



04 MAR 2024

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Dr Rod Carr  
Chair  
Climate Change Commission  
roderick.carr@climatecomission.govt.nz

Dear Rod

**2024/25 Letter of Expectations for the Climate Change Commission**

I am writing to outline my expectations for the Climate Change Commission (the Commission) for 2024/25. These expectations should assist with your work programme planning and development of your 2024/25 Statement of Performance Expectations.

The Government is committed to New Zealand's climate change targets as set out in the Climate Change Response Act 2002, and New Zealand's first Nationally Determined Contribution to the Paris Agreement. We will take action to deliver on these goals. The Government is also committed to preparing for, and adapting to, the effects of climate change.

As the Government works towards reducing debt and returning to surplus, ongoing prudent financial management by Crown entities will be critical. In addition to delivering on agreed budgets, boards must also focus on delivering better value for taxpayers' investment in their entities. It is a challenge to improve services while operating under budget constraints, but that is a challenge we all share. I look forward to your continued cooperation and participation as we work to improve quality and reduce expenditure across all of government.

Thank you for working with the Ministry for the Environment (the Ministry) on the Initial Baseline Exercise that forms the basis of Budget 2024. The Government is committed to reducing agricultural emissions and introducing fair and sustainable pricing of on-farm emissions by 2030. I note the funding allocated to the Commission by the previous government to support a possible function advising on agricultural emissions pricing. This funding will be returned to the centre from 2024/25 while further policy work is undertaken.

In addition, from 2025/26 the Commission's baseline funding will reduce by 7.5 percent. In the year ahead you will need to consider how to right size your work programme and manage cost pressures within the level of baseline funding that will be available. Consideration should be given to stopping or scaling low value (non-statutory) programmes and streamlining back-office and other functions such as consultation and engagement. I would also like to see the Commission continue to stabilise its workforce and reduce reliance on contractors and consultants where possible.

The Government will consider new investment (such as for a future agricultural emission pricing advisory function if agreed), but only where your entity can show a contribution to the delivery of Government priorities. The Commission will need to demonstrate a sound

understanding of its business to give Ministers informed choices about value for investment and any associated risks or trade-offs.

As Chair your role is to foster a culture of collaboration, accountability and strategic thinking among Board members, thereby ensuring good governance practices are upheld and steering the Commission toward its mission. The Board's ongoing commitment to good governance will allow the Commission to navigate complex challenges, operate with integrity, manage resources efficiently and deliver on its statutory responsibilities. You should oversee regular evaluation processes for the Board, individual members and your Chief Executive to ensure accountability is maintained, and areas for improvement are addressed.

The Board should continually assess the Commission's performance to ensure the delivery of strategic and operational objectives, and financial performance, are in line with expectations. Please keep me and the Ministry, as your monitoring department, up to date on your performance including challenges, opportunities and key risks. Please also continue providing meaningful performance information and measures in your accountability documents.

Please make sure you are operating under the 'no surprises' principle. Openness and transparency in all you do is important. The Commission should also uphold the ethos of the spirit of service as set out in the Public Service Act 2020.

The Government will focus equally on adaptation and mitigation. A national Climate Adaptation Framework will be developed, informed by a range of stakeholders and partners, that will guide and prepare us for future climate impacts. Please consider how the Commission's work could support the development of the Framework. I look forward to receiving your progress report on implementation of the 2022 National Adaptation Plan in August 2024, and to hearing of progress towards the development of New Zealand's second National Climate Change Risk Assessment due by 2026.

I note the request of the previous Minister of Climate Change for the Commission to provide advice on New Zealand's second Nationally Determined Contribution. I understand you are waiting for further direction before progressing this request. I will shortly be receiving advice from Ministry officials and the Ministry will update you and your executive team on next steps as soon as possible.

Please note that I do not require your Statement of Intent to be updated for 2024/25.

Thank you for your dedication to providing high quality independent advice to Government. I look forward to working with you and your entity during the term.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Simon Watts', with a long horizontal flourish extending to the right.

Hon Simon Watts  
**Minister of Climate Change**

cc Jo Hendy, Chief Executive, Climate Change Commission  
jo.hendy@climatecommisison.govt.nz