

Climate Change Commission Board Meeting (Meeting 1)
Wednesday, 11 December 2019

A meeting of the Climate Change Commission Board Members was held at Chapman Tripp, Level 17 Meeting Room, 10 Customhouse Quay, Wellington. The meeting started at 10:00am and finished at 3.15pm

Climate Change Commission Attendees:

Dr Rod Carr - Chairperson
Lisa Tumahai - Deputy Chair
Dr Harry Clark
Dr Judy Lawrence
Professor Nicola Shadbolt – via Zoom Teleconference

Apologies:

Professor James Renwick
Catherine Leining

Invited Attendees:

Jo Hendy - Head of Secretariat, Interim Climate Change Committee Secretariat
[REDACTED] - Executive Assistant and Minute Taker, Interim Climate Change Committee Secretariat

Guests:

Sara Clarke - Director, Interim Climate Change Committee Secretariat
[REDACTED] - Operations Manager, Interim Climate Change Committee Secretariat
Grant Blackwell, Principal Scientist, Interim Climate Change Committee Secretariat
[REDACTED] - Engagement Manager, Interim Climate Change Committee Secretariat
[REDACTED] – Establishment Team, Climate Change Commission
[REDACTED] – Establishment Team, Climate Change Commission
[REDACTED] – Consultant, Chapman Tripp
[REDACTED] – Partner, Chapman Tripp
[REDACTED] – Finance Business Partner, The Treasury

The meeting started at 10.00am

Agenda Item 1: Welcome – Board Only

- 1.1 The Chair welcomed the Commissioners to the first Climate Change Commission Board meeting. Apologies were received from Professor James Renwick and Catherine Leining.

Introductions

- 1.2 Commissioners present introduced themselves and provided a brief bio of their experience.

Method of Taking Notes and Disclosure of Notes from Commissioner Meetings

- 1.3 The Board discussed the method of taking notes/minutes for future Board Meetings. The minutes are to record the decisions and actions of the Commission as well as keeping track of progress being made. The minutes will include bullet points of matters raised and are kept brief (not verbatim). Individual commissioner comments not to be attributed to individuals.
- 1.4 The Board discussed the future publishing of the minutes on the CCC website.

Agreed

- 1.5 The Board agreed that the approved Climate Change Commission minutes are not to be available on the website at this stage but that they will need to be considered at a future meeting. *(Refer to Action Number 0001/2019)*

Additional Agenda Items

- 1.6 The Chair reported on Catherine Leining's declaration in the appointment process for the Commission. Catherine is a contractor with Motu and has contracts with the Interim Climate Change Committee and in the future, the Climate Change Commission.
- 1.7 The Board noted Catherine Leining's declaration of interest.
- 1.8 The Board noted the formal notice of an ordinary meeting of the Commission for 11 December 2019. The Commissioners agreed to waive any irregularity in the notice of meeting (pursuant to clause 7(5) of Schedule 5 to the CEA.

*Jo Hendy, Sara Clarke, [REDACTED]
[REDACTED] joined the meeting at 10.45am.*

Agenda Item 2: Briefing on legal basis of entity and decision making process

- 2.1 [REDACTED] reported to the Board that a wrong section in the Act was referred to in their warrants confirming their appointment
- 2.2 [REDACTED] reported that Crown Law are looking at the issue and that it is possible that the warrants may be amended (with no change to the appointment date/validity of the original warrants) or re-issued (which may involve the warrants being issued with an appointment date in the future).
- 2.3 If the appointments are re-issued, then any decisions taken at the meeting on 11 December may not be binding and will need to be ratified at the next meeting.

