



**Joint Report: Project Hau Nuku - Draft Terms of Reference**

<b>Date:</b>	25 May 2023	<b>Report No:</b>	T2023/736 MBIE: 2223-3943
		<b>File Number:</b>	SE-2-10-2-2

**Action sought**

	<b>Action sought</b>	<b>Deadline</b>
<b>Minister of Finance</b> (Hon Grant Robertson)	<b>Agree</b> to the Terms of Reference <b>Agree</b> communications approach <b>Agree</b> a Ministerial spokesperson <b>Send</b> the attached letters to NIWA and MetService	7 June 2023
<b>Associate Minister of Finance</b> (Hon Dr Megan Woods)	<b>Note</b> the content of this report	7 June 2023
<b>Minister of Transport</b> (Hon Michael Wood)	<b>Note</b> the content of this report	7 June 2023
<b>Minister of Research, Science and Innovation</b> (Hon Dr Ayesha Verrall)	<b>Agree</b> to the Terms of Reference <b>Agree</b> communications approach <b>Agree</b> a Ministerial spokesperson	7 June 2023
<b>Minister for Emergency Management</b> (Hon Kieran McAnulty)	<b>Note</b> the content of this report	7 June 2023
<b>Minister for State Owned Enterprises</b> (Hon Dr Duncan Webb)	<b>Agree</b> to the Terms of Reference <b>Agree</b> communications approach <b>Agree</b> a Ministerial spokesperson	7 June 2023

**Contact for telephone discussion (if required)**

<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st Contact</b>
Hannah Berry	Graduate Analyst, Commercial and Institutional Performance	[39]	[35] ✓
Lars Piepke	Manager, Commercial and Institutional Performance		
Andrew McLoughlin	Principal, Research, Science & Innovation, Entity Performance & Investment		✓
Nicola Scott	Manager, Research, Science & Innovation, Entity Performance & Investment		

**Minister's Office actions (if required)**

**Return** the signed report to Treasury and the Ministry of Business, Innovation and Employment.  
**Minister of Finance's office: Send** the attached letters to NIWA and MetService

Note any feedback on the quality of the report

**Enclosure:** Yes

Annex 1: Letters to the Chair of MetService and the Chair of NIWA

Annex 2: [Project Hau Nuku Terms of Reference – Weather Forecasting Review](#)

# Joint Report: Project Hau Nuku - Draft Terms of Reference

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## Purpose of Report

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1. This report provides you with the draft Project Hau Nuku: Weather Forecasting System Review Terms of Reference (ToR) commissioned by the Minister of Finance, Minister of Transport, Minister of Research, Science and Innovation (RSI) and Minister for State Owned Enterprises (Ministers) [Treasury: T2023/124 and MBIE: 2223-2938 refer].
2. We seek your agreement to the ToR, our proposed communications approach, and the nomination of a Minister as spokesperson for the review.
3. We have also provided a draft letter (Annex 1) for Ministers' consideration to send to the respective Chairs of Meteorological Service of New Zealand (MetService) and the National Institute of Water and Atmospheric Research (NIWA). The letter provides an update on the progress of Project Hau Nuku, acknowledges the contributions from MetService and NIWA to this point, and expresses an expectation of their support to the reviewer and officials during the course of the review.

## Background

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4. In March 2023 Ministers agreed to Treasury and Ministry of Business, Innovation and Employment (MBIE) officials commissioning a review into the weather forecasting system [T2023/124 and MBIE 2223-2938 refer]. Officials have seen risks materialising from the current weather forecasting system arrangements in relation to MetService and NIWA. These risks include the loss of collaboration opportunities, duplication of capability and investments, and disconnection between research on climate change and the operation of weather forecasting in New Zealand. We have named the review Project Hau Nuku, which means "shifting winds".
5. We have discussed Project Hau Nuku with MetService, NIWA, and officials from the Ministry of Transport (MOT) and the National Emergency Management Agency (NEMA). All parties are supportive of the review and have provided input into development of the draft ToR.

## Content of the Terms of Reference

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6. As outlined in our previous advice the scope of the review will address the following questions:
  - What are the optimal arrangements in the weather forecasting system that will best position New Zealand to meet future weather-related challenges and impacts in the context of climate change?
  - What is the optimal structural configuration of MetService and NIWA to support this objective?
  - What are the optimal arrangements around access to weather data given the above?

