Office of the Minister for Climate Change Issues

Chair

Cabinet Economic Growth and Infrastructure Committee

Emissions Trading Scheme: Regulations for Synthetic Greenhouse Gases

Proposal

1. I propose that the Committee

    a. Agree to the recommended methodologies for the synthetic greenhouse gas sectors reporting under the New Zealand Emissions Trading Scheme; and

    b. Agree to the recommended exemptions from being a participant under the New Zealand Emissions Trading Scheme; and

    c. Invite the Minister for Climate Change Issues to issue drafting instructions to the Parliamentary Counsel Office for technical amendments to the exposure draft regulations on the basis of these decisions; and

    d. Invite the Minister for Climate Change Issues to submit a paper on regulations for the synthetic greenhouse gas sectors to Cabinet Legislative Committee in order to promulgate these regulations by 1 October 2010.

Executive summary

2. Synthetic greenhouse gases are used in a wide range of equipment and products in refrigeration and air conditioning, aerosols, electrical switchgear, fire protection and foam blowing sectors. Emissions of these gases have fundamental differences from other emissions associated with industry and industrial processes. The sources are very disparate and typically small, with long lag times between the import of the gas and eventual emissions. Synthetic greenhouse gases have very large global warming potentials, meaning even a small amount can have significant emissions in carbon dioxide equivalent terms.

3. Under the Climate Change Response Act 2002 (the Act), synthetic greenhouse gas sectors of the New Zealand Emissions Trading Scheme (NZ ETS) enter the NZ ETS on 1 January 2013. Regulations are required under the Act to prescribe methodologies for participants to calculate their emissions and the removals from selected activities.

4. A series of consultation activities on exposure draft synthetic greenhouse gases regulations have taken place. This consultation has informed the final package of regulations for which I now seek approval.

5. In-principle policy decisions made by on 26 May 2010 by Cabinet Economic Growth and Infrastructure Committee are to be confirmed by this paper. Those decisions include:

a. the basic method for reporting emissions and removals from synthetic greenhouse gases activities will be the amount of a chemical imported or exported, its chemical composition, and the global warming potential of that composition

b. default chemical quantities will be identified for synthetic greenhouse gases contained in motor vehicles

c. eligibility for recognition of removal of sulphur hexafluoride exported in bulk is contingent on evidence that the chemical was imported after 1 January 2013

d. exemptions from the NZ ETS will be established for synthetic greenhouse gases:

    i. contained in the refrigeration or air conditioning system of an aircraft, ship or container engaged in an international trip, including any domestic leg of an international trip

    ii. contained in a manufactured product, such as insulation foam, where those gases exist only because the gas was used in the manufacturing process

    iii. contained in goods where the goods are imported for that person's personal non-business use and are not intended for gift, sale or exchange

    iv. contained in motor vehicles if the total amount of synthetic greenhouse gases imported or exported in the calendar year is less than 100 tonnes of carbon dioxide equivalent (t CO_2-e)

6. Additional policy decisions are sought in this paper, and are:

    a. exemptions from the NZ ETS for synthetic greenhouse gases contained in aircraft or ships if the total amount of synthetic greenhouse gases imported or exported in the year is less than 100 t CO_2-e

    b. the synthetic greenhouse gas mixture HFC 245fa/365mfc be exempted

    c. the total emissions of any person who imports synthetic greenhouse gases contained in a motor vehicle will be the calculated emissions less 100 t CO_2-e

7. Aligning data collection and emissions calculation methodologies with existing business systems where possible allows participants to calculate their emissions with administrative costs minimised.

8. I recommend that the Committee confirms previous in-principle decisions and agrees additions to policy to clarify participant obligations. If approval is granted, drafting instructions will be issued to the Parliamentary Counsel Office (PCO).

9. There will be an analysis of the cost effectiveness of broad policy options to reduce emissions of synthetic greenhouse gases, including continued NZ ETS coverage. This programme will run parallel to implementing the regulations. The output of this programme may result in proposals to amend the regulations before mandatory reporting of emissions from 1 January 2012.

