

## GreatWeekly update - Minister for Climate Change

Finalised on 29 June for the week commencing 2 July

**Date:** 2 July  
**Time:** 9am to 10am  
**Location:** Office of the Minister for Climate Change

**Attendees:** Hon James Shaw, Minister for Climate Change  
 Penny Nelson, Deputy Secretary, Environmental Performance, Innovation & Climate  
 Roger Lincoln, Director, Climate Change  
 Janine Smith, Acting Director, Climate Change  
 Paul Alexander, Transition Hub Director  
 For item 2: Mark Storey, Manager, Climate Change Policy  
 For item 3: Craig Salmon, Manager, Climate Change Policy  
 For item 4: Jo Gascoigne, Director, Resource Management Policy  
 Lisa Niven, Policy Analyst, Resource Management Reform

	Agenda	Lead	Time
1	Zero Carbon Bill: <ul style="list-style-type: none"> <li>Key themes emerging from submissions</li> <li>Week ahead</li> </ul>	Janine Smith	20
2	Reflections from Dairy NZ workshops	Mark Storey	10
3	Feedback on NZ ETS discussion document and Cabinet paper	Craig Salmon	20
<b>Discussion topics</b>			
4	Update on government response to CCATWG	Jo Gascoigne	10

## Upcoming meetings 2 July – 13 July

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<b>Mon 2 July</b>	MfE Officials meeting PEPANZ ZCB: Greymouth hui
<b>Tues 3 July</b>	MFAT Officials meeting (tbc) Energy and Climate Committee (ETS regulations update) ZCB: online discussion
<b>Wed 4 July</b>	ANZ Funds Management/Investor Breakfast on the Zero Carbon Bill Climate Change Health with Minister Genter ZCB: Wellington Hui
<b>Thurs 5 July</b>	Three Waters Ministerial Meeting ZCB: Youth engagement event Launch E-Charger with Foodstuffs, Levin ZCB: Palmerston North Hui
<b>Fri 6 July</b>	BusinessNZ: Workshop/Lunch with EITE CEOs ZCB: health sector hui
<b>Mon 9 July to Friday 13 July</b>	China

## 1. Material for you to be aware of this week

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### Domestic

#### 1.1. Zero Carbon Bill Meetings and Submissions

As at 9am Thursday 28th June we have received 1,750 submissions. Approximately two thirds of the submissions are based on templates prepared by Generation Zero, WWF NZ, Forest & Bird, Project Jonah and Greenpeace.

We have held four further public meetings and two workshops.

##### Public meetings

Auckland, 22 June: Around 120 people, with more young people than in previous meetings and a largely supportive crowd. Questions covered concerns about the impact on low income families and communities, partnering with tangata whenua on the process, vehicle emission impacts and charging systems for EVs and global issues, such as climate refugees.

Christchurch, 25 June: Around 160 people, our largest meeting to date. Questions around blue carbon and what can we do in the sea, a lot of support for tougher targets and shorter timeframes, how the

Commission is made up and how we can avoid elitism, whether option 3 can be achieved through a two basket approach.

Dunedin, 26 June: Around 120 people, with a good youth turnout. There were questions around research and development options for reducing agriculture emissions and differentiating between biogenic and fossil methane, adaptation and how much the cost will be for Dunedin, alternatives to offsetting apart from planting trees, and intergenerational justice around climate change.

Invercargill, 27 June: Around 60 people attended. People were appreciative of officials making the effort to host a meeting in Southland. There were several questions on methane, on the economics of the 2050 targets and modelling, on social impacts and cross-government coordination as well as on how to ensure the Commission members don't just represent Wellington and Auckland viewpoints.

### Workshops

Good attendance at both workshops in Auckland and Christchurch, with 30 in Auckland and 21 in Christchurch, from a wide-range of sectors, including electricity, energy, transport, local government and finance groups. The questions sought clarification over technical matters, including how can we ensure the Climate Change Commission will be truly independent, what the economic modelling has/hasn't considered and what happens if emissions budgets are not met.

Next week: We have public meetings in Greymouth, Nelson, Wellington and Palmerston North, and a youth event with Climate Challenge at Parliament.

## 1.2. Update on the upcoming *Coastal Hazards and Climate Change* guidance roadshow

You launched the Ministry for the Environment's updated *Coastal Hazards and Climate Change* guidance for local government last December. The Ministry is now preparing a roadshow to support councils to implement the new guidance.

The roadshow will consist of workshops, meetings and presentations held in many regions around the country. Demand from councils for this support has been high, and we are collaborating closely with them to meet this. The full-day, technical workshops will help support councils in effectively putting the process described in the guidance into practice. The Ministry will also give high level presentations to councillors and at public meetings.

The Ministry is partnering with the NIWA-led team who authored the guidance to prepare and run the workshops and other meetings. The New Zealand Coastal Society (an expert subgroup of Engineering NZ) is sponsoring an evening public meeting in each location.

The roadshow will take place during July, August and September 2018. The schedule of workshops is shown in the table below.

Date	Location
18 July	Hamilton
20 July	Napier
24 July	Wellington
25 July	Christchurch
8 August	Richmond, Tasman
15 August	Whangarei



atmosphere was warm and constructive, s6(a) . High level attendees were almost identical to those attending the Petersberg Dialogue held prior (last week's report refers). Attending Ministers engaged in detail on the Paris Agreement negotiations, highlighting the difficult issues that will need political attention throughout the year and the political decisions that will need to be made at COP24. Ministers made an urgent call for negotiators to produce text in Bangkok, and to start identifying landing zones. In discussions on action developing countries maintained their ability to take ambitious action was dependent on predictability of finance and capacity building support. Discussions on support traversed negotiation outcomes on ex-ante and ex-post reporting of finance provided by developed countries, but also got into the need to address the broader finance landscape and "shifting the trillions". The High Level Finance Dialogue at COP24 will provide an opportunity for the Ministers to discuss this further. The next meeting will be hosted by China in 2019, and we will continue pressing for New Zealand to be invited.

## 2.5 European Union report on Sustainable Finance

The European Union High-Level Expert Group on Sustainable Finance released its final report in January 2018. The report set out a long list of recommendations to reform the European financial system, and encouraged the EU to become the global leader on sustainable finance. The report has a wide scope and examines how finance relates to sustainability more broadly than just 'climate' finance.

The primary drivers for this report was the Paris Agreement, particularly given that it commits Parties to align financial flows with a pathway towards low-carbon and climate-resilient development, and secondly the environmental challenges and sustainability risks that have led to the formation of the sustainable development goals.

Broadly speaking, the report reaches strong conclusions regarding both the transformative nature of the changes needed to the European financial system. The report notes that reaching the EU's Paris agreement goals requires no less than a transformation of the entire financial system, its culture, and its incentives. They also note that the required transformation also has a key role in delivering a 'just transition'. The priority actions recommended include:

- establish and maintain a common a classification system to provide market clarity on what is 'sustainable'
- clarifying the duties of investors
- improving disclosure by financial institutions and companies on how sustainability is factored into their decision-making, starting with climate risks
- key elements of a retail strategy on sustainable finance
- making sustainability part of the mandates of the European financial system Supervisory Authorities and extend the horizon of risk monitoring
- develop and implement official European sustainability standards and labels, starting with green bonds
- establish an institution to support the development of sustainable infrastructure projects across the EU
- governance and leadership – strengthen duties, principles and tests.

The High-Level Expert Group also makes recommendations relating to other cross-cutting, institutional and sectoral issues such as natural capital, agriculture and energy efficiency.

This report is noteworthy as the opinion of the High-Level Expert Group is clear: transformational change to the financial system is a key element of a just transition.

The NZX are interested in the report and its findings. NZX Chairman, James Miller forwarded you a link to the EU High-Level Expert Group's report following your meeting in late May and noted that they are happy to work with Government on implementation in NZ. Furthermore, the Sustainable Wealth Creation Initiative - an initiative led by 22 senior leaders from across the private and public sectors to mobilise action and to influence investment levers for change is currently exploring the EU model and designing a sustainable finance action plan for New Zealand.

## 2.6 International law, maritime zones and sea level rise: update

Following Cabinet's approval of the proposed approach to assisting Pacific Island states in meeting the challenges of climate change, MFAT is developing a strategy to champion development of international law to protect coastal states' rights to their maritime zones in the face of sea-level rise. MFAT has also commenced discussions with Australian counterparts to understand the extent and nature of Australian work on these issues, and will look to engage with the Pacific too. Officials are due to report back to Cabinet by the end of 2018.

## 2.7 MFAT briefing to Globe-NZ on international negotiations

Climate Change Ambassador Jo Tyndall has been invited to provide a briefing on international climate change negotiations to the cross-party parliamentary group Globe-NZ. The briefing is scheduled for 1800-1930 on 3 July.

## 2. Upcoming briefings

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### Papers for your 6 July bag

Issue or event	Lead	Further information
COP24 Sustainable Agriculture event update	MFAT/MPI	An update on preparations for the New Zealand hosted sustainable agriculture event at COP24.
2018-B-04693 Proposals for operational improvements for forestry in the NZ ETS	MfE	Provides an overview, and seeks agreement, on proposals for NZ ETS forestry operational improvements to be publicly consulted on as part of the broader package of changes to the NZ ETS.
2 <sup>nd</sup> draft NZ ETS Cabinet Paper & discussion document	MfE	This will be a second draft cabinet paper and discussion document setting out proposed changes to the NZ ETS.