Crown Entities Act

- 2.4 [REDACTED] provided an overview to the Board of the legal basis of the Commission and matters that they are to be aware of as a Commissioner.
- 2.5 The Board noted:
- 2.5.1 The presentation by Chapman Tripp - a summary of their presentation will be circulated after the meeting. *(Refer to Action Number 0002/2019)*
 - 2.5.2 The State Services Commission will provide a fulsome induction in early 2020 to the Board. *(Refer to Action Number 0003/2019)*
 - 2.5.3 That Chapman Tripp will provide further advice about whether written permission by the Minister will be required for the Commission to enter into a shared service arrangement under the Crown Entities Act. *(Refer to Action Number 0004/2019)*
- 2.6 The Board agreed:
- 2.6.1 To acknowledge the receipt of the Letter of Expectation and requested that a response be sent to the Minister from the Chair on behalf of the Board. *(Refer to Action Number 0005/2019)*
 - 2.6.2 That the State Services Commission materials circulated to the Chair prior to the meeting be circulated to all Commissioners prior to the next meeting. *(Refer to Action Number 0006/2019).*

Governance Expectations

- 2.7 [REDACTED] provided an overview of the duties and responsibilities of the Board, as is the standard of conduct from the State Services Commission.
- 2.8 [REDACTED] also provided an overview of the liability and protection from legal claims or proceedings including immunities, indemnities and insurance.

Agreed

- 2.9 The Board was informed by the Chair that a broker has been engaged to prepare quotes for Professional Indemnity Insurance and Deeds of Indemnity for Commissioners. This will be tabled at the first meeting of the New Year with the intent to be in place by February. *(Refer to Action Number 0007/2019)*

Additional agenda item – Māori name

- 2.10 The Board discussed the Minister's approved Māori name for the Climate Change Commission. The Chair indicated his concern with the lack of clarity around process for establishing this name and indicated that he would like to consider re-running a process to establish the Māori name for the Commission.
- 2.11 The Board noted the more general desire for the Commission to build a constructive relationship with iwi/ Māori as part of their work more broadly.

Agreed

- 2.12 The Board agreed that the Māori name proposed for the Climate Change Commission and approved by the Minister does not take effect until the correct process for naming has been approved by all parties. *(Refer to Action Number 0008/2019)*
- 2.13 The Board agreed that Lisa Tumahai will work with management to recommend an appropriate approach to the Commission's relationship with iwi/ Māori and a process for establishing the Māori name for the Commission. *(Refer to Action Number 0009/2019)*

Agenda Item 3: Register of Interests and any Conflicts prior to the meeting

- 3.1 [REDACTED] introduced the Interests Register for members of the Climate Change Commission. The Board to note members' obligations under the Crown Entities Act 2004 in relation to the identification and disclosure of interests.

Agreed

- 3.2 The Board agreed with the following recommendations:
- 3.2.1 Approved the adoption of the Interests Register - attached to the Climate Change Commission papers. *(Refer to Action Number 0010/2019)*
 - 3.2.2 Noted that the interests disclosed by members to the Minister prior to their appointment will be entered into the Interests Register.
 - 3.2.3 Noted the obligations of each member in relation to the identification and disclosure of interests under the Crown Entities Act.
 - 3.2.4 Discussed the interests disclosed and the management of any conflicts of interest that arise.
 - 3.2.5 Note that further policies on conflicts of interests for employees of the Commission and the giving and receiving of gifts will be developed and put to the Board in due course. *(Refer to Action Number 0011/2019)*
 - 3.2.6 The Executive Assistant to the Board will keep and update the Interests Register. *(Refer to Action Number 0012/2019)*

Sara Clarke and [REDACTED] left the meeting at 12.15pm.

Jo Hendy left the meeting at 12.16pm

Agenda Item 4: Recommendation of appointment for the Climate Change Commission Chief Executive

- 4.1 The Board discussed the appointment of an Establishment Chief Executive of the Climate Change Commission.
- 4.2 The Board noted that State Services Commissioner consent is required prior to entering into any final employment arrangements (namely terms and conditions of employment) for the Chief Executive appointment to the Commission.
- 4.3 The Board engaged in a discussion about the process and the candidates. All Commissioners present had a chance to provide their view, a number of which were aided by experience working with two of the candidates seen by the panel.
- 4.4 The Board noted that a robust process had been conducted, and additional discussion was held led by the Chair regarding feedback from the panel members.

