



ETS: Engagement with Māori with regard to changes to the design of the ETS

Date:	28 May 2009	MfE Priority:	Non-urgent
Security Level:		Number of Attachments:	2
		MfE Ref No:	09-B-01429

Action Sought

	Action Sought	Deadline
Minister of Finance Hon Bill English	Note	
Minister for Climate Change Issues Hon Dr Nick Smith	Note the content of this report. Consult with the Emissions Trading Ministerial Group that they have no objections to the proposed approach to engagement. Forward a copy of this briefing to the Minister for Treaty of Waitangi Negotiations for his information.	5 June 2009
Minister of Agriculture and Forestry Hon David Carter	Note	
Associate Minister for Climate Change Issues (International Negotiations) Hon Tim Groser	Note	

Ministry for the Environment Contacts

Name	Position	Telephone		1st Contact
		(cell)	(work)	
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Executive Summary

Ministers met with the Climate Change Iwi Leadership Group (ILG), the Māori Reference Group Executive (MRGE) and other iwi representatives on Wednesday 13 May 2009. At this meeting the government acknowledged the constructive role Māori had played in the design and development of the Emissions Trading Scheme (ETS) throughout 2008, and committed to engaging with Māori as possible changes to the ETS are developed and considered.

Subsequent to this meeting, the Minister for Climate Change Issues wrote to Dr Apirana Mahuika, Chair of the ILG, re-stating the government's commitment to engage with Māori as options for amending the ETS are developed and considered. This letter (attached as Annex 1) also stated that prior to the Select Committee reporting back to the House in June/July, George Riddell would arrange a meeting with the MRGE to "explore the options for on-going consultation".

Officials recommend that engagement at this point be confined to officials meeting with the MRGE to gather information on the interests, issues and concerns of Māori in relation to the ETS. This engagement would be a demonstration of good faith by the Crown as a partner to the Treaty of Waitangi.

The paper also outlines a possible approach to engagement with Māori after Ministers have clarified specific components on which they would like to consult.

Recommended Action

We recommend that you:

- | | |
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| (a) Note the content of this report; | Yes / No |
| (b) Consult with the Emissions Trading Ministerial Group that they have no objections to the proposed approach to engagement; | Yes / No |
| (c) Forward a copy of this briefing to the Minister for Treaty of Waitangi Negotiations for his information; | Yes / No |
| (d) Subject to 'b': Direct officials to meet with the MRGE to discuss on-going engagement and issues for Māori in relation to the ETS design. | Yes / No |

Stuart Calman
Acting General Manager
Emissions Trading Group

Date

Hon Dr Nick Smith
Minister for Climate Change Issues

Date

Purpose of Report

1. The purpose of this report is to seek authority for officials to engage with the MRGE to gather information on Māori interests, issues and concerns with regard to ETS design. This paper also outlines a possible approach for on-going engagement with Māori at a ministerial level with the ILG and at officials level with the MRGE as part of your overall strategy to progress changes to the ETS.

Background:

2. On 13 May 2009 you and other Ministers met with the ILG, the MRGE and other iwi representatives to discuss, amongst other things, engagement with Māori over proposed changes to the ETS. For that meeting officials provided Ministers with a draft proposal for engagement with the ILG and MRGE which identified a range of options for engagement (see briefing note 09-B-1139).
3. At the meeting, the iwi representatives were informed of possible delays to the ETS. Delay will allow the government to properly consider the outcomes reached by the Emissions Trading Review Select Committee (the Select Committee) and consider policy options without the pressure of impending deadlines.
4. Officials have been informed that a letter is being drafted in which the ILG express their support for delays to the ETS. This letter is expected to be signed by the ILG today (28 May 2008) and your office will receive it in due course.
5. Iwi leaders requested during this meeting, and in their oral presentation to the Select Committee, that the government commit to engage with Māori as options regarding amendment to the ETS are developed and considered by the government.
6. It was agreed (and subsequently confirmed in a letter from yourself to Dr Apirana Mahuika, Chair of the ILG) that the government would engage with the ILG and MRGE in relation to possible changes to the ETS.