## Papers for your 13 July bag

Issue or event	Lead	Further information
International climate change communications strategy for 2018	MFAT	An update on MFAT's climate change communications campaign.

### 3. Cabinet material being prepared for you

Paper name	Committee	What this paper covers	Our suggested timeframes
NZ ETS Review Implementation – Release of Discussion Document	ENV	Seeks approval for the release of a discussion document on preferred options for changes to the NZ ETS [first draft to you 28 June]	<b>Lodge</b> 26 July <b>ENV</b> 31 July <b>Cabinet</b> 6 August
NZ ETS: Report back from consultation on proposed NZ ETS forestry regulation updates for 2018	ENV	This paper summarises consultation feedback and seeks approval to issue drafting instructions	<b>Lodge</b> 26 July <b>ENV</b> 31 July <b>Cabinet</b> 6 August
Agreement to ratify the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer	ENV	This paper seeks Cabinet's agreement to ratify the "Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer" on 3 October 2019, subject to parliamentary treaty examination and domestic implementation.	<b>Sent to Minister:</b> 15 June <b>Paper lodged:</b> 26 July <b>ENV:</b> 31 July <b>Cabinet:</b> 6 August

## 4. OIA requests

### 4.1. Ministerial\*

Request	Correspondent	Organisation	Reference	Drafting agency	Due at your office/current status	Date due to send
New Zealand Emissions Trading Scheme: Approval to Consult on Technical Regulation Changes for 2018. (8/5/18) New Zealand Emissions Trading Scheme: Approval to Consult on Technical Regulation Changes for 2018 Cabinet Environment, Energy and Climate Committee. (16/5/18)	§ 9(2)(a)	National Party	18-O-01210	MfE	Fri, 29 Jun	Thu, 5 Jul
All reports, memorandums, papers , documents, advice, correspondence, notes, emails, and other official information, written, reviewed or considered by Minister Shaw or his office since 1 January 2018, in relation to the economic cost of emissions reduction targets.	§ 9(2)(a)	Nation Party	18-O-00946	MfE	Thu, 5 Jul	Thu, 12 Jul
I request a copy of the following document:  A briefing titled "New Zealand's international forestry and land use accounting under its Paris Agreement climate change target".	§ 9(2)(a)	National Party	18-O-01336	MfE	Tue, 10 Jul	Tue, 17 Jul
I am requesting the following reports, briefings, memos or aide memoires under the Official Information Act:  <b>7 June</b> - New Zealand's international forestry and land use accounting under its Paris Agreement climate change target <b>1 June</b> 2018 - Just transition – reflections from Bonn <b>25 May</b> - 18-B-04623 NZ ETS discussion topic: auctioning and price ceiling <b>25 May</b> - Proposed approach to managing communications on potential net zero 2050 targets <b>16 May</b> - National Climate Change Risk Assessment Budget Bid	§ 9(2)(a)	National Party	18-O-01341	MfE	Tue, 10 Jul	Tue, 17 Jul

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## 4.2. Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Date due to send
<p>1. Is Mfe using the U.N. definition for climate change in their policy decisions?</p> <p>2. Given Methane for NZ agriculture is now stable (or very close to it), what research is mfe doing currently to work to understand the atmospheric CH4 volume associated with NZ agriculture?</p> <p>3. Does mfe have a figure for atmospheric CH4 volume associated with NZ agriculture? This point is important because NZ agriculture needs to know what their atmospheric CH4 volume/concentration or there is no way of knowing if it's still changing – as per UN definition of climate change.</p>	s 9(2)(a)	Cranston Consulting Ltd	18-D-01167	Mon, 9 Jul
All reports and draft reports prepared or received on the economic impact of emissions reduction targets.	s 9(2)(a)	National Party	18-D-00889	Tue, 10 Jul
<p>Using the latest MAF agricultural emissions inventory numbers, how many hectares of typical native bush would be required to offset all agricultural emissions that contribute to warming compared to the previous year? (1e year on year warming)</p> <p>For clarity, I understand this to be N2O and any net increase in year on year Methane emissions.</p>	s 9(2)(a)	Cranston Consulting Ltd	18-D-01334	Mon, 16 Jul

## 4.1. Ministry of Foreign Affairs and Trade OIAs

Request	Correspondent	Organisation	Reference	Date due to send
<p>1. Did New Zealand scientists/officials take part in the WG1 assessment process for the SAR and, in particular, were any present in Asheville, USA (July 1995) and contribute to the October 1995 draft WG1 Chapter 8 section? Were there instructions, reports and concerns raised?</p> <p>2. Did NZ send delegates to the Madrid plenary in October 1995? Were there instructions, reports and concerns raised?</p> <p>3. What was the process by which the MFAT briefing paper dated 17 March 2000 (in the attached) was collated. Who was in charge of the Annex summarising the science and were they aware of the issues raised above and that the consensus statement set out in the SAR (above) was underpinned by unpublished work of its Coordinating Author, Ben Santer, which upon publication was heavily criticised (see Michaels, Knappenberger, Nature 384, 552-553 (12 December 1996)). And that a paper known as Barnett et al which had been the basis of the conclusions drawn in Asheville, contradicting the SAR's 'consensus statement' was also published in 1996 with Santer as a co-author.</p> <p>4. On a slightly different topic, could you please direct me to research materials showing how the Annex 1 and Annex 2 parties to the UNFCCC established themselves. In particular I am curious as to why nations in the 'nuclear weapons club' (e.g. India, China, Pakistan, Israel, Russia) are afforded 'developing nation status' as are many wealthy Asian (e.g. Singapore) and Middle Eastern (e.g. Qatar) states whereas New Zealand, with its paltry 150 years of mostly nominal emissions, is part of the 'developed nations' group.</p>	s 9(2)(a)	Spindletop	26122	TBC (subject to negotiation with requestor)

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## Weekly update - Minister for Climate Change

Finalised on 6 July for the week commencing 9 July

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**There is no meeting scheduled for this update**

### Action points from previous meeting

- MfE will provide your office with an overview of the main feedback received so far in the ZCB submissions
- MfE will work with your office to find dates for Climate Change Ministers meetings to discuss ZCB (& NZ ETS)
- MfE to advise your office on what early drafting of the ZCB might look like

### Upcoming meetings 9 July – 20 July

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<b>9 July – 13 July</b>	You will be in Singapore and China. There are no meetings in Wellington.
<b>16 July</b>	LGNZ speech Visit to Synlait Milk
<b>17 July</b>	MFAT officials meeting VUSWA Zero Carbon Bill consultation meeting WWF panel with business and youth leaders
<b>18 July</b>	Quarterly meeting with Dr. Suzi Kerr Ben Gleisner, Conscious Consumers MfE officials meeting Meeting with NZ Major Events (MBIE) re Formula E (TBC) Meeting with Enviro-Mark (TBC) Meeting with the Parliamentary Commissioner for the Environment
<b>19 July</b>	Meeting/visit with Ports of Auckland Meeting with Habitat for Humanity Meeting with Karl Budge (Formula E)

## 1. Key decisions for you to make this week

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- a. Identify your preferred option for consultation on free allocation
- b. Provide feedback on whether or not to include a price ceiling option for consultation

## 2. Material for you to be aware of this week

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### Domestic

#### 2.1. Zero Carbon Bill Meetings and Submissions

As at 9.30am Thursday 5 July we have received 4,187 submissions. Approximately 80% of the submissions are based on templates prepared by Generation Zero, Greenpeace, WWF NZ, Forest & Bird, and Project Jonah.

#### 2.2. Feedback from Nick Smith on who attended Nelson Public Consultation ZCB

Nick Smith attended the Nelson Public Consultation on 3 June and gave some feedback at the end. He wanted to pass on his compliments on the document to the Ministry for the Environment as he was very impressed. He also stated that:

- National supports the establishment of the Climate Commission
- Nick Smith does not think we should call it the Zero Carbon Act, given there are lots of gases and some uses of carbon are positive.
- Achieving existing target of minus 30 per cent by 2030 will be hard work (given in the last 9 years New Zealand achieved a 2% reduction in emissions).
- National are further engaging with the Government on Climate Change and want to engage further with constituents.

#### 2.3. Public Sector Climate Change CE Board

The Climate Change Chief Executives Board met on 4th July. They agreed that the terms of reference, subject to some changes, will now come to the delegated Ministers for final approval. The Board discussed their role in overseeing the public-sector response to the Productivity Commission low-emission economy report, as well as the cross-portfolio low-emissions vehicle work programme. They were introduced to the Interim Climate Change Committee, including its terms of reference and work programme. Board meetings were agreed to be quarterly, with extra meetings to be arranged as and when needed.

#### 2.4. Proactive release of Tax Working Group paper

The Tax Working Group (TWG) is intending to proactively release a paper on Tax and the Environment which it considered on 4 May 2018. The paper was sent to the Ministers of Finance and Revenue late last week. The paper asks the Minister of Finance to refer the paper on to you and other interested Ministers. The paper is to be publicly released two weeks after it is sent to the Minister of Finance. The paper introduces potential frameworks for using taxes to address negative environmental externalities and resource rents. It also identifies specific types of taxes and tax issues that the TWG Secretariat considers the TWG may want further advice on to allow it to provide more detailed recommendations. Specific types of taxes include carbon/greenhouse gasses, water abstraction, water pollution, transport/fuel/congestion, solid waste and petroleum/minerals. The Ministry was consulted on the paper,

and worked closely with the TWG Secretariat in the development of the frameworks. The Ministry is currently working with the TWG Secretariat on the second paper, which we expect to include advice on specific taxes.