7. This review will have regard to findings from previous reviews to avoid duplication. It will be future-focussed and outline options and recommendations for Ministers' consideration.
8. The Treasury and MBIE are leading the review, with MOT and NEMA consulting throughout the process. Officials have established a Steering Group with senior members from the Treasury, MBIE and MOT; and an Officials Working Group which also includes officials from NEMA.

### ***Feedback on Project Hau Nuku and the Terms of Reference***

#### *Ministers' Feedback*

9. In drafting the ToR, officials included the initial feedback from Ministers' which is summarised below:
  - Change in the current system is required. It is important to have a system with better coordination that avoids duplication. The review should look at the system more widely, and not assume that it is only improving the current model.
  - Access to data needs to be considered carefully. Due to climate change, it is likely that the public will be more reliant on weather data. We need to ensure that there are appropriate standards for the quality and use of data, particularly if there is to be increased access to data.
  - Getting the right reviewer with the right direction is critical.

#### *Officials' feedback (NEMA and MOT)*

10. NEMA and the MOT have been consulted on the ToR.
11. The MOT suggested including a mapping exercise of the current responsibilities of NIWA and MetService against legislative requirements and how they are currently funded. It also suggested the review consider the gap regarding space weather forecasting, which will be part of the future needs of the system.
12. The MOT also indicated that the Minister of Transport has specific responsibilities under the Meteorological Services Act 1990 for ensuring the provision of a meteorological warning service but does not have an ownership interest in NIWA or MetService. Accordingly, the Minister's involvement in the review should be as a key stakeholder rather than a decision-maker. The MOT will contribute to the review through its membership of the Steering Group which oversees the project.

#### *Feedback from MetService and NIWA*

13. MetService provided significant feedback on the strategic context of the ToR, based on their knowledge of the weather forecasting system, which we have considered. Additional feedback was focused on the following:
  - avoiding disruption for both entities, setting up boundaries and accountabilities.
  - including funding considerations.
  - access to data should be explored while considering commercial boundaries and mandates.
  - entities' ability to provide input into the selection of the reviewer.
14. Officials did not include the entirety of MetService's suggestions as some were either not aligned with the scope of the review or would be better considered once the review

findings are received. We do not consider it appropriate for MetService or NIWA to be able to influence the choice of reviewer.

15. NIWA suggested that the ToR include the importance of being inclusive of Māori needs, and more broadly including ways of engagement and channels for Māori in relation to weather forecasting information. We have included this in the ToR.
16. Both entities and officials are comfortable with the final draft ToR attached to this briefing. We have drafted a letter for Ministers to send to NIWA and MetService to be signed by the Minister of Finance as shareholding Minister of both companies outlining expectations in relation to their participation in the review.

## Project Hau Nuku Communications

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17. The Treasury and MBIE have produced a communications plan that outlines our recommended communications approach. As part of the communications plan, we are engaging with communications teams from each of the main parties involved (i.e. the Treasury, MBIE, MOT, MetService and NIWA).

### **Ministerial Spokesperson**

18. We have considered options for a Ministerial Spokesperson for the review. These are set out in table one below.

**Table One**

<b>Minister</b>	<b>Roles/Responsibilities</b>	<b>Comment</b>
Minister of Finance	Shareholder of both NIWA and MetService Minister for Cyclone Recovery	Not conflicted as shareholder in both entities. Subject to availability.
Associate Minister of Finance (Hon Dr Megan Woods)	Delegated day-to-day Minister of Finance's shareholding responsibilities for both NIWA and MetService	Not conflicted as has AMOF responsibilities for both MetService and NIWA.
Minister of Research, Science and Innovation	Shareholding Minister in NIWA	Conflicted, as shareholder of NIWA but not of MetService.
Minister for State Owned Enterprises	Shareholding Minister in MetService	Conflicted, as shareholder of MetService but not of NIWA.

19. On the basis of the above roles and responsibilities we recommended that the Minister of Finance is best positioned to be the spokesperson for Project Hau Nuku. If the Minister of Finance is not available, we recommend that the Associate Minister of Finance (Hon Dr Megan Woods) is best positioned to be the Ministerial spokesperson for the review.