Background

10. The Act requires participants in synthetic greenhouse gases sectors of the NZ ETS to enter the scheme from 1 January 2013. Voluntary reporting of activity starts 1 January 2011 and mandatory reporting on 1 January 2012.

11. Section 62 of the Act requires participants to collect data and calculate emissions and removals in accordance with methodologies prescribed in regulations made under section 163 of the Act.

12. Under section 166(3) of the Act, it is necessary for these regulations to be Gazetted no later than 1 October 2010 to come into force on 1 January 2011. Amendments to the Stationary Energy and Industrial Processes (SEIP) regulations, the Removals regulations and to the General Exemptions Order form an overall package of amendment regulations applying to synthetic greenhouse gases.

13. On 26 May 2010, Cabinet Economic Growth and Infrastructure Committee agreed in-principle (EGI Min (10) 11/3) to recommended methodologies for the package of amendment regulations. The Committee also approved the release of the draft amendments for consultation and invited the Minister for Climate Change Issues to report back to the Cabinet Economic Growth and Infrastructure Committee seeking confirmation of previous in-principle decisions and approval for any policy amendments to the final regulations. This paper actions this.

14. Consideration of submissions received during formal consultation and information from discussions between officials and stakeholders have informed the recommended methodologies.

Comment

Amendments to SEIP regulations

15. The process outlined in the amendments to the SEIP regulations for determining the emissions of a synthetic greenhouse gas participant reflects the following basic formula: a unit of production, representing the activity covered by the NZ ETS (such as the mass of synthetic greenhouse gases imported) multiplied by the global warming potential of that particular synthetic greenhouse gases. This method applies to all synthetic greenhouse gas activities, including importing synthetic greenhouse gases in bulk and contained in goods, as well as the manufacture of synthetic greenhouse gases.

16. This process is defined as the chemical mass balance approach and estimates potential, rather than actual, emissions or removals based on the amount of synthetic greenhouse gases imported, manufactured, exported or destroyed in bulk or contained in goods, and the chemical composition of that gas or mix. This information is readily determined from sale and purchase agreements, or nameplate and labelling information.

17. There are two special cases. Firstly, determining the amount of synthetic greenhouse gases imported or exported in motor vehicles can be performed using the standard approach or by using default quantities based on vehicle

type[1]. Secondly, the export of bulk waste synthetic greenhouse gases exported for destruction is currently performed without any testing of the chemical composition. Participants will be required to sample and test to suitable international standards if chemical identification cannot be provided.

18. Many synthetic greenhouse gas participants will be familiar with a similar methodological approach that is required to be used when importing synthetic greenhouse gases into Australia. Aligning data collection and emissions calculation methodologies with existing business systems where possible allows participants to calculate their emissions with administrative costs minimised.

19. Chemical mass balance is not the method used by the National Greenhouse Gas Inventory (the Inventory), which reports estimated actual emissions. The method choice thereby creates some short term fiscal implications. The difference arises from the drawn-out period of time that it takes synthetic greenhouse gases to be released from use, so that the chemical mass balance approach will result in a different number of emissions units surrendered than emissions are reported in the Inventory. Over the long term, less than 20 years, the Inventory method and the chemical mass balance approach will calculate the same number of emissions in total, so there are no long term fiscal implications.

20. One policy addition to the existing in-principle decisions is required. It is recommended that the first 100 t CO_2-e from each motor vehicle importer is deducted from their calculated emissions. This is needed to address an inequitable effect and a perverse incentive caused by the proposed activity threshold, explained below, which is the same size:

    a. There is a wide range of motor vehicle importing activity and there are many importers just above the threshold. Those importers, without the policy change, will be disadvantaged compared to importers who are marginally smaller.

    b. This policy change will also reduce the incentive for importers to restructure their operations in order to take advantage of the threshold, although not remove this incentive entirely.

21. There are no precedent risks from this policy change.. Participants in other SEIP sectors, such as waste oil combustion and mining coal, do not have the same ability to restructure company affairs to take advantage of the threshold. Such sectors have far fewer participants than the motor vehicle importing sector and the setting of respective thresholds were considered to have little impact on equity between participants.

