (continued)

Further to continuing with Agenda Item 2: Welcome and Introductions, the Board confirmed they did not have questions for the virtual Chief Financial Officer.

Dylan Shell left the meeting at 2.02pm

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 resolved to close 430/2022, as Board strategy days were being scheduled.
- 2.10.3 The Board noted the completed actions and thanked Commission staff for managing the Actions Register.

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*.
- 2.11.3 The Board noted the engagements calendar.

The Board Chair and Chief Executive confirmed the meeting would now move to Agenda Item 4 before concluding Agenda Item 2.

Antonia Burbidge, Damian Ryan, Sophie Carroll, Zoe Mack, and Matthew Smith joined the meeting at 2.13pm

Agenda Item 4: Chief Executive Report

- 4.1 The *Chief Executive Report: 1 February to 28 February 2023* was taken as read.

- 4.2 The Chief Executive provided the Board with an overview of the Commission's performance during February 2023.
- 4.3 The Chief Executive noted that the actions identified in the 2022 Audit Completion Report have been implemented or are in progress.
- 4.4 The General Manager, Emissions Budgets, Adaptation, and Markets, gave a verbal update on the suggested process for making a submission on the Climate Change Response (Late Payment Penalties and Industrial Allocation) Amendment Bill.
- 4.5 The Manager, Communications and Engagement, gave a verbal update on the insights gained from the Quarterly media analysis report.

The Board Chair and Chief Executive confirmed the meeting would now conclude Agenda Item 2 before concluding Agenda Item 4.

Emme Bulpitt, Aislin Kelly, Robin Wilkinson, Lara Brinson, Peter Riches, and Olivia Flowerday joined the meeting at 2.41pm

Agenda Item 2: Welcome and Introductions (continued)

2.12 New Staff Introductions

- 2.12.1 The Manager of the Communications and Engagement team introduced the following new staff to the Board:
 - Emme Bulpitt - Senior Advisor,
 - Aislin Kelly - Communications and Engagement Co-ordinator,
 - Robin Wilkinson - Senior Advisor, and
 - Lara Brinson – Advisor.
- 2.12.2 The Manager of the Corporate Services team introduced the following new staff to the Board:
 - Peter Riches - Senior HR Advisor, and
 - Olivia Flowerday - Senior Accountant.
- 2.12.3 The Chief Executive introduced Sophie Carroll, the Government Services Manager, to the Board.
- 2.12.4 The Chair welcomed new staff to the Commission on behalf of the Board.

Emme Bulpitt, Aislin Kelly, Robin Wilkinson, Lara Brinson, Peter Riches, Olivia Flowerday, and Sophie Carroll left the meeting at 2.50pm.

Alison Cole joined the meeting at 2.50pm.

The Board Chair and Chief Executive confirmed the meeting would now conclude Agenda Item 4.

Agenda Item 4: Chief Executive Report (continued)

- 4.6 The Chief Executive noted that guests had been invited to the next two Board meetings and that if Board members had any other suggested guests they should bring these to her attention.

- 4.7 The Chief Executive noted that the communications approach for the ERP2 would be presented to the Board shortly.
- 4.8 The Board noted and discussed the Chief Executive's Report.
- 4.9 The Board requested clarification from the Chief Executive on two queries about the Annual Review questions.
- 4.10 The Chief Executive noted the threshold for errata as a matter to follow up on (*refer to action item 445/2023*).
- 4.11 The Chief Advisor, Governance and Executive Support, reminded Commissioners of the guidance in the Board Manual on the use of email by Commissioners for conducting Commission business.
- 4.10 The Board further resolved to proceed with the suggested approach for making a submission on the Climate Change Response (Late Payment Penalties and Industrial Allocation) Amendment Bill and delegated final approval of the submission to the Board Chair and Catherine Leining.

