



Climate Change Working Group

Project Scope

Approved June 2023

1. Introduction

In March 2023 (as part of its approval of the Policy Work Programme) the Board agreed that the TCF would collaborate on climate change scenario analysis, and explore the potential to work together on storytelling on how the telecommunications sector can help other sectors reduce emissions. The TCF team then engaged with sustainability and climate change experts across the membership to scope up how this work could be done.

This project scope proposes the establishment of a Climate Change Working Group (the Group) that will work together to:

- gather and share information on the impacts of climate change on the resilience of the telecommunications industry
- keep abreast of government proposals for climate change and related policy and make submissions as needed.

2. Issues

Climate change is having a huge impact on the resilience of the telecommunications industry. Most recently this has been demonstrated through the severe weather events in the North Island which affected our networks and infrastructure. Government, consumer and investor expectations on industry to reduce emissions and engage in climate change adaptation are growing. We are increasingly being called on to explain what we are doing in this area.

Some of our members also have legal obligations to report on climate change issues. The Financial Markets Conduct Act 2013 requires publicly listed companies with a market capitalisation of over \$60 million to do climate reporting in accordance with the [Aotearoa New Zealand Climate Standards](#). The standards require the preparation and disclosure of three possible climate scenarios: at 1.5 degrees Celsius, at 3 degrees Celsius or greater, and one other scenario.

Climate change scenarios are narratives about plausible futures that predict how climate change could affect the sector. They consider various combinations of climate-related risks (e.g. impacts of storms and shifts in temperature) and a range of economic, regulatory and social factors (e.g. emissions pricing, consumer preferences and shifts in energy costs). To provide an example, [the marine sector](#)

[has so far produced two scenarios](#), predicting the situation for the Māko and Kahawai fish stocks at the year 2050, based on increases in air and sea temperature.

Climate change scenarios are not just a requirement under the Financial Markets Conduct Act. They are also part of the risk assessments carried out by the Climate Change Commission under the Climate Change Response (Zero Carbon) Amendment Act 2019. They are a useful tool for anyone in the telecommunications industry wanting to be more resilient to climate change.

For the telecommunications industry to be able to adapt to climate change and increase its resilience to its effects we need to have good information about how it is affecting us now and what could happen in the future. This will have benefits for risk management, potentially reducing operating costs (for example by being able to locate infrastructure in less affected areas or knowing where to add diversity), and meeting the needs of stakeholders to understand the potential implications of climate change. These are issues that affect the industry as a whole so it makes sense to work together.

3. Scope

The work of the Group will be split into three parts.

- **Phase one (the discovery phase):** where Group members share and collate information about climate change impacts, identify additional information that is needed, cost out work on climate change scenarios, identify who could do the work, look for third party funding contributions, and make decisions about whether they want to be part of phase two and contribute to costs.
- **Phase two:** where the Group works together, with assistance from external experts, to map out climate change scenarios that show how climate change could affect the sector.
- **Submissions on government climate change and related policies:** this could occur during phase one or two. Members support each other to understand the implications of various proposals and make submissions on a case by case basis. For example, the Climate Change Commission is consulting on its advice on the next Emissions Reduction Plan, which is likely to include telco this time round. Making a submission on the Emissions Reduction Plan would also help us identify any shared positions and messages on climate change issues.

TCF members can join the Group for both phases, or just phase one. There will be a pause point at the end of phase one for members to decide if they want to be involved in phase two.

