

APPROVED FOR RELEASE

Information request

Background information on the NZ emissions trading scheme

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| Date: | 26 June 2009 | MfE Priority: | Nil |
| Security Level: | | Number of Attachments: | 4 |
| | | MfE Ref No: | 09-B-1755 |

| | Description | Relevant Dates |
|---|--|-----------------------|
| Minister for Climate Change Issues Hon Dr Nick Smith | For information. Your office is requested to forward copies of this memo and attachments to the offices of: <ul style="list-style-type: none">- Hon Gerry Brownlee- Hon Dr Peter Sharples- Hon Rodney Hide- Hon Tim Grosser | None |

Ministry for the Environment Contacts

| Name | Position | Telephone | | 1st Contact |
|---------------|---|------------------|---------------|-------------------------------|
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| [withheld] | Senior Advisor | | [withheld] | |
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| Stuart Calman | Director – Climate and Risk | [withheld] | 439 7571 | + |

Purpose

Ministers or their offices have expressed an interest in background papers on the emissions trading scheme as it is currently legislated. This memo attaches the following reports and factsheets that provide some detail.

While all of the material, except the Briefing for the Incoming Minister, was prepared for the previous Government, the general background information remains relevant. Since these documents were released, the Government's thinking on climate change policy has developed in different directions to that outlined. We provide these documents for general background reading purposes only.

1. Excerpts from *The Framework for a New Zealand Emissions Trading Scheme*. Released in September 2007, this "framework document" presents the previous Government's proposal for the New Zealand emissions trading scheme (NZ ETS). This document served as the basis for the Government's engagement with stakeholders and Maori from September to November 2007. Excerpts included here are the executive summary and chapters 2 and 3.
2. *Climate Change Policy: Objective for a New Zealand Emissions Trading Scheme* (Cabinet paper, May 2007). This paper, although written by the previous Government, contains useful background on the rationale and the consequences of a NZ ETS. The Annexes have been removed from the copy provided to you.
3. Factsheets on the NZ ETS. A series of factsheets were published in September 2008 to highlight key NZ ETS design features of interest to particular sectors and Maori. These include:
 - a. How the New Zealand emissions trading scheme works
 - b. Major design features of the emissions trading scheme
 - c. Forestry in the emissions trading scheme
 - d. Transport in the emissions trading scheme
 - e. Energy in the emissions trading scheme
 - f. Industry in the emissions trading scheme
 - g. Agriculture in the emissions trading scheme
 - h. Emissions trading and Maori
4. *The Briefing for the Incoming Minister on the New Zealand Emissions Trading Scheme*. (21 November 2008) which provides an overview of the key features of the emissions trading scheme as contained in the Climate Change Response Act (2002).

If there are specific issues on which further information or discussion is requested, we are happy to do so via the Office of the Minister for the Environment.

Stuart Calman
Director
Climate and Risk

26 June 2009