From: Wendy McGuinness Sent: Friday, 16 July 2021 8:27 am

To:

Subject: OIA 2021/13: New Zealand Reference Scenarios

Mōrena ,

The Institute is undertaking some research into New Zealand reference scenarios. To this end we wondered if you or your team could answer a few quick questions.

Background

Given our preliminary research, NIWA appears to be the designated government provider of climate scenarios (see links: <u>Climate change scenarios for New Zealand</u> and <u>Earlier New Zealand regional scenarios</u>). We note that NIWA has also prepared a 2018 report on the topic for MfE: <u>Climate Change Projections for New</u> <u>Zealand</u>. We understand MBIE has completed some work in this area, but this tends to be quite specific – for example, their 2019 report on <u>Electricity demand and generation scenarios</u>: <u>Scenario and results summary</u>. On Tuesday we attended an event where Karen Silk (Westpac) referred to a project where the banks were working with NIWA on climate projections, which further supported this view.

Our interest in New Zealand reference scenarios is two-fold. The Institute has been working on TCFD-based reporting (see for example our latest research on annual reports of NZSX-listed companies that publish TCFD-based information, Working Paper 2021/06, found <u>here</u>). We are interested in ensuring preparers have useful and relevant scenarios for assessing their business strategy and therefore their organisation's resilience. The 2017 TCFD recommendations can be found <u>here</u>, and the eleven disclosure requirements found in Figure 3 (p.14) are copied below – see the relevant disclosure in the second column Strategy (c). Secondly, we are interested in ensuring New Zealanders have the best scenarios possible to make decisions, this includes citizens, councils, iwi, departments and of course business. To this end, we have eight questions.

Questions

- 1. Is there any other major document (in addition to the website page noted above) on New Zealand's 2016 climate change scenarios?
- 2. What work is being done to update the 2016 climate change scenarios for New Zealand? Can you advise who is involved and whether the type of content will be similar to the 2016 scenarios?
- Do you consider, or would you consider, the 2016 scenarios 'New Zealand reference scenarios' (or equivalent)? Note: The Institute believes these are New Zealand's reference scenarios but we would like this clarified.
- 4. Do you know of another organisation being tasked with preparing the government's climate change reference scenarios for New Zealand?
- 5. As far as you are aware, is NIWA the designated preparer of climate change scenarios for New Zealand?
- 6. When is NIWA hoping to publish a new set of climate change scenarios for New Zealand (updating the 2016 scenarios)?
- 7. Can you advise if the type of work the banks have undertaken/are undertaking with NIWA (as per Karen Silks comment above), relates specifically to scenarios, or are more general in nature? If they do relate to scenarios, will this information be made public?

8. Would you be able to direct us to a report, paper or even provide an opinion on why New Zealand needs its own set of reference scenarios? Note: The Institute considers this is essential but it would be useful to have an expert explanation that provides or at least explores the pros and cons.

The Institute would like to do further work in this space, in particular, exploring what would make a set of New Zealand reference scenarios successful. If we do progress this work, would you or one of you staff be interested in joining us for a lunch discussion on the topic?

Thank you again for sharing your data on. We were delighted with the feedback we received from social media on the <u>Carbon dioxide concentration (data from Baring Head, Wellington)</u>.

Best wishes, Wendy

PS: Thank you also for providing your <u>climate maps</u>, we have found them very useful.

| Governance | Strategy | Risk Management | Metrics and Targets |
|--|---|--|--|
| Disclose the organization's governance around climate- related risks and opportunities. | Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material. | Disclose how the organization identifies, assesses, and manages climate-related risks. | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. |
| Recommended Disclosures | Recommended Disclosures | Recommended Disclosures | Recommended Disclosures |
| a) Describe the board's oversight of climate-related risks and opportunities. | a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. | a) Describe the organization's processes for identifying and assessing climate-related risks. | a) Disclose the metrics used by the organization to assess climate- related risks and opportunities in line with its strategy and risk management process. |
| b) Describe management's role in assessing and managing climate-related risks and opportunities. | b) Describe the impact of climate- related risks and opportunities on the organization's businesses, strategy, and financial planning. | b) Describe the organization's processes for managing climate-related risks. | b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks |
| | c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk | c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. |

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