Engagement

Step one – MRGE/officials information gathering

7. Officials seek your direction to meet with the MRGE to gain a clear understanding of interest, issues and concerns for Māori in relation to the ETS across all sectors. Gaining a clearer picture of Māori interests will assist the government and officials when developing and considering policy options and amendments to the ETS.
8. Officials note that taking this initial step with regard to engagement may create expectations of continued, high level engagement going forward. Officials recognise that this paper seeks authority to engage only for the purposes of information gathering, and we would attempt to manage expectations through these initial meetings. Authority for more extensive engagement would be sought from Ministers if further engagement were required.
9. As discussed with you, this engagement would be at your direction and officials would make in plain at the outset of the engagement that the Emissions Trading Review Select Committee process is separate and its business can not be discussed.
10. It is proposed that officials from the Ministry of Agriculture and Forestry (as well as the Emissions Trading Group) be involved in these meeting(s) given the substantial interests Māori have in the forestry and agriculture sectors.

11. While Treaty Settlements¹ may be raised during these meetings, as these issues fall within the domain of the Minister for Treaty of Waitangi Negotiations they will not be pursued by officials.
12. It is proposed that a letter to the Chair of the MRGE, Roger Pikia be tabled at the first meeting of officials and the MRGE outlining and confirming protocols for the meeting(s). This letter would state the Treaty Settlements process will not be discussed as part of these meetings and note that all meetings are subject to confidentiality.

Step two – reporting to Ministers

13. Once officials have gained a clear understanding of the interests, issues and concerns Māori have with regard to the ETS across all sectors, officials will report back to Ministers. At this stage, if Ministers are ready to seek iwi leaders' views on specific options, officials would seek a mandate to explore those options and their respective pros and cons with the MRGE. This would enable officials to better inform Ministers of the preferences of Māori and their likely response to particular options.
14. Officials note that the MRGE may wish to seek a wider mandate from Māoridom in relation to agreement on specific options. It was proposed in their presentation to the Ministers that regional/national hui and workshops be held to discuss the options the government was considering (attached in Annex 2 is the engagement proposal from the ILG presentation to Ministers).
15. Regional/national hui and workshops would have significant resourcing implications for the Ministry for the Environment for which we would seek your agreement. However the Ministry for the Environment is willing to meet reasonable costs associated with attendance at the initial information gathering meetings outlined above.

Step three – ILG/Ministerial engagement

16. Once MRGE and officials have thoroughly explored the options the government may be considering, officials would report back to Ministers. At this point, possibly in early July, Ministers and ILG might reconvene to advance an informed discussion of the options the government is considering.
17. Depending on the timeframes and how confidently Ministers feel they can gauge the response of Māori to the policy options, the second step could be left out and Ministers might proceed directly to meet with the ILG.

¹ Briefings on Treaty Settlements have been provided to your office: 09-B-01139, 09-B-01158 and 09-B-01040.



Office of Hon Dr Nick Smith

MP for Nelson

Minister for the Environment

Minister for Climate Change Issues

Minister for ACC

Dr Apirana Mahuika
Chairperson
Te Runanga o Ngati Porou
Porou Ariki
PO Box 394
Gisborne

20 MAY 2009

Tena koe e Api

I am writing to express thanks and appreciation from the Deputy Prime Minister, my Ministerial Colleagues and myself for your part in facilitating the positive meeting on climate change issues held on 13 May 2009. I would also like to acknowledge the presentation that was tabled at our meeting and the additional information contributed by members of the group on the impacts of the existing emissions trading scheme on Maori enterprises.

The government is committed to meaningful engagement with iwi on this important area of economic policy development and I am confident that input from members of your group will greatly assist the government when considering possible solutions for tackling the challenge of climate change.

We are currently waiting for a report back from the Select Committee reviewing the Emissions Trading Scheme and anticipate this will be available some time in July. In the meantime my Advisor, George Riddell, will arrange to meet with your Maori Reference Group Executive to explore the options for on-going consultation.

I look forward to building on the collective and constructive approach shown by the Climate Change Iwi Leadership Group and other iwi leaders at our meeting and confirm our commitment to engaging with you as our work streams progress over the coming months.

Yours sincerely,

Hon Dr Nick Smith
Minister for Climate Change Issues

3. Engagement

Seek top level support today

- Minister(s) to Rangatira
- Senior Officials to Maori Reference Group Executive & Advisers/Co opted members.
- Engagement from government officials with regions and individuals through intensive workshops led by Iwi/Maori in each region.
- Continued Joint engagement in the international environment (Roger Pikia).

Specific Engagement Process

Ready & able to engage now: May 2009.

- May/June 2009: Operational engagement to work an agreed way forward – co drafting.
- June 2009: Agreement by Ministers/Rangatira.
- July 2009: Roll out to regional hui.
- August 2009: Confirmation at a national hui.
- September 2009: Indepth workshopping led by regions. **Legislative changes through Parliament.**
- October 2009:
 - Forestry implementation
 - Planning for fishing, agricultural