## International

### 2.5. US Environmental Protection Agency Administrator has resigned

News broke via President Trump's Twitter feed that Environmental Protection Agency Administrator Scott Pruitt has resigned. Over the past few months Pruitt has been under investigation for ethical misconduct including spending abuses, connections with lobbyists, and calling for special favours from contacts. He is currently the subject of at least 13 federal investigations. During his tenure, Pruitt was responsible for the roll-back or delay of a lot of Obama's environmental rules. He also campaigned for the US to pull out of the Paris Agreement. The Deputy EPA Administrator, Andrew Wheeler, will act as the EPA Administrator until a new administrator is nominated by President Trump and confirmed by the Senate. Wheeler, reported by media to be a former coal lobbyist, has supported Pruitt's approach of rolling back climate change regulation.

### 2.6. Colombia's legislature allows creation of an emissions trading scheme

The upper house of Colombia's legislature has now approved a climate act that allows the creation of an emissions trading scheme, and seeks to align the country's climate change strategies with the goals of the Paris Agreement. At this time there are scant details about the future scheme, including when it may be enacted. Commentators in the country believe that the new President's (assumes office on 7 August) choice of Environment Minister will be key for the speed with which an ETS could be deployed.

Colombia is a country of high interest for potential future carbon market cooperation. Along with peers in the Pacific Alliance trade-bloc (Mexico and Chile), Colombia offers an attractive combination of scale, elements of policy infrastructure to ensure environmental integrity (e.g. to monitor emissions), and political/policy impetus to price emissions. Interest in Colombia also comes from outside of government. A project involving Motu's Suzi Kerr is developing a concept known as 'Climate Teams' and exploring its applicability to Colombia. We are seeking to observe this project formally, due to the concept's potential to enable scaled-up government-to-government cooperation.

Colombia's move to create an ETS is also of interest in the context of trading partners expanding the coverage of emissions pricing. New Zealand is engaged in free-trade negotiations with the Pacific Alliance, and three out of its four members are now either moving to establish (Mexico and Colombia) or openly exploring (Chile) an ETS.

We will inform you of any relevant developments regarding Colombia's ETS as plans become clear.

### 2.7. ICAO adopts standards for its emissions reduction initiative, CORSIA

This week the International Civil Aviation Council Organization (ICAO) has adopted the Standards and Recommended Practices (SARPs) for its emission reduction initiative, the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The main focus of the SARPs is monitoring, verification and reporting of aviation emissions by airlines from January 2019. The Council also adopted a simplified CO2 Estimation and Reporting Tool (CERT) for small operators to monitor and report their emissions. There has been media reporting that discomfort with the measurement, reporting and verification regime has led to China withdrawing its voluntary participation in the initial three-year Pilot and Voluntary Phase of CORSIA. However, there are conflicting reports on what has happened and why, so we are seeking

confirmation. If true, this is a troubling precedent given many of the world's largest national airlines belong to developing countries that are also commencing participation in the scheme early on a voluntary basis.

## 2.8. International Maritime Organization (IMO) and the Shipping High Ambition Coalition (SHAC)

As reported previously, the IMO adopted its first strategy for reducing shipping emissions in April, setting a target of 50% below 2008 levels by 2050 and pursuing efforts towards zero emissions. The strategy sets out "possible candidate measures", i.e. potential measures for implementation to deliver the strategy, which the IMO and countries are now investigating. These will be negotiated further at the IMO's next formal session in October. In advance of those negotiations, New Zealand is stepping up its preparatory work with Pacific Island delegations, through the Shipping High Ambition Coalition (SHAC). MFAT has received, and is considering, a request to fund the Islands' attendance at the October meeting. Countries are also making use of other fora for their preparations. For example, New Zealand is co-sponsoring a Chilean-led APEC proposal, seeking US\$80,000 from the APEC Transportation Working Group Forum to investigate further the impacts of "slow steaming" (speed reduction and speed optimisation). Slow steaming is a proven method of reducing emissions but has potential to disproportionately affect countries distant from markets. Initial research commissioned by New Zealand showed relatively low economic impacts overall, but the Chilean-led research will improve granularity. We will work with the Ministry of Transport to ensure you are updated on the IMO negotiations around the time of the London meeting.

The SHAC is currently developing a set of operating principles to inform its participation in the ongoing IMO negotiations. Still in their draft form, the principles enable the group to support the high ambition reflected in both the Tony de Brum Declaration and the IMO's initial strategy, and will aim to coordinate the SHAC's work and member country positions.

## 2.9. Green Climate Fund fails to agree on substantive outcomes

Disappointingly, the 20<sup>th</sup> meeting of the Green Climate Fund failed to achieve any substantive outcome on funding proposals, policies or the future replenishment process. The atmosphere for the meeting wasn't helped by the unavailability of the Nicaraguan co-Chair, and the subsequent failure of the developing country caucus to agree on a stand-in for this meeting. This turn of events is gravely concerning given the GCF's importance to developing countries and the impact it could have on their positions in the ongoing negotiations – in particular because the Fund's replenishment trigger is expected to be reached later this year. The Executive Director of the Fund (Howard Bamsey, an Australian national) has resigned, effective immediately, and the process has begun for a new appointment. The next meeting will take place from 17-20 October in Bahrain. s9(2)(g)(i)

s6(a)

It will be hard to deflect these claims if the GCF has not resumed normal operations by then.

### 3. Upcoming briefings

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#### Papers for your 13 July bag

Issue or event	Lead	Further information
Climate Change: Approval for drafting the 2018 update to Synthetic Greenhouse Gas Levy rates	MfE	Seeks approval for drafting updates to the SGG levy rates to apply from 1 January 2019
Second draft NZ ETS Cabinet Paper & discussion document	MfE	This will be a second draft cabinet paper and discussion document setting out proposed changes to the NZ ETS.
International climate change communications strategy for 2018	MFAT	An update on MFAT's climate change communications campaign.

#### Papers for your 20 July bag

Issue or event	Lead	Further information
Refrigerated Shipping Containers and the NZ ETS	MfE	Recommends a policy approach to addressing the application of NZ ETS costs to synthetic greenhouse gases that are used to service refrigerated shipping containers.

### 4. Cabinet material being prepared for you

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Paper name	Committee	What this paper covers	Our suggested timeframes
NZ ETS Review Implementation – Release of Discussion Document	ENV	Seeks approval for the release of a discussion document on preferred options for changes to the NZ ETS [first draft to you 28 June]	<b>Lodge</b> 26 July <b>ENV</b> 31 July <b>Cabinet</b> 6 August
NZ ETS: Report back from consultation on proposed NZ ETS forestry regulation updates for 2018	ENV	This paper summarises consultation feedback and seeks approval to issue drafting instructions	<b>Lodge</b> 26 July <b>ENV</b> 31 July <b>Cabinet</b> 6 August

## 5. OIA requests

### 5.1. Ministerial\*

Request	Correspondent	Organisation	Reference	Drafting agency	Current status	Date due to send
All reports, memorandums, papers , documents, advice, correspondence, notes, emails, and other official information, written, reviewed or considered by Minister Shaw or his office since 1 January 2018, in relation to the economic cost of emissions reduction targets.	s 9(2)(a)	National Party	18-O-00946	MfE	Open / OK	Thu, 12 Jul
I am requesting the following reports, briefings, memos or aide memoires under the Official Information Act: <ul style="list-style-type: none"> <li>7 June - New Zealand's international forestry and land use accounting under its Paris Agreement climate change target</li> <li>1 June 2018 - Just transition – reflections from Bonn</li> <li>25 May - 18-B-04623 NZ ETS discussion topic: auctioning and price ceiling</li> <li>25 May - Proposed approach to managing communications on potential net zero 2050 targets</li> <li>16 May - National Climate Change Risk Assessment Budget Bid</li> </ul>	s 9(2)(a)	National Party	18-O-01341	MfE	Open / OK	Tue, 17 Jul

### 5.2. Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Date due to send
<ol style="list-style-type: none"> <li>Can you please clarify if you consider stable methane emissions as contributing to climate change? The UN defines climate change as a GHG that 'changes the atmospheric composition'. If Methane inflow is equal or less than outflow then this definition would not be met.</li> <li>Does MfE measure inflow vs outflow methane emissions for NZ?</li> <li>Does MfE have any research to suggest NZ agriculture is currently warming the planet once on farm trees are included? Note - GWP100 accounting does not correlate to warming.</li> </ol>	s 9(2)(a)	Cranston Consulting Ltd	18-D-01248	Mon, 9 Jul
Using the latest MAF agricultural emissions inventory numbers, how many hectares of typical native bush would be required to offset all agricultural emissions that contribute to warming compared to the previous year? (Ie year on year warming). For clarity, I understand this to be N <sub>2</sub> O and any net increase in year on year Methane emissions.	s 9(2)(a)	Cranston Consulting Ltd	18-D-01334	Mon, 16 Jul
Any excel files received from NZIER in relation to economic modelling of climate change policy.	s 9(2)(a)	National Party	18-D-01457	Thu, 26 Jul

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## Weekly update - Minister for Climate Change

**Finalised on 13 July for the week commencing 16 July**

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**Date:** 18 July  
**Time:** 12.30-2 pm  
**Location:** Office of the Minister for Climate Change

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**Attendees:** Hon James Shaw, Minister for Climate Change  
Janine Smith, Director Climate Change Policy  
Bridget Fraser, Manager, Climate Change Policy