### **Announcement Approach**

20. Officials expect a moderate level of public and media attention in respect of the review. There has been increasing interest in the weather forecasting system, largely owing to climate change and media coverage of the competitive environment in which NIWA and MetService are operating.
21. Most recently, two articles were published by the New Zealand Herald on Saturday 20 May 2023. These articles quoted answers to written questions put to both the Minister for State Owned Enterprises, Minister for Research, Science and Innovation and MetService in regard to recent weather events and New Zealand's weather forecasting

system. One of these answers highlighted that officials from the Treasury and MBIE will be providing advice to Ministers on the matter.

22. We recommend that the media approach is informative and transparent. We propose making the objectives, rationale and ToR publicly available, via a link on the Treasury and MBIE websites. The proposed process for the announcement is the following:
  - a) The Ministerial Spokesperson will make an announcement by way of Ministerial media release (or other form of announcement preferred by the Ministerial Spokesperson).
  - b) Once the review has been announced Ministerially a media advisory will be posted to the Treasury and MBIE websites and it will include a link to the Ministerial announcement and to the ToR (recommended).
23. We note that the alternative communications approach is for one of the agencies to make an announcement on its website, however officials consider that given Ministers have commissioned the review, it is appropriate for the Ministerial Spokesperson to announce it.
24. The nominated Ministerial spokesperson would be responsible for responding to any media enquiries, with support where required from the Treasury and MBIE teams involved with Project Hau Nuku.

### ***Engagement with the Public***

25. Officials have considered the potential for engagement with the public throughout the review, and we do not recommend public consultation as part of the review process. Public consultation would require additional resources and extend the timeline of the project by at least six months. [34]

We also

consider that the benefit from public consultation will not outweigh the costs, as the main stakeholders are government agencies and entities that will be key stakeholders in the review (refer to the attached ToR).

26. It is likely that any options that are developed as part of the review would require some form of public consultation to take forward, including the implementation of changes. We note that these options may require legislative or regulatory change, which would involve public consultation through an appropriate legislative process.

### **Risks**

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27. There is likely to be heightened public interest due to recent severe weather events and climate change. Therefore, there is a risk that there will be significant media attention irrespective of the approach adopted to announce the review. It is possible that media coverage focuses on the relationship between NIWA and MetService, rather than the broader outcomes being sought from the review.
28. There is also a risk that the reason for the review may be incorrectly perceived as a reflection on either MetService's or NIWA's performance.
29. We have developed a set of communications 'Questions and Answers' to address these risks should they arise. We consider that the review will be seen as a positive step forward in light of the severe weather and climate change impacts New Zealand is facing now and into the future.

30. Given the competition between MetService and NIWA, we note that depending on the review's outcome, there might be competition issues that may need to be worked through.

## Next Steps

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31. If Ministers agree to the draft ToR, officials will commence a procurement process to find a suitable reviewer to undertake the review. This procurement process will be led by MBIE but participating stakeholder agencies will be involved in the selection process. Officials will inform Ministers' offices once the reviewer is appointed.
32. We will also be working with the Ministerial Spokesperson's office once Ministers have agreed on the Ministerial Spokesperson.
33. Based on Ministers' agreement to the attached letters, the Minister of Finance will send the attached letters to the respective chairs of MetService and NIWA.
34. A timeframe with key milestones for this work programme is set out below.

Indicative Timeframe	Milestone
June 2023	Ministers approve Terms of Reference
June 2023	Ministers agree Ministerial Spokesperson
June/July 2023	Announcement of the review by the Ministerial Spokesperson, followed by a media advisory and Terms of Reference made available on Treasury/MBIE websites
July 2023	Appoint external reviewer
July/August 2023	Review Commences
September 2023	Update to Steering Group on progress by Reviewer
November 2023	Draft report
December 2023	Final report

## Recommended Action

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We recommend that you:

- a **agree** to the Terms of Reference for Project Hau Nuku

*Agree/disagree.*  
Minister of Finance

*Agree/disagree.*  
Minister of Research, Science and Innovation

*Agree/disagree.*  
Minister for State Owned Enterprises

- b **agree** on the proposed communications approach including Ministerially announcing Project Hau Nuku

*Agree/disagree.*  
Minister of Finance

*Agree/disagree.*  
Minister of Research, Science and Innovation

*Agree/disagree.*  
Minister for State Owned Enterprises

- c **agree** for the Minister of Finance as shareholder of MetService and NIWA to be the Ministerial Spokesperson of Project Hau Nuku (recommended)

*Agree/disagree.*  
Minister of Finance

*Agree/disagree.*  
Minister of Research, Science and Innovation

*Agree/disagree.*  
Minister for State Owned Enterprises

OR

**agree** for the Associate Minister of Finance (Hon Dr Megan Woods) to be the Ministerial Spokesperson of Project Hau Nuku

*Agree/disagree.*  
Minister of Finance

*Agree/disagree.*  
Minister of Research, Science and Innovation

*Agree/disagree.*  
Minister for State Owned Enterprises

- d **agree** for the Minister of Finance as shareholder of MetService and NIWA to sign the attached draft letter and send it to the Chair of the companies.

