



Ministry for the  
**Environment**  
*Manatū Mō Te Taiao*

**Draft Cabinet Paper: New Zealand Emissions Trading Scheme –  
Harmonisation with the Australian CPRS**

<b>Date:</b>	9 March 2009	<b>MfE Priority:</b>	URGENT
<b>Security Level:</b>		<b>Number of Attachments:</b>	Nil
		<b>MfE Ref No:</b>	09-B-00597

**Action Sought**

	<b>Action Sought</b>	<b>Deadline</b>
Minister for Climate Change Issues Hon Dr Nick Smith	<b>Approve</b> the draft paper for submission to Cabinet.	Thursday 12 March

**Ministry for the Environment Contacts [if required]**

<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st Contact</b>
[withheld]	Senior Adviser, Emissions Trading Group		[withheld] ✓
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## **NZ ETS – Harmonisation with the Australian CPRS**

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### **Executive Summary**

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As requested, attached for your approval is a draft paper for the Cabinet meeting on Monday 16<sup>th</sup> March, which seeks agreement to begin work with the Australian government on options for harmonising the New Zealand Emissions Trading Scheme (NZ ETS) with the Australian Carbon Pollution Reduction Scheme (CPRS).

The draft paper sets out the potential levels of harmonisation and the likely timetable for progressing it, in the context of the Special Select Committee and the ongoing work on the legislative review of the NZ ETS. The paper includes a draft Terms of Reference for work with the Australian Government under a Trans Tasman Officials Group (Appendix 2). This draft has already been discussed with Australian officials.

Note that the proposal that the Department of the Prime Minister and Cabinet (DPMC) should co-chair the group with the Australian Department of Climate Change represents the view of DPMC, as the Australian Department of Climate Change is formally part of the Prime Minister's department. The paper is clear that the work will be undertaken jointly by the Ministry for the Environment and the Australian Department of Climate Change.

**[withheld].**

We will work with your office on preparing a draft statement following any agreement with Penny Wong.

## **NZ ETS – Harmonisation with the Australian CPRS**

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### **Recommended Action**

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#### **We recommend that you:**

- (a) **Approve** the draft paper for submission to CBC. **Yes / No**

Stuart Calman, Acting General Manager **Emissions Trading Group** **Date**

Referred to Ministry Communications Staff: **Yes/No**

Hon Dr Nick Smith **Date**  
**Minister for Climate Change Issues**