

**Climate Change Commission Board Meeting Minutes (Meeting 27)
Wednesday, 08 September 2021**

A meeting of the Climate Change Commission Board Members was held via Teams Teleconference Facility. The meeting started at 9.01am and concluded at 3.21pm.

Climate Change Commission Attendees:

Dr Rod Carr – Chairperson
Dr Harry Clark
Dr Judy Lawrence
Catherine Leining
Professor James Renwick
Professor Nicola Shadbolt

Apologies

Lisa Tumahai – Deputy Chair

Invited Attendees:

Jo Hendy – Chief Executive
Anne Jonathan – Executive Assistant and Minute Taker
Sandra Davies – Board Coordinator and Minute Taker

Guests:

Alastair Johnstone – Principal Advisor, Strategy and Performance
Anita King – Principal Analyst
Antonia Burbidge – Principal Analyst
Astrid Nunns – General Manager – Strategy, Planning and Engagement
Bevan Hunter – Principal Analyst
Bhanu Soma – Senior Financial and Corporate Advisor
Christopher Holland – Principal Analyst
Danny Eyre – Senior Analyst, HIP and Transport
Emily Laing – Senior Advisor, Strategy and Performance
Eva Murray – Principal Analyst
Fran Lovell – Manager, Communications and Engagement
Grant Blackwell – Chief Scientist
Harriet Palmer – Principal Advisor, Engagement and Communications
Karen Lavin – Principal Analyst
Kerryn Davey – Analyst, Rautaki Māori

Matthew Smith – Principal Analyst
Mere Takoko – Pou Whakatere/Principal Advisor, Rautaki Māori
Nicole Peurifoy – Executive Assistant
Olivia Prior – Project Administrator
Paul Young – Senior Analyst
Phil Wiles – Principal Analyst
Sally Garden – Principal Analyst
Sandra Velarde – Senior Analyst
Sharon Kerry – General Manager, Governance and Corporate Services
Stephen Walter – General Manager, Emissions Budgets, Adaptation, and Markets
Tia Greenaway – Principal Analyst, Rautaki Māori

The meeting started at 9.01am.

Agenda Item 1: Board only time

Rod Carr, Harry Clark, Judy Lawrence, Nicola Shadbolt, Catherine Leining, James Renwick, Anne Jonathan and Sandra Davies joined the meeting.

- 1.1 The Board Chair advised that a CE Appointment draft letter has been forwarded to Te Kawa Mataaho Public Services Commission.
- 1.2 The Board noted that the public request for Climate Change Commission Board member nominations has closed, with applications open until Friday 10 September 2021.
- 1.3 The Board noted that the induction timeframe will be challenging, and the Board Chair noted that the Chief Executive is considering induction options.

Jo Hendy, Bevan Hunter, Grant Blackwell and Stephen Walter joined the meeting at 9.10am.

Agenda Item 2: Welcome and Introductions

The meeting opened with a karakia led by Bevan Hunter.

- 2.1.1 The Chair welcomed the Commissioners and Commission staff to the Climate Change Commission Board meeting.
- 2.1.2 The Board Chair submitted apologies on behalf of Lisa Tumahai, who is unable to attend due to family commitments.

2.2 Additional Items

- 2.2.1 Catherine Leining raised an additional item pertaining to whether the Commission would be submitting on ETS consultation documents on industrial free allocation and market governance.
- 2.2.2 Jo Hendy advised the staff recommendation regarding whether to submit on the government's upcoming emissions reduction plan would be discussed during the CE Report.

2.3 Conflicts of Interest

- 2.3.1 Board members advised that there were no conflicts of interests on the meeting agenda.
- 2.3.2 Board members discussed and approved the updated Interest Register.
- 2.3.3 Judy Lawrence advised that the contract with New Zealand Treasury advising and peer reviewing background papers and chapter on climate change for the Long Term Fiscal Plan has been completed.

Nicole Peurifoy joined the meeting at 9.15am.

Bevan Hunter left the meeting at 9.20am.

2.4 Approval of Draft Minutes

28 July 2021 - LukeCunninghamClere File Note

- 2.4.1 The Board reviewed and noted the Judicial Review Meeting file note dated 28 July 2021 prepared by LukeCunninghamClere.

4 August 2021 - Special Board Meeting Minutes

- 2.4.2 The Board reviewed the minutes from the 4 August 2021 Special Board Meeting.
- 2.4.3 The Board agreed that subject to amendment discussed, the minutes from the 4 August 2021 Special Board Meeting were a true and accurate record of the meeting.

6 August 2021 – LukeCunninghamClere File Note

- 2.4.4 The Board reviewed and noted the Judicial Review Meeting file note dated 6 August 2021 prepared by LukeCunninghamClere.

19 August 2021 - Special Board Meeting Minutes

- 2.4.5 The Board reviewed the minutes from 19 August 2021 Special Board Meeting.
- 2.4.6 The Board agreed that subject to amendment discussed, the minutes from 19 August 2021 Special Board Meeting were a true and accurate record of the meeting.

Sharon Kerry joined the meeting at 9.20am.