**For item 2:** Emma Corbett, Senior Advisor, Climate Change Policy

**For item 3:** Craig Salmon, Manager, Climate Change Policy  
Matt Cowie, Principal Advisor, Climate Change Policy  
MPI official (tbc)

	Agenda	Lead	Time
1	Context	Janine Smith	10
2	Zero Carbon Bill: <ul style="list-style-type: none"><li>• Key themes emerging from submissions</li><li>• PCO process for early drafting</li><li>• Update on policy decision timeframes</li></ul>	Bridget Fraser	15
3	New Zealand Emissions Trading Scheme <ul style="list-style-type: none"><li>• Feedback on:<ul style="list-style-type: none"><li>○ Discussion document</li><li>○ NZ ETS Cabinet paper</li><li>○ Forestry NZ ETS Cabinet paper</li><li>○ Forestry NZ ETS discussion document</li></ul></li><li>• Purpose of price ceiling</li></ul>	Craig Salmon	60

## Upcoming meetings 16 July – 27 July

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<b>Mon 16 July</b>	Speech LGNZ
<b>Tues 17 July</b>	MFAT officials meeting VUSWA Zero Carbon Bill consultation meeting WWF panel with business and youth leaders
<b>Wed 18 July</b>	Suzi Kerr, Motu (quarterly meeting) Ben Gleisner, Conscious Consumers MfE officials meeting Officials meeting (super surplus) Meeting with Enviro-Mark Parliamentary Commissioner for the Environment - Simon Upton
<b>Thurs 19 July</b>	Meeting/visit with Ports of Auckland Meeting with Habitat for Humanity Craig Stobo, Local Government Funding Agency
<b>Fri 20 July</b>	The New Zealand Ecolabelling Trust
<b>Mon 23 July</b>	Meeting with Pacifica community re climate change (TBC) MOF re climate change MfE officials meeting MFAT officials meeting
<b>Tues 24 July</b>	Meridian board meeting Meeting with Trustpower Meeting with Todd Muller
<b>Wed 25 July - Fri 27 July</b>	Climate Action Pacific Partnership (Fiji)

## 1. Key decisions for you to make this week

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### Confirm the content of:

- NZ ETS Cabinet paper
- NZ ETS discussion document
- Forestry NZ ETS Cabinet paper
- Forestry NZ ETS discussion document

## 2. Material for you to be aware of this week

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### Domestic

#### 2.1. Zero Carbon Bill Meetings and Submissions

As at 9am Thursday 12<sup>th</sup> we have received 8,447 submissions. Approximately 90% of the submissions are based on templates prepared by Greenpeace, Generation Zero, WWF NZ, Forest & Bird, Project Jonah and Ora Taiao New Zealand Climate and Health Council.

#### 2.2. NZ ETS update

This week we have sent you a final draft cabinet paper and discussion document for improvements to the ETS. Separately, you have also received the draft cabinet paper and discussion document on changes to how forestry operates in the ETS.

We have sent slides to support you to consult on all these proposals with your colleagues. Both cabinet papers and associated discussion documents are due to be lodged on Thursday 26<sup>th</sup> July for consideration at ENV Cabinet Committee on 31<sup>st</sup> July. We will need to receive your final feedback on these papers at the weekly meeting on Wednesday 18<sup>th</sup> July.

In addition, consultation has closed on forestry technical regulations updates to the ETS. A paper seeking decisions on these updates will be sent prior to lodgement on Thursday 6<sup>th</sup> September.

Issue/Action	Date
Final drafts of Cabinet paper and Discussion document on NZ ETS Improvements for comment	Friday 13 <sup>th</sup> July
Final drafts of Cabinet paper and Discussion document for Forestry ETS settings for comment	
Provide feedback on Cabinet papers and Discussion documents	Wednesday 18 <sup>th</sup> July
Lodgement (Cabinet papers and Discussion documents)	26 <sup>th</sup> July
ENV Committee	31 <sup>st</sup> July
Lodgement (Forestry technical regulations updates to the ETS)	6 <sup>th</sup> September

### 2.3. Z Energy to offset their operational emissions through permanent forestry

A number of media reports over the weekend covered Z Energy's new commitment to reduce or voluntarily offset their operational emissions by 30% by 2020. This is separate to their New Zealand Emissions Trading Scheme (NZ ETS) obligations to surrender emission units to the Government for liquid fossil fuels.

Z Energy has entered a contract with ten participants of the Permanent Forest Sink Initiative (PFSI), where they will pay \$25 per NZU. This represents a 20% market premium compared with the current spot price. In order to voluntarily offset their operational emissions, Z Energy intends to 'cancel' these emission units.

## International

### 2.4. European Commission to begin consultation on new 2050 climate plan

In the week of 16<sup>th</sup> July, the European Commission will begin consultation on a new long-term low emission development strategy to replace 2011's low-carbon roadmap. The Commission is expected to consult on 2050-target options (ranging between -80% on 1990 levels to net zero greenhouse gas emissions), and pathways to achieve these targets. Miguel Arias Canete (the European Commissioner for Climate Action and Energy) has confirmed that the 2050 target under the new strategy will not be binding.

When launching the consultation, Canete implied that the pathways will consider a wide range of measures – such as how to get demonstration-stage technologies (for example zero-carbon steel production) to enter the market. Canete also spoke specifically about the land sector stating “We should not forget that a low-carbon economy will need to focus on how land is used – not only to grow our food, land to produce feedstock and biomaterials, but also to produce climate neutral bioenergy and absorb CO<sub>2</sub>.”

We do not believe that consultation on the strategy has a direct impact on consideration of the EU's NDC. However, recently a group of 14 European Environment Ministers called for both the inclusion of a net-zero 2050 target option, and also for the EU to increase the ambition of its 2030 NDC. This is against a backdrop of new renewable energy and energy efficiency goals that are reported to put Europe on track to more-than-meet its current NDC.

Consultation on the strategy will last for 12 weeks. Following this the Commission will publish a draft strategy in November, which may then take more than a year to finalise.

## Papers for your 20 July bag

Issue or event	Lead	Further information
Advice on the fixed price option in the NZ ETS	MfE/Tsy	Joint briefing with the Treasury on the NZ ETS fixed price option
Timing of key agricultural decisions	MfE/MPI	Explanation of the timing of key agricultural decisions and their overlap with other key policy processes, such as the Zero Carbon Bill and NZ ETS Improvements. For discussion at 23 July meeting.

## Papers for your 27 July bag

Issue or event	Lead	Further information
Refrigerated Shipping Containers and the NZ ETS	MfE	Recommends a policy approach to addressing the application of NZ ETS costs to synthetic greenhouse gases that are used to service refrigerated shipping containers.

## 3. Cabinet material being prepared for you

Paper name	Committee	What this paper covers	Our suggested timeframes
NZ ETS Review Implementation – Release of Discussion Document	ENV	Seeks approval for the release of a discussion document on preferred options for changes to the NZ ETS	<b>Lodge</b> 26 July <b>ENV</b> 31 July <b>Cabinet</b> 6 August
Forestry NZ ETS – Release of Discussion Document	ENV	Jointly with MPI, seeks approval for the release of a discussion document on changes to forestry regime within the NZ ETS	<b>Lodge</b> 26 July <b>ENV</b> 31 July <b>Cabinet</b> 6 August
NZ ETS: Report back from consultation on proposed NZ ETS forestry regulation updates for 2018	ENV	This paper summarises consultation feedback and seeks approval to issue drafting instructions	<b>Lodge</b> 6 Sept <b>ENV</b> 11 Sept <b>Cabinet</b> 17 Sept

## 4. OIA requests

### 4.1. Ministerial\*

Request	Correspondent	Organisation	Reference	Drafting agency	Due at your office/current status	Date due to send
<p>I am requesting the following reports, briefings, memos or aide memoires under the Official Information Act:</p> <p>7 June - New Zealand's international forestry and land use accounting under its Paris Agreement climate change target</p> <p>1 June 2018 - Just transition – reflections from Bonn</p> <p>25 May - 18-B-04623 NZ ETS discussion topic: auctioning and price ceiling</p> <p>25 May - Proposed approach to managing communications on potential net zero 2050 targets</p> <p>16 May - National Climate Change Risk Assessment Budget Bid</p>	s 9(2)(a)	National Party	18-O-01341	MfE	Tue, 10 Jul	Tue, 17 Jul

[COMMERCIAL IN-CONFIDENCE]

#### 4.2. Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Date due to send
Any excel files received from NZIER in relation to economic modelling of climate change policy.	§ 9(2)(a)	National Party	18-D-01457	Thu, 26 Jul
1. Claim: It is extremely likely that humans are the dominant cause of recent warming 2. Claim: "Each year, we are seeing more and more extreme weather events" 3. Claim: "Seas are rising"	§ 9(2)(a)	Spinletop Law	18-D-01486	Tue, 31 Jul

[COMMERCIAL IN-CONFIDENCE]

## Weekly update - Minister for Climate Change

Finalised on 20 July for the week commencing 23 July

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**Date:** 23 July  
**Time:** 1.45 - 3.00 pm  
**Location:** Office of the Minister for Climate Change

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**Attendees:** Hon James Shaw, Minister for Climate Change  
Vicky Robertson, Chief Executive  
Cheryl Barnes, Deputy Secretary, Water and Climate Change  
Janine Smith, Acting Director, Climate Change  
Bridget Fraser, Manager, Climate Change Policy  
Craig Salmon, Manager, Climate Change Policy  
For item 3: Mark Storey, Manager, Climate Change Policy  
Ngaio Neumegen, Senior Analyst, Climate Change Policy  
Charlotte Denny, Director, Ministry for Primary Industries  
Phil Wiles, Manager, Ministry for Primary Industries  
Dan Zwartz, Senior Analyst, Climate Change Analysis