Damian Ryan left the meeting at 3.07pm

Fran Lovell, Lara Wood, Zoe Mack, and Matthew Smith left the meeting at 3.16pm

Agenda Item 5: Statutory deliverables development and decision making: updated approach for ERP2 consultation document

- 5.1 The General Manager, Sector Analysis, and the Chief Executive, introduced the purpose of the paper to the Board and requested the Board's approval for an improved approach to the development and decision making for the ERP 2 consultation document.
- 5.2 The Board noted their previous agreement in February 2022 to the approach on engaging with advice deliverables as set out in the paper *Structured approach to engaging the Board on deliverables*.
- 5.3 The Board noted that lessons have been learned from the experience of applying the structured approach to the 2022 statutory deliverables, and that this was discussed in December 2022 at a Board debrief on the Advice 22 process.
- 5.4 The Board noted that the Board debrief identified improvements related to the development of future advice products, using a "stop, start, continue" review framework.
- 5.5 The Board agreed that this paper represents the final step for the Board in the Advice 22 review process.
- 5.6 The Board noted that the improvements identified by the Board have been applied to the ERP 2 work programme.
- 5.7 The Board noted that it is the responsibility of the Chief Executive to ensure that documents produced by the Secretariat align with the direction and approvals provided by the Board.
- 5.8 The Board noted, and reconfirmed, their earlier agreement to delegate approval of the final ERP 2 consultation document to the Chief Executive.
- 5.9 The Board recognised the tight deadlines that exist and noted that the final draft of the ERP 2 consultation document will be shared with Commissioners as early as possible prior to the public release date.
- 5.10 The Board noted that, drawing on the experience of applying this improved process to attain board approval on the recommendations and key messages that will shape the direction of

the ERP 2 consultation document, guidance will be sought from the Board in future on the application of this process to other statutory deliverables.

The Board Chair and Chief Executive confirmed the meeting would now conclude with Agenda Item 10 (previously Agenda item 6).

Agenda Item 6: Progress Update on Statutory Deliverables (previously agenda item 7)

- 6.1 The General Manager, Emissions Budgets, Adaptation, and Markets, introduced the attached February dashboard reports.
- 6.2 The Board noted and discussed the attached dashboard reports.

Antonia Burbidge, and Grant Blackwell left the meeting at 3.25PM
Fran Lovell joined the meeting at 3.25pm

Agenda Item 7: Communications and Engagement Strategy Review (previously agenda item 8)

- 7.1 The Manager of the Communications and Engagements teams introduced the *Process for reviewing the 2021 – 2022 Communications and Engagement Strategy* paper.
- 7.2 The Board noted and discussed the process being used to review the Commission's Communications and Engagement strategy.
- 7.3 The Board noted the reporting and feedback opportunities available.

Agenda Item 8: Judicial Review (Standing Item) (previously agenda item 9)

- 8.1 The Board noted that there was no update on the Judicial Review.
- 8.2 The Board requested that this be removed from the agenda as a standing item.

Agenda Item 9: General Business (previously agenda item 10)

- 9.1. No matters were raised.

Tanira Kingi and Fran Lovell left the meeting at 3.29pm

Agenda Item 10: Update on activities planned for release of Commission's 2023 advice on NZ ETS Unit and Price Settings (2024-2028) (previously agenda item 6)

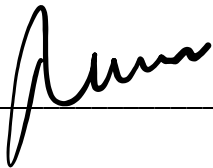
- 10.1 The Board noted that there was no longer a quorum in place, and that there were no further decisions required from the Board in relation to the remaining item on the agenda.
- 10.2 The General Manager of Emissions Budgets, Adaptation, and Markets, and the Manager, Markets, gave the Board a verbal update on the activities planned for release of Commission's 2023 advice on NZ ETS Unit and Price Settings (2024-2028).
- 10.3 The Board noted and discussed the planned activities.
- 10.4 The Board noted the provided *Memo on results of external review*.

Matthew Smith joined the meeting at 3.38pm

Barry Anderson closed the meeting with a karakia.

The meeting finished at 3.42pm.

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

Signed:  _____

Date: 19/4/2023

Proactively Released