11 August 2021 - Special Board Meeting Minutes

- 2.4.7 The Board reviewed the minutes from 11 August 2021 Board Meeting.
- 2.4.8 The Board agreed that subject to amendments discussed, the minutes from 11 August 2021 Board Meeting were a true and accurate record of the meeting.

2.5 Board Horizon Report

- 2.5.1 The Board Horizon document was taken as read.
- 2.5.2 The Board noted and discussed the Board Horizon document.

- 2.5.3 Catherine Leining noted she is also attending the Climate Change and Business Conference as a Commissioner and for MOTU.
- 2.5.4 The Chief Executive advised that the Board Horizon document is a living document with items being changed as required.
- 2.5.5 The Board noted the October 2021 Board Meeting may need to move to an online meeting dependant on Covid 19 restrictions at that time.

Alastair Johnstone and Emily Laing joined the meeting at 9.34am.

Nicole Peurifoy left the meeting at 9.40am.

Agenda Item 3: Chief Executive Report

- 3.1 The Chief Executive Report was taken as read.
- 3.2 Jo Hendy provided the Board with an overview of the Commission's performance during August 2021, and updates since finalisation of the August Chief Executive Report.

Astrid Nunns joined the meeting at 9.51am.

- 3.3 The Board noted and discussed the Chief Executive's Report.
- 3.4 The Board confirmed the Chief Executive has the delegated authority to spend up to \$500k for the preparation and defence of the Judicial Review.

Eva Murray and Antonia Burbidge joined the meeting at 10.14am.

Phil Wiles and Anita King joined the meeting at 10.21am.

- 3.5 The Board discussed the Commission's decision to send a letter rather than a formal submission in response to the Ministry for the Environment's (MfE) consultation on the future-focus for industrial allocation, and addressing over-allocation for the New Zealand's Emissions Trading Scheme (NZ ETS).
- 3.6 The Board noted a draft letter will be circulated to the Board for feedback. Once feedback has been incorporated, the letter will be sent to the Ministry on behalf of the Chief Executive. *(Refer to Action number 374/2021)*

Fran Lovell and Harriet Palmer joined the meeting at 10.29am.

- 3.7 The Board discussed the Commission's position in responding to the Government's release of the consultation document for the emissions reduction plan.
- 3.8 The Board agreed that if there were any errors of interpretation of the Commission's advice evident in the in the consultation document, the Chief Executive would first draw this to the attention of the Ministry for the Environment. The Chief Executive will then escalate to the Chair, if needed.
- 3.9 The Board Chair advised a draft response letter to Minister Shaw's letter of expectations would be circulated to the Board for feedback in the next week, before submitting to Minister Shaw at the end of September. *(Refer to Action number 375/2021)*

Sandra Velarde and Karen Lavin joined the meeting at 10.38am.

- 3.10 The Commission is considering an appropriate peer review process for upcoming statutory work programme.
- 3.11 The Board noted that further information would be provided to the Board, for consideration of the proposed peer review process for the upcoming advice.
- 3.12 The Board discussed workplace vaccination policies and will await advice from Te Kawa Mataaho Public Service Commission.
- 3.13 The Board agreed to an out of cycle Board Meeting to approve the Proposed Annual Report.
- 3.14 The Board acknowledged the Commission staff for their work.
- 3.15 The Board congratulated Chief Executive and Senior Leadership team for managing the lockdown smoothly, providing good communication to the staff and for keeping staff safe during this time.

Alastair Johnstone left the meeting at 10.45am.

The meeting adjourned at 10.45am and reconvened at 11.00am.

Tia Greenaway, Kerry Davey and Mere Takoko joined the meeting at 11.00am.

Agenda Item 4: Update on Stakeholder Benchmarking

- 4.1 Fran Lovell and Harriet Palmer provided an update to the Board on the stakeholder benchmarking project.
- 4.2 The Board noted that the project is at the design and methodology stage and that the first report will be available for discussion at the December Board meeting.

Sharon Kerry, Fran Lovell and Harriet Palmer left the meeting at 11.09am.

Agenda Item 5: Rautaki Māori FY 21/22 Work Programme

- 5.1 Tia Greenaway introduced the Rautaki Māori FY 21/22 Work programme paper to the Board.
- 5.2 The Board discussed the proposed work programme and noted the key workstreams.
- 5.3 The Board provided feedback on the proposed work programme.

Agenda Item 6: Establishment of Pou

- 6.1 Tia Greenaway introduced the Establishing a Pou Herenga paper to the Board
- 6.2 The Board noted the background outlined in the paper.
- 6.3 The Board discussed the paper and provided feedback.
- 6.4 The Board agreed to progress with the proposal to establish the Pou Herenga, initially with the interim structure, noting the additional considerations discussed.
- 6.5 The Board noted that the Board Chair of the Pou will be Lisa Tumahai, and the Deputy Chair will be Rod Carr. Jo Hendy will also attend each hui with the Pou Herenga.
- 6.6 The Board congratulated the staff on thoughtfully designed work and noted they are looking forward to this new way of working.