	Agenda	Lead	Time
1	Context and key decisions <ul style="list-style-type: none"><li>Lodging of NZ ETS Cabinet papers</li><li>NZ ETS consultation plan</li></ul>	Janine Smith	15
2	Zero Carbon Bill: <ul style="list-style-type: none"><li>Key themes emerging from submissions</li><li>Week ahead</li></ul>	Bridget Fraser	10
3	Agriculture work programme	Mark Storey	50

## Actions from the previous meeting

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Officials to provide an updated overview of all work programmes and options for possible timeframes on ZCB/NZ ETS to the office (for discussion at 1 August officials meeting)

## Upcoming meetings 23 July – 03 August

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<b>Mon 23 July</b>	Meeting with Pasifika community re climate change MOF re climate change MfE officials meeting MFAT officials meeting
<b>Tues 24 July</b>	Meridian Board meeting Meeting with Trustpower re climate change Meeting with Todd Muller
<b>Wed 25 - Sat 28 July</b>	Travel to Suva, Fiji, for Climate Action Pacific Partnership Conference
<b>Sun 29 July</b>	Festival for the future
<b>Mon 30 July</b>	Meeting with Auckland Smart Seeds Challenge Team re Project: Coastline and the Changing Climate MFAT Officials
<b>Tues 31 July</b>	Meeting with NZ Major Events (MBIE) re Formula E ENV Cabinet Committee meeting (ETS and forestry papers)
<b>Wed 1 August</b>	Meeting with EKOS re Nature Carbon & Zero Carbon Now Three Waters meeting MfE officials meeting Regular meeting with Clayton Mitchell regarding the Climate Change Portfolio
<b>Thurs 2 August</b>	Forestry Ministers Meeting Tripartite Forum Meeting with Westpac Chief Economist - Dominick Stephens (tbc) Meeting with the Major Electricity Users' Group (MEUG) re Productivity Commission draft report and Interim Climate Change Commission (tbc) Dinner with Ambassador of Cuba
<b>Friday 3 August</b>	SPEECH: Forest & Bird Climate Action Group

## 1. Key decisions for you to make this week

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- a) Lodge NZ ETS Cabinet paper by 10am Thursday 26<sup>th</sup>
- b) Lodge NZ ETS forestry Cabinet paper by 10am Thursday 26<sup>th</sup>

## 2. Material for you to be aware of this week

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### Domestic

#### 2.1 Zero Carbon Bill submissions

An overview of submissions, at the time of report finalisation, are on the last two pages of this update.

#### 2.2 Biological Emissions Reference Group – progress and timelines

The BERG had been aiming to release a report in July 2018 summarising the findings from research it had commissioned. The aim was to coincide the release with consultation on the ZCB. However, due to delays with finalising research, we now expect the report to be launched (by you) on 6 September 2018. You will be provided with a copy of the report in advance of the launch. All BERG members support delaying the release of the report. MPI prepared a full briefing on the BERG to Minister O'Connor on 13 July. We expect this will be forwarded to you in due course.

#### 2.3 The Coastal Hazards and Climate Change guidance roadshow

The Coastal Hazards and Climate Change guidance roadshow, consisting of workshops and evening meetings held at various locations around the country, is currently underway. The roadshow kicked off in Hamilton on 17 July, and will run through July, August and September.

### International

#### 2.4 The UK National Infrastructure Assessment

The first National Infrastructure Assessment has recently been published by the UK National Infrastructure Commission. The Commission was established in 2015 and is an independent executive agency of The Treasury.

Of the recommendations made by them, those of most relevance to your Climate Change portfolio are:

- low cost, low carbon - that half of the UK's power be provided by renewables by 2030;
- revolutionising road transport - preparing for 100 per cent electric vehicle sales by 2030; and
- reducing the risks of drought and flooding – ensuring resilience to extreme drought, and producing a national standard of flood resilience for all communities by 2050.

The report can be found at this link: <https://www.nic.org.uk/publications/national-infrastructure-assessment-2018/>

We know that the UK national circumstances and emissions profile are very different from New Zealand's. However, the long term, cross-sectoral approach taken by the Commission will be of interest

to officials in our work in the Transition Hub, the Just Transitions work and the climate change adaptation work, both in the Zero Carbon Bill and in response to the CCATWG reports.

## 2.5 Global Compact for Safe, Orderly and Regular Migration

On 13 July, the UN concluded negotiations on the Global Compact for Safe, Orderly and Regular Migration with an “in principle” agreement likely to be adopted formally in December in Marrakesh, Morocco. The Compact is the first international framework for managing migration. Although it is not perfect, most view it as the best possible compromise on an increasingly divisive and controversial issue.

With language initially proposed by New Zealand, and in a first for an inter-governmentally agreed document, the Compact recognises the need for states to develop and strengthen solutions for migrants compelled to leave their countries of origin due to the effects of climate change. Other references to climate change relate to understanding climate-related migration, and eliminating adverse drivers of migration via climate change mitigation, adaptation and resilience strategies.

## 2.6 EU and China release a Climate and Clean Energy Statement

Chinese President Li Keqiang and European Commission President Jean-Claude Juncker released a Leaders’ Statement on Climate and Clean Energy in Beijing on 16 July. The sole standalone annex to the Joint Statement on the EU-China 20th Summit, it places climate change and energy cooperation as a “main pillar” of the bilateral partnership and includes:

- Agreement to release long-term low carbon development strategies by 2020
- Triangular cooperation with developing countries to increase their capacity to combat climate change and build clean energy
- A commitment to exchange knowledge on clean energy and explore the development of interconnecting networks
- The launch of a new bilateral cooperation project to facilitate the implementation and development of emissions trading systems
- Agreement to launch expert dialogues on the deployment of low and zero emission vehicles.

The Statement underscores the importance of multilateral rules, including on trade and investment, and traverses the waterfront of UNFCCC negotiating issues in ambitious but careful terms.

## 2.8 EU and Japan trade deal includes climate change provision

The EU-Japan Economic Partnership Agreement includes a short paragraph in the Trade and Sustainable Development chapter specifically addressing climate change, reportedly the first FTA to do so. After referencing the UNFCCC and the Paris Agreement, the Parties agree to cooperate to promote the positive contribution of trade to the transition to low greenhouse gas emissions and climate-resilient development. They also commit to working together to address climate change towards achieving the UNFCCC and Paris objectives.

## Other

### 2.7 Climate Change Private Secretary Role

We are still working through the shortlist to ensure that we have appropriate candidates that meet your requirements. We have identified that we will need an extra few days to work through this list. This means we are planning to send the information to your office on Wednesday 25 July, rather than this week. You will receive this in the form of a memo, with supporting applications from the shortlisted applicants.

### 3 Upcoming briefings

#### Papers for your 03 August bag

Issue or event	Lead	Further information
Refrigerated Shipping Containers and the NZ ETS	MfE	Recommends a policy approach to addressing the application of NZ ETS costs to synthetic greenhouse gases that are used to service refrigerated shipping containers.

### 4 Cabinet material we have been consulted on

Paper name	Agency	Committee	Our advice on the paper
Pacific Realm, Policy Framework	Ministry of Foreign Affairs and Trade	External Relations and Security Committee (ERS)	The paper proposes a policy framework to guide New Zealand's engagement with the Pacific countries of the Realm of New Zealand (Cook Islands, Niue and Tokelau). The framework will help to build recognition and understanding of the constitutional obligations we have towards the Pacific Realm countries and to re-energise our relationships with them.

### 5 Cabinet material being prepared for you

Paper name	Committee	What this paper covers	Our suggested timeframes
NZ ETS Review Implementation – Release of Discussion Document	ENV	Seeks approval for the release of a discussion document on preferred options for changes to the NZ ETS	<b>Lodge</b> 26 July <b>ENV</b> 31 July <b>Cabinet</b> 6 August
Forestry NZ ETS – Release of Discussion Document	ENV	Jointly with MPI, seeks approval for the release of a discussion document on changes to forestry regime within the NZ ETS	<b>Lodge</b> 26 July <b>ENV</b> 31 July <b>Cabinet</b> 6 August
NZ ETS: Report back from consultation on proposed NZ ETS forestry regulation updates for 2018	ENV	This paper summarises consultation feedback and seeks approval to issue drafting instructions	<b>Lodge</b> 6 Sept <b>ENV</b> 11 Sept <b>Cabinet</b> 17 Sept
Climate change: NZ's international leadership	ERS or ENV (TBC)	Presents NZ's international leadership programme, knitting together UN/rules, trade and competitiveness, and Pacific resilience objectives.	<b>Lodge</b> mid Sept (TBC) <b>ERS or ENV</b> mid Sept(TBC) <b>Cabinet</b> end Sept(TBC)
Kyoto Protocol units: next steps ( <i>working title</i> )	ENV	Seeks approval of next steps with respect to the Government's stock of Kyoto Protocol units	<b>TBC</b>