*Agree/disagree.*  
Minister of Finance

*Agree/disagree.*  
Minister of Research, Science and Innovation

*Agree/disagree.*  
Minister for State Owned Enterprises

Lars Piepke  
**Manager, Commercial and Institutional  
Performance  
The Treasury**

Nicola Scott  
**Manager, Research, Science & Innovation,  
Entity Performance & Investment  
MBIE**

Hon Grant Robertson  
**Minister of Finance**

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Hon Dr Megan Woods  
**Associate Minister of Finance**

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Hon Michael Wood  
**Minister of Transport**

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Hon Dr Ayesha Verrall  
**Minister of Research, Science and  
Innovation**

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Hon Kieran McAnulty  
**Minister for Emergency Management**

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Hon Dr Duncan Webb  
**Minister for State Owned Enterprises**

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The report provided options for a Ministerial spokesperson. These options were based on the various roles and responsibilities of Ministers. The Treasury and MBIE's view was that a spokesperson who was a shareholding Minister in both entities was best positioned to make the announcement, which limited this to the Minister of Finance or the Associate Minister of Finance. This advice noted that this would depend upon the availability of Ministers. The term 'conflicted' is used to highlight there could be a perception of conflict, rather than an actual conflict as the spokesperson is only announcing the review on behalf of all shareholding Ministers, and does not have any additional decision-making rights. This means that all Ministers involved in the review could make the announcement.





Dr Alison Watters  
Acting Chair, Meteorological Service of New Zealand  
[23]

Dear Alison

## **GOVERNMENT'S WEATHER FORECASTING SYSTEM REVIEW – PROJECT HAU NUKU**

I am writing to you on behalf of shareholding Ministers, to update you on the review of the weather forecasting system in New Zealand. We have named the review Project Hau Nuku.

As you will be aware, this review provides an opportunity to best position New Zealand to be well equipped to adapt to climate change and deal with severe weather events.

Cyclone Gabrielle and the 2023 Auckland flooding events have highlighted the importance of a connected weather forecasting system, where intelligence is shared and effectively communicated. We recognise the significant role that the Meteorological Service of New Zealand (MetService) and the National Institute of Water and Atmospheric Research (NIWA) have held in supporting emergency management entities in their timely decision-making during these severe weather events.

We appreciate MetService's capability and experience, which is reflected in its delivery of high-quality services. Ministers' view is that the current settings need to be updated to ensure they reflect the current operating environment and future needs of New Zealand. Therefore, my colleagues and I have decided to commission Project Hau Nuku.

The objective of Project Hau Nuku is to determine the most efficient and effective arrangements for the provision of national weather forecasting. In order to deliver on this objective, the review will focus on the following:

1. Identify and recommend the optimal arrangements and responsibilities in the weather forecasting system that will best position New Zealand to meet future weather-related challenges and impacts within the context of climate change.
2. Based on the system's optimal arrangements, consider the most appropriate structural configuration in relation to MetService and NIWA.
3. Identify if changes in access to weather data should be considered and if so, what these should be.

I would like to thank MetService for its support to officials and Ministers on the review to date, and for your positive engagement on the Terms of Reference and associated documents.

Your input is much appreciated and has been instrumental in determining the scope of the review. We expect MetService's positive engagement to continue throughout the review, and that you will continue to provide timely information and work collaboratively with the reviewer and officials.

Thank you for your dedication and commitment to this important work.

Yours sincerely

Hon Grant Robertson  
**Minister of Finance**  
*on behalf of shareholding Ministers*

# Hon Grant Robertson

MP for Wellington Central

Minister of Finance

Minister for Sport and Recreation

Minister for Cyclone Recovery

Leader of the House



Barry Harris  
Chair  
National Institute of Water and Atmospheric Research

[23]

Dear Barry

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