

# Climate Change Chief Executives Board – Briefing to the incoming Minister

*February 2023*

*Secretariat to the Climate Change Chief Executives Board*



# You have been appointed as the Appropriate Minister for the Climate Change Chief Executives Board

- Your opportunity as the incoming Minister is to steer and prioritise the government's overall response to climate change, and ensure it supports wider government objectives including a high wage, low emissions and resilient economy while managing the impacts on the cost of living as policies are designed and implemented.
- Achieving New Zealand's emissions budgets will be challenging and will need both prioritisation to focus on the actions that can deliver the most abatement, as well as adaptive management to respond when our actions are not delivering the reductions assumed by the Emissions Reduction Plan (ERP).

## Near term priority focus areas for delivery of the current ERP are:

- The New Zealand Emissions Trading Scheme (including emissions leakage and forestry incentives), as the central pillar of our domestic climate change response
- Transport mode-shift
- He Waka Eke Noa, and making progress in reducing agricultural greenhouse gas emissions

## Priority focus areas for setting the direction of mitigation policy are:

- The Energy Strategy, including early decisions to help provide investment certainty, enhance the resilience the energy sector, and support access to affordable energy
- Developing ERP2 (2026 to 2030) as this will set the direction for our domestic response out to 2050

- Reporting on the national adaptation plan (NAP) will also be formally brought within the scope of the Board in the coming months. Implementing the NAP and building resilience is critical: the West Coast (Buller), Tasman (Nelson), Tairāwhiti, Northland, Auckland, Coromandel and Waikato are all currently in recovery from climate-related impacts. We will provide you with further advice on how work across the NAP is prioritised and undertaken, with an initial view provided later in this briefing.
- Decisions on the strategy for our Nationally Determined Contribution (under the Paris Agreement) are also expected this year, which will need to strike the balance between domestic action and offshore mitigation.
- **We recommend you meet with the Chair of the Board (Environment Secretary, Vicky Robertson) to discuss your priorities for the Board, and how you would like to work together.**

# This briefing provides an overview of the Climate Change Chief Executives Board to support you in your role

- It sets out the role of the Board, its membership, upcoming work programme and current priorities. It also provides advice from the Board secretariat on key priorities.

## *Role of Appropriate Minister:*

- As Appropriate Minister under the Act, you are responsible to Cabinet for the operation and performance of the Board.
- The chief executives of the Board are jointly responsible to you for the various functions of the Board.
- Previously, the Prime Minister set the priorities and work programme for the Board in consultation with the Climate Change Response Ministers Group.

- The Minister of Climate Change also has related roles as Appropriation and Responsible Minister. These are detailed in Appendix A.

- Meeting Aotearoa New Zealand's current climate change commitments and preparing our economy for the low-emissions future is a major challenge, and requires concerted, ongoing work across government.

- The Board provides formalised governance and accountability to ensure successful delivery of the ERP and the NAP.

- It also provides collective advice to Ministers that prioritises action and presents trade-offs, and system-level implications, risks and opportunities.

- We know that addressing increases to the cost of living and the impacts of inflation across the economy is a priority for the government. The Board can help you deliver the government's climate change programme, while balancing impacts on households and firms.

# The Board provides advice to you and the Climate Change Response Ministerial Group



In December 2020, Cabinet established the Climate Response Ministerial Group (CRMG), which is responsible for cross-sector matters relevant to Aotearoa New Zealand's climate change response and is comprised of key Ministers responsible for delivery of the ERP and NAP.



To date, CRMG has comprised of Ministers holding the following portfolios:

- Climate Change (Deputy Chair)
- Finance
- Infrastructure
- Social Development and Employment
- Agriculture
- Environment
- Transport
- Building and Construction
- Māori Development
- Forestry
- Economic Development
- Earthquake Commission
- Energy and Resources
- Housing
- Foreign Affairs
- Local Government

(Additional portfolio Ministers have been invited to attend on a case-by-case basis, as topics required.)



CRMG typically meets monthly, or as needed, and since its inception was chaired by the Appropriate Minister (PM Ardern).



To date, agendas and coordination of papers for the CRMG has been managed between the offices of the Minister of Climate Change and PMO.