Agreed:

- 4.5 The Board agreed that Jo Hendy was the preferred candidate and that she be appointed as the Chief Executive for the Climate Change Commission. Noted that final approval was required by the State Services Commissioner to the Terms and Conditions of the offer as outlined in the draft offer letter and Individual Employment Agreement (IEA). *(Refer to Action Number 0013/2019)*
- 4.6 The Board wanted the State Services Commissioner to be informed that they had the opportunity to be briefed on the candidates and the proposed appointment of Jo Hendy as Chief Executive. *(Refer to Action Number 0014/2019)*
- 4.7 At the end of the discussion the Board agreed that based on reviewing the materials provided, and the observations from a number of members, that they felt Jo Hendy had clearly demonstrated she had the requisite skills and experiences to lead the Commission for the start-up phase (2 years) and that her appointment under the proposed terms had their unanimous support. *(Refer to Action Number 0015/2019)*

Jo Hendy joined the meeting at 12.30pm

The Board left the meeting at 12.35pm for lunch

The meeting reconvened at 1.05pm

██████████ joined the meeting at 1.20pm

Agenda Item 5: Delegations around structure of the entity

- 5.1 ██████████ introduced the Delegations Framework for the Climate Change Commission to the Board. These delegations relate to powers under Section 73 of the Crown Entities Act 2004.

- 5.2 The overall intention of the Delegations Framework is to ensure that the Commission's operations are efficient whilst providing appropriate oversight of key decisions by Commissioners. In summary it is proposed that most of the financial and non-financial delegations of the Commission be delegated to the Chief Executive, except for a specified list of exceptions (schedule 1).

Agreed

- 5.3 The Board agreed with the delegations framework as presented with change to the exceptions listed in Schedule 1 to be clear that the Chief Executive cannot approve the Budget for the Commission. *(Refer to Action Number 0016/2019)*
- 5.4 The Board agreed that minor amendments to the framework could be agreed by the Chief Executive in consultation with the Chair. *(Refer to Action Number 0017/2019)*
- 5.5 The Board requested that Chapman Tripp recommend an approach to seek approval from Minister on the broader permission to make delegations to third parties. *(Refer to Action Number 0018/2019)*

Agenda Item 6: Interim Policies for the Climate Change Commission

- 6.1 [REDACTED] introduced the proposal to the Board for the interim operational policies and for the review of operational policies. The Board discussed the start-up nature of the entity, and the existence of staff in the secretariat operating under and familiar with MfE policies. While there is an intention to develop simple policies that will provide employees with guidance on operational policies to provide interim coverage through the adoption of all existing MfE policies, and the plan to review and adopt CCC specific policies tabled for future Board meetings.

Agreed

- 6.2 The Board agreed with the following recommendations:
- 6.2.1 The ICCC's/MfE's operational policies be adopted as an interim measure. *(Refer to Action Number 0019/2019)*
- 6.2.2. The policies will be reviewed at a subsequent meeting of the Climate Change Commission Board. *(Refer to Action Number 0020/2019)*
- 6.2.3. The Secretariat to provide a one-page listing of the policies required and a schedule of timings for when these will be drafted and presented to the Board for approval. *(Refer to Action Number 0021/2019)*
- 6.2.4 The Board requested a schedule of MfE policies. *(Refer to Action Number 0022/2019)*

Agenda Item 7: Climate Change Commission Budget

- 7.1 [REDACTED] introduced the Climate Change Commission Budget to the Board.
- 7.2 The Board noted the budget for adoption.

Agreed

- 7.3 The Board agreed that [REDACTED] to provide a copy of the budget for Consulting Expenses to the next Climate Change Committee Meeting. *(Refer to Action Number 0023/2019)*
- 7.4 The Board also agreed that the Chair write to the Minister to clarify that the Commission seeking advice from consultants does not constitute the Commission delegating its functions/responsibilities. *(Refer to Action Number 0024/2019)*
- 7.5 The Board requested that a monthly reporting of YTD budget vs. actual and updated forecast full year expenditure v. full year budget be tabled as a standard item on all future ordinary meetings. *(Refer to Action Number 0025/2019)*

[REDACTED] joined the meeting at 1.30pm

Agenda Item 8: Bank Account

- 8.1 Note the order of this item was adjusted in order to accommodate the availability of a guest attendee so the discussion was had after Item 9.
- 8.2 [REDACTED] updated the Board on the establishment of bank accounts on behalf of the Commission and for their approval as signatories to the Commission's bank accounts.