## 6 OIA requests

### 6.1 Ministerial\*

Request	Correspondent	Organisation	Reference	Drafting agency	Due at your office/current status	Date due to send
All reports, memorandums, papers , documents, advice, correspondence, notes, emails, and other official information, written, reviewed or considered by Minister Shaw or his office since 1 January 2018, in relation to the economic cost of emissions reduction targets.	s 9(2)(a)	National Party	18-O-00946	MfE	Additional material will be sent by end of July	End of July
"Under the Official Information Act I request a copy of all information and communications the Minister has received regarding the Northland Climate Change Action event on 6 June 2018. I would expect this to include the talking points for the event as well as any other communications between you and your office and any other ministerial office or any government department, all advice, pre-meeting material, minutes, post-meeting communications, reports, briefing notes, emails, texts, meeting notes, and summaries of telephone conversations which fall within the scope of my request."	s 9(2)(a)	National Party	18-O-01530	MfE	Thu, 26 Jul	Mon, 30 Jul

## 6.2 Ministry for the Environment OIAs

Request	Correspondent	Organisation	Reference	Date due to send
Any excel files received from NZIER in relation to economic modelling of climate change policy.	§ 9(2)(a)	National Party	18-D-01457	Thu, 26 Jul
<p>1. Claim: It is extremely likely that humans are the dominant cause of recent warming</p> <p>2. Claim: "Each year, we are seeing more and more extreme weather events"</p> <p>3. Claim: "Seas are rising"</p>	§ 9(2)(a)	Spinletop Law	18-D-01486	Tue, 31 Jul
<p>"Please provide the various drafts of the Consultation paper "Ministry for the Environment. 2018. Our Climate Your Say: Consultation on the Zero Carbon Bill. Wellington: Ministry for the Environment."</p> <p>In addition I would like to know where the initial draft came from, any instructions to the Chief Executive, officials or draftspersons and discussions, notes of meetings and correspondence with external (to the department) parties (including other officials) in regards to its content. I am particularly interested to see information that rationalises the somewhat alarmist claims that have already been subject to the OIA (summarised below) and the information contained in an earlier document published by MfE known as: "Our atmosphere and climate 2017 DATA TO 2016" (attached) that is somewhat more measured in its analysis (see attached synthesis)."</p>	§ 9(2)(a)	Spinletop Law	18-D-01568	Fri, 3 Aug
<p>1. MfE defines climate change as a change of atmospheric concentration of a GHG.</p> <p>Given that the Carbon Zero Bill references stopping climate change as its purpose, what is the methodology MfE is using to assess if the atmospheric methane concentration from NZ agriculture is changing?</p> <p>No clear methodology has yet been made publicly available to show how inflow and outflow of methane is being accounted for. Without this information it is impossible to account for any warming impacts from methane.</p>	§ 9(2)(a)	Cranston Consulting	18-D-01571	Mon, 6 Aug
<p>Any official NZ weather and climate records or other official reports relied upon to make these statements in the Carbon Zero discussion document released by the Ministry for the Environment.</p> <p>Message from the Minister: New Zealand has always had dramatic weather. But the frequency and the severity of storms, coastal and river flooding, droughts, and wildfires are increasing.</p> <p>Executive summary: Each year, we are seeing more and more extreme weather events.</p> <p>And on page 15 these two statements: The world has already warmed about 1 degree C since 1900, and the increase in greenhouse gases is the main reason for this... We have suffered more frequent and severe weather events (floods droughts and wildfires)</p>	§ 9(2)(a)	Act Party	18-D-01573	Mon, 6 Aug

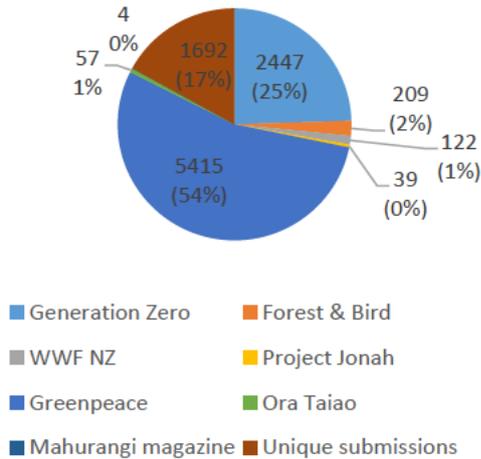
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Zero Carbon Bill Submissions - As at 3.30pm Wed 18 July

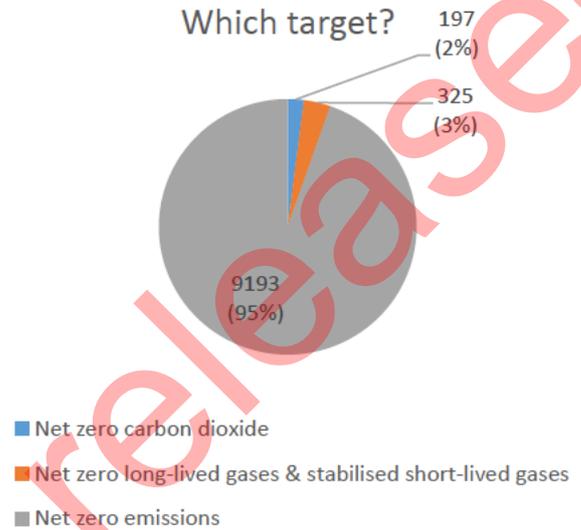
Number submissions received: 13,002 (10,664 full submissions, 2,002 online questionnaires, 356 public meeting questionnaires)

The rest of this document reflects the full submissions that have been processed so far.

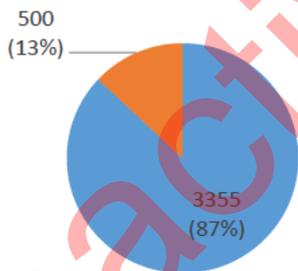
Types of submissions



Which target?

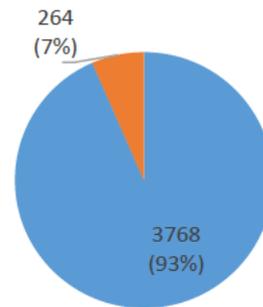


Role of Climate Change Commission re. NZ ETS



- advising the Government on policy settings in the NZETS
- makes decisions itself, in respect of the number of units available in the NZ ETS

Should the ZCB cover adapting to climate change?



- Yes
- No

## Highlights from key submissions

Target	Emissions budgets
<ul style="list-style-type: none"> <li>• Two-stage process to set target (PCE, Hawke’s Bay DHB, Auckland Regional Public Health Service, Orion, Generation Zero)</li> <li>• Negative long-lived + reduced stabilised short-lived adding up to net zero (Wellington City Council) or net zero overall with interim net zero long-lived and stabilised short-lived (IEGA)</li> <li>• Ability to use international units reduced over time to encourage innovation (Northland Regional Council)</li> <li>• Govt set price it would pay for international units &amp; NZ firms bid for the money</li> <li>• Target should be 2040, or earlier (NZ College of Public Health Medicine)</li> </ul>	<ul style="list-style-type: none"> <li>• Six-year budgets (PCE, Whakatāne District Council (to align with LTPs), NZ College of Public Health Medicine)</li> <li>• Set initial 2-year budget (NZ College of Public Health Medicine, Hawke’s Bay DHB)</li> <li>• Even 12 year lead time in announcing budgets could mean challenges for ensuring asset investment meets budget requirements (Kiwirail)</li> <li>• Consider other impacts on environment from emissions reduction (eg, wastewater treatment plant emissions reductions and water quality)</li> <li>• Consider health co-benefits, impacts on lower socio-economic households (Auckland Regional Public Health Service, NZ College of Public Health Medicine, VUWSA)</li> </ul>
Climate Change Commission	Adaptation
<ul style="list-style-type: none"> <li>• Local govt has expertise and experience in mitigation (not just adaptation) that could be drawn on by CCC (Greater Wellington)</li> <li>• CCC should provide regional emission profiles (Northland Regional Council) and guidance on land use change (Whakatāne District Council)</li> <li>• CCC should have mechanisms to hold govt to account (Orion, Hawke’s Bay DHB)</li> <li>• CCC could consider whether ETS is most appropriate scheme (Orion, Hawke’s Bay DHB)</li> <li>• Create larger pool of Commissioners who can be called in according to focus area (NZ College of Public Health Medicine)</li> <li>• CCC should have ability to create sub-committees (Auckland Regional Public Health Service)</li> <li>• Include public health expertise, among other suggestions (Generation Zero, VUWSA, Hawke’s Bay DHB, Auckland Regional Public Health Service, NZ College of Public Health Medicine)</li> </ul>	<ul style="list-style-type: none"> <li>• Local govt should be involved in adaptation functions (Wellington City Council, Northland Regional Council, Hawke’s Bay DHB, VUWSA)</li> <li>• National adaptation plan should be given effect through legislation, ie, a NPS (Greater Wellington)</li> <li>• Adaptation reporting power should avoid unnecessary bureaucracy, compliance costs, duplication (Greater Wellington, IEGA)</li> <li>• Use a staged approach to implement reporting power to allow organisations time to transition (Whakatāne District Council) or start with voluntary reporting then move to compulsory (NZ College of Public Health Medicine)</li> <li>• No adaptation reporting power now – may be beneficial in future but water sector doesn’t currently have expertise to understand and report adaptation risks consistently (Water NZ)</li> <li>• Include a health adaptation plan (NZ College of Public Health Medicine)</li> </ul>