Matthew Smith, Sally Garden and Chris Holland joined the meeting at 11.40am.

Sandra Velarde, Tia Greenaway, Kerry Davey and Mere Takoko left the meeting at 11.45am.

Agenda Item 7: Confirming scope of 2022 deliverables

Danny Eyre joined the meeting at 11.53am.

Olivia Prior joined the meeting at 11.57am.

7.1 The Board noted and discussed the Confirming scope of 2022 deliverables to the Board.

Paul Young joined the meeting at 12.20pm.

7.2 The Board noted the draft scope of the proposed Agricultural Progress Assessment advice and the ETS limits and price controls advice.

7.3 The board requested their feedback on the APA advice to be considered, and the paper resubmitted for approval at the next Board meeting.

7.4 The Board noted that the relevant Minister(s) decide the terms of reference for any requests made under section 5k, following consultation with the Commission; and that the Commission is then required to deliver advice in accordance with those terms of reference.

7.5 The Board noted that as part of the Act's requirement for Ministers to consult with the Climate Change Commission, Commission Staff have continued to engage with officials on the draft terms of reference on the basis of the principles agreed to by the Board at its 11 August meeting.

7.6 The Board noted the draft terms of reference supplied by officials to the Commission, following this engagement.

7.7 The Board provided feedback on the draft Terms of Reference including;

7.8.1 request Ministers direct officials to share relevant information with the Commission as it becomes available.

7.8.2 the Board noted the limitations that the timeframe requested by Ministers would place on the Commission's advice.

7.8 The Board noted a draft letter in response to the proposed Terms of Reference would be circulated to the Board for feedback prior to sending. (*Refer to Action number 376/2021*)

Sally Garden, Phil Wiles, Paul Young, Anita King and Christopher Holland left the meeting at 1.13pm.

The meeting adjourned at 1.13pm and reconvened at 1.48pm.

Sharon Kerry and Bhanu Soma joined the meeting at 1.48pm.

Agenda Item 8: Managing our Emissions

8.1 Matthew Smith introduced the Managing our Emissions paper.

8.2 The Board discussed managing emissions for the Climate Change Commission.

8.3 The Board noted the work the Commission is currently doing to track and reduce carbon emissions.

8.4 The Board endorsed offsetting all categories of Commission emissions at this time with the best available domestic options sourced from native forestry.

8.5 The Board noted the approach would need to be reviewed following completion of the Ministry for the Environment's review of its guidance on voluntary offsetting. (*Refer to Action number 377/2021*)

Agenda Item 9: Advice 21 Status Report

- 9.1 The Advice 21 Programme Status Report – as at 31 August 2021 was taken as read and noted by the Board.
- 9.2 The Board noted the programme closure activities have been sufficiently completed and that the Steering Group have approved closure of the programme.
- 9.3 The Board congratulated the Commission team on a successful programme.
- 9.4 The Board endorsed the closure of the programme.

Emily Laing, Olivia Prior and Danny Eyre left the meeting at 2.18pm.

Agenda Item 10: 2021-22 Business Plan and Budget

- 10.1 Sharon Kerry introduced the 2021-22 Business Plan and Budget paper to the Board.
- 10.2 The Board discussed and provided feedback on the 2021-22 Business Plan and Budget paper. They noted that due to the gap between funding sought and received in Budget 21, choices needed to be made about what the Commission could achieve with its available funding. The Commission would seek to close this gap during Budget 22.
- 10.2 The Board approved the 2021-22 business plan and budget.
- 10.3 The Board endorsed the strategic approach of prioritising building the Commission for the 2021-22 and 2022-23 financial years.
- 10.4 The Board approved extending the existing quarterly review of budgets process to incorporate quarterly reviews of the business plan.
- 10.5 The Board noted the business plan may be refined once it has been fully tested with managers, people leaders and staff but this will not impact either the strategic approach or overall budget.
- 10.6 The Board noted the Chief Executive will immediately notify the RASH Committee Chair if any material risks to the business plan delivery, or staying within the maximum agreed budget occur.

Bhanu Soma left the meeting at 3.05pm.

Bevan Hunter joined the meeting at 3.05pm.

Agenda Item 11: Judicial Review

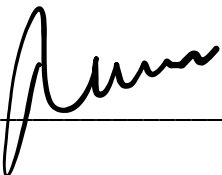
- 11.1 Astrid Nunns provided an update on the progress of the Judicial Review.
- 11.2 Astrid Nunns advised that the legal team anticipates presenting to the Board at the November Climate Change Commission Board Meeting.
- 11.2 The Board noted the progress towards the Judicial Review Hearing.

Agenda Item 12: General Business

- 12.1 The Board further discussed MfE's consultation for the NZ ETS (refer to Agenda item 3.5).
- 12.2 Climate Change Commission staff clarified the key points that will be included in the draft letter in response to MfE's consultation for the NZ ETS.

*Bevan Hunter closed the meeting with a karakia.
The meeting finished at 3.21pm.*

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

Signed:  _____

Date: 20/10/2021

Proactively Released