Agreed

- 8.3 The Board agreed with the following recommendations:
 - 8.3.1 Approve the opening of bank accounts in the name of the Commission with Westpac, subject to confirmation that such accounts meet the applicable legal requirements under the CEA and CER, the execution of bank account establishment documents and the making of such related financial and tax disclosures as are required in connection with the opening of the bank accounts. *(Refer to Action Number 0026/2019)*
 - 8.3.2 Approve the Chief Executive and the other signatory the right to open bank accounts and services as the delegated authority. *(Refer to Action Number 0027/2019)*
 - 8.3.3 Note that once we have that, when appointed, the Chief Executive can then fill out the Corporate Online New Zealand Third Party Agreement allowing the Shared Services to make payments out of the account.
 - 8.3.4 Approve the appointment of NZ Treasury's shared services provider, CASS, as the Commission's agent in respect of bank accounts. *(Refer to Action Number 0028/2019)*

- 8.3.5 Note that for the opening of the bank accounts and for CASS to operate the account, there needs to be named signatories for the bank accounts.
- 8.3.6 Agree that the signatories be the Chairperson, Deputy Chairperson and the Chief Executive. *(Refer to Action Number 0029/2019)*
- 8.3.7 Note that adding signatories in the future is possible.
- 8.3.8 Note that under the proposed delegations approved at this meeting above, the Chief Executive will determine which employees will have work bank/credit cards.

Agenda Item 9: Proposed Risk, Audit, Health and Safety Committee

- 9.1 Note the order of this item was adjusted in order to accommodate the availability of a guest attendee for another item so the discussion was had before item 8.
- 9.2 ██████████ reported on the proposed establishment of a Risk, Audit and Health and Safety Sub-Committee in order to support the Commission in discharging its duties.
- 9.3 Discussion was had on the name of the Committee and whether the word safety should be exchanged for Wellbeing, but the Board decided that this should be left up to the Chair and the members of the Sub-Committee to decide.

Agreed

- 9.4 The Board agreed with the following recommendations:
 - 9.4.1 Establishment of a Risk, Audit and Health and Safety Sub-Committee. *(Refer to Action Number 0030/2019)*
 - 9.4.2 Lisa Tumahai to be the Chair of the Risk, Audit and Health and Safety Committee. *(Refer to Action Number 0031/2019)*
 - 9.4.3 Harry Clark is nominated as a member of the Risk, Audit and Health and Safety Sub-Committee.
 - 9.4.4 The Chair will notify those not present of the decision and seek additional nominations from them. *(Refer to Action Number 0032/2019)*
 - 9.4.5 The Terms of Reference are developed, with the Chair for the Sub-Committee and presented to the Board in February. The Committee will meet quarterly. *(Refer to Action Number 0033/2019)*

Sara Clarke, Grant Blackwell and ██████████ joined the meeting at 2.30pm. ██████████ joined the meeting by phone.

Agenda Item 10: Proposed Induction Program

- 10.1 Jo Hendy introduced the proposed induction plan to the Board. The induction plan is focussed on providing background context related to the Climate Change Commission's first deliverables in the Act, namely, advising on the first three emissions budgets and emissions reduction plan.
- 10.2 ██████████ introduced the Engagement Work program to the Board.
- 10.3 Sara Clarke introduced Analysis work program.

- 10.4 ██████████ introduced governance and administration work programme.
- 10.5 The Board noted the proposed induction programme for Engagement, analysis work program and the governance and administration program. An acknowledgement was made of the ambitious nature of the program, and that a lot needed to be covered in a short period of time.
- 10.6 Specific note was taken of the consultation timelines for the current proposed ETS legislation, the ICCC is currently preparing a submission which they will gift to the Commission. It was noted however that the timeframes for this submission may make it complicated for the Commission to prepare a fulsome and informed response.