## Weekly update - Minister for Climate Change

Finalised on 27 July for the week commencing 30 July

**Date:** 1 August  
**Time:** 3 - 5 pm  
**Location:** Office of the Minister for Climate Change

**Attendees:** Hon James Shaw, Minister for Climate Change  
 Vicky Robertson, Secretary for the Environment  
 Cheryl Barnes, Deputy Secretary, Water & Climate Change  
 Roger Lincoln, Director Climate Change  
 Janine Smith, Acting Director, Climate Change  
 Bridget Fraser, Manager, Climate Change Policy  
 Paul Alexander, Director, Transition Hub  
 For items 2 and 3: Mark Storey, Manager, Climate Change Policy  
 Craig Salmon, Manager, Climate Change Policy  
 Sue-Ellen Fenelon, Manager, Climate Change Policy  
 For item 4: Jo Gascoigne, Director Resource Management  
 Robert McClean, Manager, RMA Practice  
 For item 5: Jo Tyndall, Climate Change Ambassador

### Decisions / Actions this week

Monday 30 <sup>th</sup>	Tuesday 31 <sup>st</sup>	Wednesday 1 <sup>st</sup>	Thursday 2 <sup>nd</sup>	Friday 3 <sup>rd</sup>
	Cabinet ENV Committee meeting			

	Agenda	Lead	Time
1	Context	Cheryl Barnes	10
2	ZCB & ETS timeframes <ul style="list-style-type: none"> <li>Discuss timeframe options for the Zero Carbon Bill and Climate Change Response Act amendments.</li> </ul>	Bridget Fraser & Craig Salmon	45
3	Minister led discussion on landing zones for Zero Carbon Bill <ul style="list-style-type: none"> <li>Discuss table of decisions</li> </ul>	Janine Smith	45
4	RMA and Climate Change amendments <ul style="list-style-type: none"> <li>Discuss Minister's suggestions for RMA amendments and process for RM reforms</li> </ul>	Paul Alexander	10
5	Surplus Unit paper <ul style="list-style-type: none"> <li>Confirm summary of previous meeting and timeframes</li> </ul>	Janine Smith & Jo Tyndall	10

## Actions from the previous meeting

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- Provide options for your involvement in the launch of the NZ ETS stakeholder consultation
- Discuss the timing of MfE's work programme on various work streams (e.g. ZCB, ETS, agriculture) at the next officials meeting on Wednesday 1 August
- Provide advice on a combined work programme on agriculture and climate change ahead of your meeting with Minister O'Connor

## Upcoming meetings 30 July – 10 August

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<b>Mon 30 July</b>	Meeting with Auckland Smart Seeds Challenge Team re Project: Coastline and the Changing Climate
<b>Tues 31 July</b>	Meeting with NZ Major Events (MBIE) re Formula E ENV Committee (NZ ETS and forestry papers) Meeting with Minister O'Connor (clarifying responsibilities on Agriculture and Climate Change)
<b>Wed 1 August</b>	Todd Muller Meeting with EKOS re Nature Carbon & Zero Carbon Now MFAT Officials meeting MfE Officials meeting Meeting with Clayton Mitchell
<b>Thurs 2 August</b>	Forestry Ministers Meeting Tripartite Forum Meeting with Westpac Chief Economist - Dominick Stephens Generation Zero interschool submission on the Zero Carbon Bill Farewell function for Sir Peter Gluckman Dinner with Ambassador of Cuba
<b>Fri 3 August</b>	National Iwi Chairs Forum
<b>Mon 6 August</b>	MfE Officials meeting MFAT Officials meeting Emily Fletcher (tbc)
<b>Wed 8 August</b>	Meeting with Todd Muller BP meeting
<b>Thurs 9 August</b>	Meeting with the Board of the Fertiliser Association
<b>Fri 10 August</b>	Meeting with Environmental NGOs (tbc)

# 1. Material for you to be aware of this week

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## Domestic

### 2.1 Zero Carbon Bill submissions

An overview of submissions processed by 26 July 2018 is attached.

### 2.2 McGuinness Institute releases working paper arguing that New Zealand is not 'walking the talk' on public and private climate change reporting

The McGuinness Institute has released a working paper that is critical of the current state of public and private climate change reporting in New Zealand, titled *Analysis of Climate Change Reporting in the Public and Private Sectors*. This report is important because it provides clear evidence on the current state of climate change reporting in New Zealand that we will use to develop further policy in this area. It also raises relevant and challenging questions about the best way to proceed.

The report is part of a wider McGuinness Institute project, Reporting NZ, which aims to contribute to the discussion on how to build an informed society. This report was also attached to their submission on the Zero Carbon Bill, and was covered by the NZ Herald on Friday last week. We fed into the scope of this working paper to ensure that it helped to inform further policy development in this area.

The purpose of this report was to analyse 384 significant organisations operating in New Zealand across the public and private sectors in order to learn more about the types and quality of climate change information they disclose in their annual reports (or financial statements if their annual reports were not available).

In summary, the findings of the report were:

- annual reports are not easily available in the public arena
- climate change information was not easy to find in the annual report
- many annual reports only disclose a small amount of climate change information
- even the small amount of climate change information found was generally ad hoc, referred to by Wendy McGuinness as 'green fuzzy' initiatives rather than concrete risks, metrics and plans
- nearly all climate change information, other than costs, was not disclosed in the financial statements (meaning the information was not audited)
- the information on costs was predominantly related to the costs associated with NZUs, rather than other costs related to physical, transition or liability risks.

Only 40 of the 384 organisations recognised the risks of climate change, while six of 384 organisations reported on all three categories of climate change information defined by the McGuinness Institute (risks, metrics and targets, and plans to manage the risks). The report argues that this means that 'the board members of 344 of New Zealand's significant organisations either (i) made a decision not to publicly inform their investors and other interested parties about the impact climate change may have on their organisation's operations or goals (i.e. they were not being transparent), or (ii) did not discuss the risk of climate change at their board table (i.e. they were not meeting their governance obligations and responsibilities to explore risks).'

A separate upcoming report, *Report 17 – Building a Reporting Framework Fit for Purpose*, is also part of the ReportingNZ project. The McGuinness Institute is planning a public release of this document on 1 August 2018 after two years of work on it. We expect this report to be critical of the current reporting framework. This will likely raise questions about the impacts of adding a

climate change reporting obligation onto a reporting framework which is already problematic. We will monitor any such feedback.

We are working with MBIE on a joint briefing to yourself and Hon Kris Faafoi on climate change reporting, which we plan to send to your office early in August. We are working through the alignment of our initial work with MBIE on climate change reporting with the Government's upcoming response to the Climate Change Adaptation Technical Working Group's recommendations report, the response to the Productivity Commission's final report, and work on the adaptation reporting power consulted on as part of the Zero Carbon Bill. This report by the McGuinness Institute is useful as it will form part of our evidence base, however it also raises further questions about the extent to which public and private sector climate change reporting should be aligned and consistent. We will work through these issues as part of our work on climate change reporting.

### 2.3 Carbon price used for setting synthetic greenhouse gas levy rates

You noted in 2018-B-04721 that the carbon price used to update synthetic greenhouse gas (SGG) levies for 2019 is different from the current market rate for emission units and sought further explanation.

The price of carbon used to set these levies is the average of emission unit prices over the preceding financial year (July to June). A Cabinet decision in 2013 on this methodology considered two other time periods, being a six monthly average or an end of year spot price. The annual average was preferred as it evens out the peaks and troughs of the price of emission units, minimises administrative costs to the agencies who implement the policy, being the NZ Customs Service and the NZ Transport Agency, and provides cost certainty to SGG levy payers.

The difference in the SGG levy carbon price and the current market rate of emission units is the result of using a historical averaging methodology when the market rate has been mostly increasing. A similar result will occur if market rates generally decrease.

## International

### 2.4 Mexico's new climate and ETS laws

Mexico has just gazetted new climate change legislation, aligned to its obligations under the Paris Agreement and its NDC. Mexico has also passed a new law providing for implementation of an emissions trading scheme. A pilot phase of the Mexico ETS will commence in January 2019 and the full scheme will come into force from 2022. This will require a 31% emissions reduction relative to BAU from the electricity sector by 2030 and is thus set to provide fresh impetus to renewables development in Mexico, including geothermal. In developing the new laws, Mexico took into account possibilities for future ETS linkages and development of international carbon markets. We expect the formal commitment to launch of an ETS to lead to further engagement with Mexico on policy and technical issues around ETS development and management. Within the Mexican system there is recognition of the special expertise New Zealand can offer in respect of geothermal energy and agricultural emissions. Minister Parker will travel to Mexico next week, where his discussions will include discussion with the electricity industry regulator regarding current and potential future cooperation in the sector, in particular in geothermal. The New Zealand Embassy in Mexico City is following up to find out more about how agriculture is treated under these laws (including whether there is a sector-specific emissions reduction goal and if agriculture is included in the ETS).

## 2.5 Japan energy policy update

The Japanese government approved its fifth long-term energy plan in early July. The latest version of the 'Basic Energy Plan', which the government is mandated to issue every three to four years, outlines how Japan plans to achieve its energy and electricity supply targets for 2030. This will require a major expansion of both renewable and nuclear generation from existing levels. The plan also presents the government's thinking on the challenges of transitioning to a low-carbon energy system out to 2050. s6(a)



## 2. Upcoming briefings

### Papers for your 03 August bag

Issue or event	Lead	Further information
Key Points from NZ Emissions Trading Scheme Annual Reports Being Published	MfE	Provides key information on the content of three annual NZ ETS publications that will be published on the Environmental Protection Authority website on Thursday 9 August 2018: NZ ETS Fact and Figures, Emissions Trading Scheme Report, and the Synthetic Greenhouse Gas Levy Report.