# The Board was established in July 2022, and is an Interdepartmental Executive Board, established under the Public Service Act 2020

- Interdepartmental Executive Boards have been established as a means of addressing complex policy issues that have impacts and policy levers that sit across a wide range of portfolio areas and cannot be solved by a single agency.
- The Board's position allows it to take a holistic approach to the climate change response, looking more broadly across agency work programmes for opportunities and potential to adapt the approach with combined actions.
- The Board's initial statement of intent will be presented to the House in February 2023, with early strategic intentions (ERP-focused, to be updated to include the NAP later in 2023) being:

- Build **cross-government understanding** and **strategic approach** that aligns with and combines the government's overall economic wellbeing strategy with its climate change response
- **Support Aotearoa New Zealand** to meet our first three emissions budgets by **coordinating an all-of-government approach to climate policy**, including:
  - **monitoring and reporting** against the ERP and emissions budgets
  - **providing adaptive management advice** to provide for any necessary 'course correction' and to seize new opportunities, including partnering with Māori and engagement more broadly with private sector, local government, and communities
  - **identifying barriers and opportunities** across the system or where a system-level response is needed **to enable action.**

# The Board is the overarching governance at officials level for climate mitigation and adaptation



In March 2022, on finalising the ERP, Cabinet agreed that the Board will:

- coordinate the implementation of cross-agency actions and strategies in the ERP;
- advise Ministers on progress against the sector sub-targets outlined in the plan, and coordinate the implementation of the ERP (including sector sub-targets) across portfolios;
- monitor and report on overall progress towards achieving the ERP (including sector sub-targets);
- advise on how to respond to results of monitoring and reporting, including how to manage ‘overs and unders’;
- publish monitoring reports on the plan, sub-targets, and implementation;
- undertake all existing functions of the Cabinet-mandated Climate Change Chief Executives Board.



Cabinet also agreed in August 2022 to bring the NAP into the scope of the Board, and once formalised (anticipated April 2023) then the Board will:

- be responsible for overseeing the overall implementation of the NAP, periodically assessing its sufficiency, reporting to the Prime Minister, and advising where course corrections are needed.



The Board and its secretariat will continue to engage with private sector, and with the Interim Committee for the Māori Climate Platform and local government, to better understand relevant risks and opportunities.



**The Board has been the mechanism through which collective ERP and NAP advice has been provided to Ministers.**

# Board membership is selected by the Public Service Commissioner



Current Board Members:



Vicky Robertson  
(Chairperson)

Te Hēkeretari mō te  
Taiao- Secretary for the  
Environment



Caralee McLeish

Te Hēkeretari mō Te Tai  
Ōhanga- Secretary to  
the Treasury



Penny Nelson

Te Tumu Whakarae mō  
Te Papa Atawhai-  
Director General  
Conservation



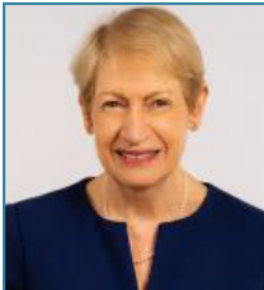
Ray Smith

Te Tumu Whakarae mō  
Manatū Ahu Matua-  
Director General of  
Primary Industries



Audrey Sonerson

Te Hēkeretari mō Te  
Manatū Waka - Secretary  
for Transport



Carolyn Tremain

Te Hēkeretari mō Hikina  
Whakatutuki- Secretary  
for Business, Innovation  
and Employment



The Board is supported by a secretariat of 10 FTE, housed at the Ministry for the Environment as servicing agency.  
Key secretariat contacts include:

Lisa Daniell	Chris Nees	Lewis Stevens
Executive Director	Deputy Executive Director	Manager
s9(2)(a)	s9(2)(a)	s9(2)(a)

# The core of the Board's work on the ERP is reporting on progress, and advising on any corrective action needed

- The ERP is the first statutory plan to require the government to act to reduce emissions right across the economy, and support all New Zealanders to make the most of the transition and seize the opportunity to lower the cost of living and improve living standards.
- The ERP contains 300 actions covering a wide range of work. The ERP has ambitious targets, and achieving Aotearoa New Zealand's emissions budgets will be challenging, requiring concerted effort across government as well as key industries and sectors.
- Identifying priority focus areas supports the Board's leadership of climate action and the coordination of resources across government. High-level reporting has been undertaken quarterly on nine priority focus areas in the ERP and is proposed to be six-monthly across the ERP as a whole.
- The current priority areas for quarterly reporting are:

- The Energy Strategy including the impacts of electricity market reform
- The New Zealand Emissions Trading Scheme
- Transport mode-shift
- He Waka Eke Noa
- Freight and supply chain resilience
- Centre for Climate Action on Agricultural Emissions
- Climate innovation platforms
- Nature-based solutions
- Overarching areas of focus for the second ERP in 2024, including areas of focus and lessons from the first ERP.