Agreed

- 10.7 The Board agreed that:
- 10.7.1 The Terms of Reference for the Technical Reference Groups are added to the agenda for the Climate Change Commission meeting on 17/18 December. *(Refer to Action Number 0034/2019)*
- 10.7.2 The Induction Plan for the next agenda be amended so that Sector background papers and Media 101 are deferred to 2020. *(Refer to Action Number 0035/2019)*
- 10.7.3 The Secretariat to provide a draft of the ICCC's Emissions Trading Scheme for the Board to form a view and due diligence. *(Refer to Action Number 0036/2019 – removed from Actions Register as this item is already duplicated.)*
- 10.7.4 A proposal to appoint a Privacy Officer, a Records Officer, Health and Safety Officer and a Security Officer. *(Refer to Action Number 0037/2019)*
- 10.7.5 Agreed to ask Environmental Select Committee for an extension to the consultation timeframe for ETS. *(Refer to Action Number 0038/2019)*
- 10.7.6 Updated induction plan to be distributed. *(Refer to Action Number 0039/2019)*

Agenda Item 11: Engagement with Media

- 11.1 ██████████ reported on the proposed interim approach to engaging with media while the Commission is being established. In summary, the proposal is for the Commission to defer any media requests until the New Year and in the interim, if comment is required, it comes from the Chair only.

Agreed

- 11.2 The Board agreed the following recommendations:
- 11.2.1 Defer any media requests until the New Year to allow time to establish the Commission's position on key issues. *(Refer to Action Number 0040/2019)*
- 11.2.2 The Chair is the Commission's sole media spokesperson through December 2019. *(Refer to Action Number 0041/2019)*
- 11.2.3 Policy/Protocol for media engagement to be drafted for Commission approval. *(Refer to Action Number 0042/2019)*

Sara Clarke, Grant Blackwell and ██████████ left the meeting at 3.20pm.

Additional item – update on warrants

11.3 [REDACTED] provided an update to the Board that based on advice received during the meeting from MFE it seems as if the current proposal is for the warrants to be amended, this would mean that the effective appointment date would remain 9 December 2019. This also means that it is possible that the decisions made at today's meeting could be legally binding without the need for subsequent ratification.

Agreed

11.4 The Board agreed that if the warrants are to be amended, then the decisions taken at the meeting today should be legally binding. *(Refer to Action Number 0043/2019)*

Agenda Item 12: Commissioner Remuneration and Expenses

12.1 [REDACTED] discussed the Commissioner's remuneration and reimbursements with the Board.

12.2 The Board noted their agreed days per month during the ordinary course of being a Commissioner.

12.3 The Board noted that travel and accommodation is booked by [REDACTED].

Agenda Item 13: Any other Business

13.1 The Board discussed the Minister's Launch for Commissioners for Tuesday, 17 December at 12.30pm. A meeting will follow for the Climate Change Commission Board for 17 and 18 December.

13.2 The Chair acknowledged that not all Commissioners will be able to attend both days.

13.3 The Board discussed the Climate Change Commission meetings for 2020. The Chair proposed that the Board meetings be scheduled for the second Tuesday of each month starting with a meeting on 11 February 2020 – the first four meetings are scheduled for two days (February/March/April/May). The Board discussed the opportunity of having a meeting in January.

Agreed

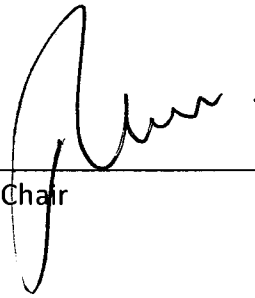
13.4 The Board agreed for [REDACTED] to email Commissioners with suitable dates for a meeting in January 2020. *(Refer to Action Number 0044/2019)*

Next meeting: The next meeting of the Climate Change Commission Board will be held on 17 December 2019 and 18 December 2019 at AJ Park Boardroom, Level 22, Aon House, 1 Willis Street, Wellington.

The meeting finished at 3.35pm

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

Signed:


Chair

Date: 10/2/20