### Papers for your 10 August bag

Issue or event	Lead	Further information
Climate change financial reporting (Joint paper also being provided to Hon Kris Faafoi)	MBIE	Provides an update on the process for providing advice on climate change financial reporting in New Zealand. The key issues covered are how we plan to ensure that advice in this area is aligned with the various responses that the Government is planning, including responses to the Productivity Commission's final report and the Climate Change Adaptation Technical Working Group's recommendations report. We also outline the other relevant context including the recent report released by the McGuinness Institute and work on the adaptation reporting power.

### 3. Cabinet material being prepared for you

Paper name	Committee	What this paper covers	Our suggested timeframes
NZ ETS: Report back from consultation on proposed NZ ETS forestry regulation updates for 2018	ENV	This paper summarises consultation feedback and seeks approval to issue drafting instructions	<b>Lodge</b> 6 Sept <b>ENV</b> 11 Sept <b>Cabinet</b> 17 Sept
Climate change: NZ's international leadership	ERS or ENV (tbc)	Presents NZ's international leadership programme, knitting together UN/rules, trade and competitiveness, and Pacific resilience objectives	<b>Lodge</b> mid Sept (TBC) <b>ERS or ENV</b> mid Sept (TBC) <b>Cabinet</b> end Sept (TBC)

### 4. Cabinet material we have been consulted on

Paper name	Agency	Committee	Our advice on the paper
Approval to ratify the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer	MfE	<b>Due to DEV Committee:</b> 8 August <b>Due to Cabinet:</b> 13 August	Paper led by Hon Parker that seeks Cabinet's agreement to ratify the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer in October 2019. To achieve this, the paper seeks agreement to undertake parliamentary treaty examination and draft proposed amendments to the Ozone Layer Protection Regulations required to implement the Amendment.

## 5. OIA requests

### a. Ministerial

Request	Correspondent	Organisation	Reference	Drafting agency	Due at your office/current status	Date due to send
All reports, memorandums, papers, documents, advice, correspondence, notes, emails, and other official information, written, reviewed or considered by Minister Shaw or his office since 1 January 2018, in relation to the economic cost of emissions reduction targets.	s 9(2)(a)	National Party	18-O-00946	MfE	Fri, 6 Jul	This OIA was responded to, but supporting material is due with the requestor before the end of July
"Under the Official Information Act I request a copy of all information and communications the Minister has received regarding the Northland Climate Change Action event on 6 June 2018. I would expect this to include the talking points for the event as well as any other communications between you and your office and any other ministerial office or any government department, all advice, pre-meeting material, minutes, post-meeting communications, reports, briefing notes, emails, texts, meeting notes, and summaries of telephone conversations which fall within the scope of my request."	s 9(2)(a)	National Party	18-O-01530	MfE	Thu, 26 Jul	Mon, 30 Jul
<p>1. Do you agree that the 75-90 year Gleissberg Cycle, the 200-500 year Suess Cycle are accepted by climate scientists as valid?</p> <p>2. Do you agree with the graph I included in my letter showing consistent cycles of extreme warming and extreme cooling caused by variations in the orbit of the earth around the sun, interspersed with less extreme warming and cooling cycles over shorter periods?</p> <p>3. Do you agree that the planet is currently within one of those shorter periods?</p> <p>4. Do you agree that the current level of CO2 in the atmosphere amounts to only 0.04% (approximately 400 parts per million).</p> <p>5. Do you agree that a higher level of CO2 would be beneficial to the growth of crops, plants and trees?</p>	s 9(2)(a)	n/a	tba	MfE	Fri, 17 Aug	Thurs, 23 Aug

Request	Correspondent	Organisation	Reference	Drafting agency	Due at your office/current status	Date due to send
6. Can you tell me the approximate total sum in millions which has been levied on consumers of fuel (3c/litre) and electricity (1c/unit) to enable suppliers to purchase carbon credits, since 1st July 2010? 7. What effect have these levies had on the climate? 8. Can you confirm that millions of New Zealand dollars were spent by certain suppliers to purchase cheap carbon credits from the Ukraine?						

Proactively released

**b. Ministry for the Environment OIAs**

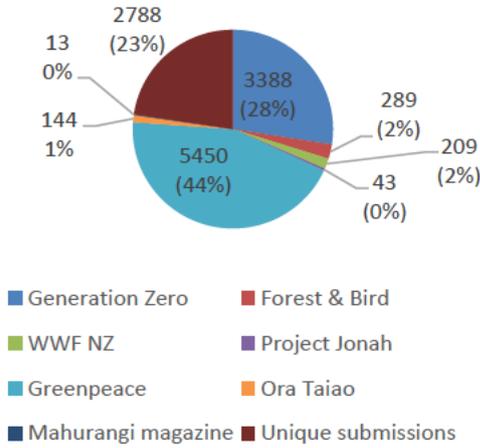
Request	Correspondent	Organisation	Reference	Date due to send
Any excel files received from NZIER in relation to economic modelling of climate change policy.	§ 9(2)(a)	National Party	18-D-01457	Thu, 9 Aug
1. Claim: It is extremely likely that humans are the dominant cause of recent warming 2. Claim: "Each year, we are seeing more and more extreme weather events" 3. Claim: "Seas are rising"	§ 9(2)(a)	Spinletp Law	18-D-01486	Tue, 31 Jul
"Please provide the various drafts of the Consultation paper "Ministry for the Environment. 2018. Our Climate Your Say: Consultation on the Zero Carbon Bill. Wellington: Ministry for the Environment."  In addition I would like to know where the initial draft came from, any instructions to the Chief Executive, officials or draftspersons and discussions, notes of meetings and correspondence with external (to the department) parties (including other officials) in regards to its content. I am particularly interested to see information that rationalises the somewhat alarmist claims that have already been subject to the OIA (summarised below) and the information contained in an earlier document published by MfE known as: "Our atmosphere and climate 2017 DATA TO 2016" (attached) that is somewhat more measured in its analysis (see attached synthesis)."	§ 9(2)(a)	Spinletp Law	18-D-01568	Fri, 3 Aug
Any official NZ weather and climate records or other official reports relied upon to make these statements in the Carbon Zero discussion document released by the Ministry for the Environment.  Message from the Minister: New Zealand has always had dramatic weather. But the frequency and the severity of storms, coastal and river flooding, droughts, and wildfires are increasing.  Executive summary: Each year, we are seeing more and more extreme weather events.  And on page 15 these two statements: The world has already warmed about 1 degree C since 1900, and the increase in greenhouse gases is the main reason for this... We have suffered more frequent and severe weather events (floods droughts and wildfires)	§ 9(2)(a)	Act Party	18-D-01573	Mon, 6 Aug
With regard to the recent group of 60 companies that committed to tackling climate change. What requests have you had from these companies and their advocates such as PEPANZ: Petroleum Exploration and Production NZ, questioning the climate science and the evidence that is currently being used to form different government decisions and legislation?	§ 9(2)(a)	RNZ	18-D-01604	Thu, 16 Aug

## Zero Carbon Bill Submissions - As at Thursday 26 July

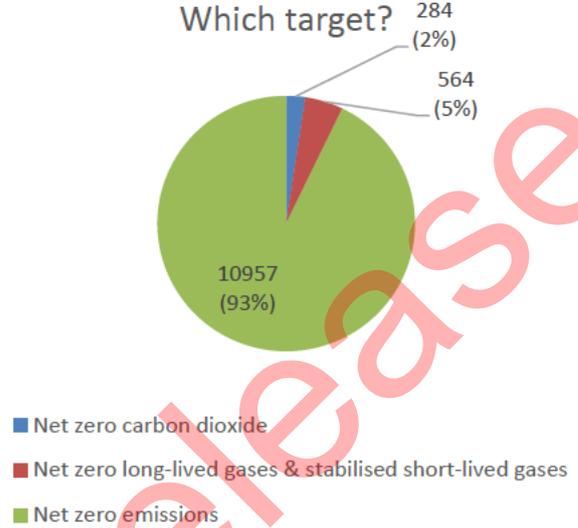
Number submissions received: 15,053 (12,523 full submissions, 2,161 online questionnaires, 369 public meeting questionnaires)

The rest of this document reflects the full submissions that have been processed so far.

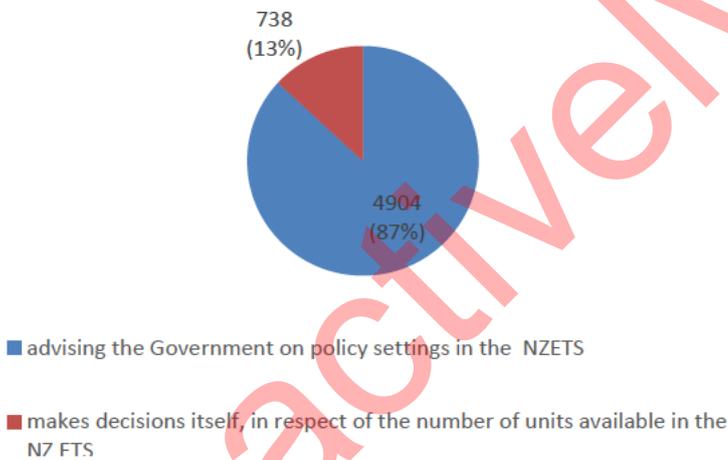
### Types of submissions



### Which target?



### Role of Climate Change Commission re. NZ ETS



### Should the ZCB cover adapting to climate change?