4. Deliverables

The deliverables for **phase one** are:

- An **information sharing workshop and report.** At the workshop members of the group would discuss what we already know about the impacts of climate change on the telecommunications industry, pool together existing information, and identify gaps. The TCF policy advisor would produce a summary report from the workshop.
- Some **initial scoping of three climate related scenarios**, ideally working with the Climate Change Commission to align these to the scenarios used in the next National Climate Change Risk Assessment. Initial thinking on the scenarios is to focus on physical adaptation climate change risk - the risks to the industry's physical networks and assets. These are issues we have in common, distinct from climate related supply chain risks which can be more varied and are more sensitive from a commercial perspective. We would want the scenarios to cover both:

- A future where early, ambitious mitigation has limited temperature change. This could include risks for the sector from rapid de-carbonisation, for example from regulatory interventions or a high carbon price.
- A future where insufficient early mitigation has led to significant risk requiring adaptation to rising temperatures. This might include risks to the sector from extreme weather events, sea-level rise and knock on impacts.
- **Identifying external expertise** (in areas such as climate science, data and mapping) that will be needed to do the work on the climate change scenarios, and what this will cost.
- **Seeking funding for the work**, from third parties and across the membership. This is discussed in more detail in the resources and funding section below. If this proves difficult, we may revert to the Board.

The deliverables for **phase two** would need to be discussed with providers doing the work. This phase would start by engaging the necessary external expertise, and the outcome would be three climate change scenarios that are ready for external consumption and for use in member businesses.

5. Proposed Timeline

The timeframe set out below is for phase one of the work, which is expected to be around six months. The timing for phase two would be worked through once funding was obtained and experts were engaged. It is estimated this could take a further six to 12 months depending on the scope that is agreed.

Date	Step	Completed
End of May 2023	Engagement with interested parties undertaken. Draft project scope complete.	<input checked="" type="checkbox"/>
8 June	Project scope sent to Board members	
15 June	TCF Board approval of project scope	
16 June	TCF membership invited to join the Group	
20 June	Submissions due on draft advice from Climate Change Commission on the next Emissions Reduction plan	

23 June	Initial membership of the Group is confirmed.	
End of June	Workshop to reach a shared understanding of the existing climate context and external environment, to ground the work on how future events might unfold.	
End of July	Make decisions about the expert work that needs to be contracted out (e.g. climate experts, data, mapping and facilitators), and the budget that is needed for this.	
Mid to late August	Funding requests made to third parties.	
Mid August	Summary report from the info sharing workshop is ready.	
October	<p>Third party funding contributions confirmed (this will depend on timing of government processes).</p> <p>Pause point for members to make decisions on whether they want to participate in the stage two work, and if they do what their funding contributions will be.</p> <p>Calls for expression of interest for the expert work go out.</p>	

6. Working Party Membership

All TCF members will be invited to join the Climate Change Working Group. Membership will be updated when we get to phase two and members make a decision on whether to carry on. The table below will be populated when membership is confirmed.

	Organisation	Name
Project Leader:	TCF	Kim Connolly-Stone (Policy Lead)
Working Group Members:	TCF	CEO
	XX	

7. Resource and Budget Requirements

The work of the Climate Change Working Group will be resourced as follows for **phase one**:

Policy lead time (3-4 hours per week, on average)	To write papers and submissions, and help organise the group.	From the Policy Lead's 20 hours per week
Working Group members contribute their time to:	Participate in the info sharing workshop and meetings of the Group Contribute to the information gathering process (and engage others in their organisations on this) Review and comment on draft papers Contribute to initial scoping of climate scenarios Engage with others in their organisations about membership and funding contributions for phase two.	As part of the day job

For those involved in **phase two** the resource requirements would change:

- The contributions of the Group members will also include engaging with external experts and stakeholders, reviewing and commenting on materials produced by experts, and being part of a review process when the work is complete.
- There would be a **financial contribution** towards the cost of climate scientists, data, and mapping. To provide a ballpark figure, we understand other industries have spent approximately \$100k to \$400k on this work. We hope that a significant portion of the costs can be shared with other parties, such as the Climate Change Commission (which also needs to do scenario analysis), or from one of the agencies holding the \$6 billion of resilience funds announced in the Budget. Working together will enable members to share the costs of climate expertise needed to help build resilience.

8. Recommendation

That the Board review and approve this project scope.