



Parliamentary Commissioner
for the **Environment**
Te Kaitiaki Taiao a Te Whare Pāremata

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Hon Grant Robertson
Minister of Finance
Parliament Buildings
Wellington

28 March 2018

Dear Grant

I am writing to you to request information regarding actions the Treasury may be undertaking in response to climate change issues highlighted in the environmental report *Our atmosphere and climate 2017*, published by the Ministry for the Environment and Statistics New Zealand under the Environmental Reporting Act 2015.

This request is made in relation to my role under this Act. As set out in Section 18, I have a broad role to comment on national state of the environment reports, which includes discussing implications of environmental reports and recommending responses to the findings contained within those reports.

Our atmosphere and climate 2017 contained information on the affects that climate change is having, and will increasingly have, on our environment and economy. The report notes:

“Climate-related changes to our oceans will continue for centuries and are threats to marine life, commercial and recreational fishing, Māori customary practices, and other cultural and recreational practices. Rising sea levels are threatening public and private coastal communities, infrastructure, cultural sites, and marine habitats. The decreasing volumes of our glaciers affect ecological and hydropower resources, and cultural and tourism activities.”

Specifically the report details the implications of sea-level rise for South Dunedin which I am sure you are aware of. I was heartened to note that the recent Treasury *Briefing for Incoming Ministers* highlighted the challenge climate change adaptation and mitigation poses to New Zealand.

In light of this, could you please provide an outline of the policies, work programme, and any other initiatives the Treasury may be working on to reduce New Zealand's greenhouse gas emissions and adapt to the impacts of climate change? In particular, could you please provide information on the following:

1. *What is The Treasury's strategic approach to dealing with the risks that climate change poses to New Zealand's built infrastructure? Is any work being done to estimate the cost of these risks?*

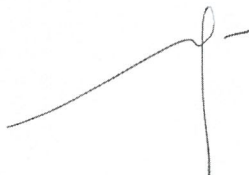
2. *What work has The Treasury done or is planning to do with other government agencies to address issues where greenhouse gas reductions require co-ordinated actions from multiple stakeholders?*

More specifically, I also note that The Treasury is currently reviewing the Reserve Bank Act. This includes the Bank's financial stability policy role. As you are no doubt aware climate risk disclosure is becoming an increasingly important issue for large institutional investors – both domestically and internationally. The Bank of England under Governor Mark Carney has taken a lead on looking at the risks climate change poses to financial stability as part of the Bank's prudential supervision role. In light of this, could you please answer the following questions:

3. *Could you please advise whether The Treasury views climate risks as being part of this review? And if not, please provide the reasoning for this decision.*
4. *Do you see forecasting climate risks as being within Treasury's mandate through your Statements on New Zealand's Long-Term Fiscal Position?*
5. *If Treasury does not have a mandate through Statements on New Zealand's Long-Term Fiscal Position, where does responsibility lie for oversight of the risks climate change poses to New Zealand's financial stability?*

I would also welcome a meeting to discuss these issues with you following the reception of a reply to this letter.

Yours sincerely

A handwritten signature in black ink, consisting of a long horizontal stroke followed by a vertical line and a small loop at the top.

Simon Upton
Parliamentary Commissioner for the Environment

CC: Hon Amy Adams; David Seymour, MP; Hon James Shaw;