# There is potential for reprioritisation of ERP focus areas



There is potential to reduce the number of priority focus areas, and to consolidate the reporting of the Board. This would concentrate effort on a smaller number of priorities, and provide an opportunity for more strategic advice from the Board (e.g. current advice on prioritisation within the Climate Emergency Response Fund for Budget 2023).



The initial view of the secretariat is that the most critical areas for focus from the Board for the delivery of the ERP and setting the direction for future policy are:

Near term priorities for delivery of the current ERP are:

- The New Zealand Emissions Trading Scheme
- Transport mode-shift
- He Waka Eke Noa, and making progress in reducing agricultural greenhouse gas emissions

Priorities for setting the direction of climate policy are:

- The Energy Strategy, including early decisions to help provide investment certainty, enhance the resilience the energy sector, and support access to affordable energy
- Developing ERP2 (2026 to 2030)



There are also possible efficiencies in aligning ERP and NAP focus areas. This will be explored further and will be presented as part of our upcoming advice on reporting on NAP progress.

# Reporting on the NAP will formally become part of Board's work in April 2023

- The NAP sets out Aotearoa New Zealand's long-term strategy and the government-led strategies, policies and plans that will address climate risks. Actions in the plan are focused on recovery and response to climate events as well as building longer term resilience.
- Successful implementation of the NAP will equally require concerted action across government. This includes a focus on improving resilience through strategies across government (e.g. the Energy Strategy) as well as embedding improving resilience into our recovery work.
- Work is underway to determine the best way of reporting on the implementation of the actions in the NAP. This includes consideration of recommended areas of focus for the Board.

Our initial view is that Ministers and the Board could focus on the following areas as a priority:

- Access to the right data and information to take adaptation action
- Managed retreat
- Flood-resilient buildings and communities
- Strategic infrastructure

# The next quarter will see some significant deliverables for the Board



The Board's work programme for the coming quarter includes the following key milestones:

- **Priority monitoring and reporting on the ERP:** current reporting frequency sees delivery of quarterly updates on priority focus areas (see previous page) and the Board's first six-monthly report (due February) covering progress across the ERP as a whole.
- **Climate Emergency Relief Funding (CERF) Budget advice:** recommendations for Budget 23 priorities and strategic allocation of the CERF to support delivery of the ERP and NAP. While achieving emissions reductions and building climate resilience are primary considerations, foundational and innovative opportunities, energy equity/cost of living and wider wellbeing factors will also be assessed and integrated as part of this advice.
- **Statement of Intent:** confirmation and tabling of the Board's initial strategic intentions and performance indicators.
- **Integration of NAP reporting:** including priority areas (e.g. managed retreat, flood-resilient buildings and communities) and cadence of reporting.






There are a large number of ERP-related Cabinet papers proposed in the coming two quarters (see **Appendix B**) and the Board anticipates providing advice on how those could be consolidated/rationalised.



**We recommend you meet with the Chair of the Board (Environment Secretary, Vicky Robertson) to discuss your priorities for the Board, how you would like to work together, and the Board's more detailed work programme.**

# Appendix A: Role of the Minister of Climate Change

*The Minister of Climate Change has related roles as Appropriation and Responsible Minister:*

-  The Minister of Climate Change has statutory responsibility for setting and meeting emissions budgets, preparing and publishing emissions reduction plans and responding to the Climate Change Commission's monitoring reports under the Climate Change Response Act.
-  The Minister of Climate Change is the 'appropriation Minister' for the Board under the Public Finance Act 1989 (PFA). By extension of their role as 'appropriation' Minister', the Minister of Climate Change is also the 'responsible Minister' for the Board under the PFA.
-  The Minister of Climate Change is also responsible for a range of administrative tasks relating to reporting and accountability to the House for expenditure under the appropriation – including responding to the Estimates Committee.