Amendments to Other Removals regulations

22. Methodologies are required in order to enable participants to calculate and report any export or destruction of synthetic greenhouse gases. The methodologies proposed are identical to those for estimating emissions.

23. Eligibility for removal activity from exporting bulk sulphur hexafluoride (SF_6) must be limited. SF_6 is the most powerful greenhouse gas with a global warming

[1] 700 grams for cars, 1200 grams for trucks, and 2500 grams for both buses and off-engine (smaller) refrigerated trucks

potential of 23,900[2]. There is risk of persons importing quantities of SF_6 prior to NZ ETS obligations then re-exporting it in order to earn emission units from the removal activity. This would create fiscal implications for the Crown as no emission units would have been surrendered from importing the gas earlier. A participant would be required to show evidence that the SF_6 was imported after 1 January 2013. This eligibility constraint will apply indefinitely.

24. This same risk does not exist for other synthetic greenhouse gases as there is demand within New Zealand for them, unlike SF_6 which would need to be exported to find buyers.

Amendments to General Exemptions Order regulations

25. Exemptions, promulgated through an amendment to the existing Climate Change (General Exemptions) Order 2009 under section 60 of the Act, are proposed in order to ensure administration and compliance costs are reduced, while retaining the environmental integrity of the NZ ETS. The exemptions cover person who import or export synthetic greenhouse gases that are:

    a. contained in the refrigeration systems of aircraft, ships and containers that enter and leave New Zealand as part of international trips, including any domestic leg of an international trip. Because this exemption would apply to both imports and exports, it will therefore have no fiscal impact. No emissions are reported from this activity in the Inventory as the emissions from the international journey are not part of New Zealand Kyoto responsibility, and the emissions from any domestic leg are too small to be estimated accurately

    b. contained within a manufactured product where those gases exist because they were used solely for the production of that product will also be exempted. Only one product (insulation foam) falls within that definition. There is no accurate cost effective method to determine the potential emissions from this source and no emissions were reported in the Inventory

    c. imported for personal, non-business use, and are not intended for sale or gift. This exemption will reduce the number of potential participants, but the size of that reduction is unknown because we do not know the extent of this type of activity.

26. An additional exemption is required for persons who import a synthetic greenhouse gas[3] mixture in raw chemical form that is then used in the manufacture of insulation foam in New Zealand. This mixture has not had its global warming potential determined by the Intergovernmental Panel on Climate Change. Consequently, emissions of the mixture are not included in the Inventory. The exemption will provide importers of the mixture certainty on NZ ETS coverage. It will also address the differing treatment of importers and manufacturers in the NZ ETS caused by the exemption in paragraph 22b above. The exemption will have no impact on the environmental integrity of the scheme, and reduce administrative and compliance costs for participants and administrative costs for the Crown. Reconsideration of this exemption should

[2] That is, one tonne of SF_6 equals 23,900 tonnes of carbon dioxide
[3] HFC 245fa/365mfc

occur once New Zealand is required under a future international agreement to account for emissions of the mixture.

27. The amendment to the General Exemptions Order will also include a threshold of 100 t CO_2-e for importing synthetic greenhouse gases contained in motor vehicles. All motor vehicles imported would be covered by this threshold, including agricultural machinery, trucks, off-engine refrigeration units, and cars. This threshold would mean fewer than 200 persons would be mandatory participants for importing synthetic greenhouse gases contained in motor vehicles[4], but the NZ ETS would still cover over 85% of synthetic greenhouse gases imported in motor vehicles each year. It is not clear how many mandatory participants there would be from this activity in any year without the threshold. For illustration, in 2007 nearly 7000 people imported at least one car, truck or van. The proposed threshold is very low compared with thresholds in the stationary energy and industrial processes sector where 5000 t CO_2-e is commonly used. Using an identical threshold would probably result in no vehicle importer being an NZ ETS participant.

28. Following consultation on this threshold, its coverage is recommended to be extended to persons who import and export synthetic greenhouse gases contained in aircraft and ships. Evidence shows that very few imported aircraft contain synthetic greenhouse gases, and that those that do, have very little charge (below 3 t CO_2-e each). Extending the threshold to those sectors will not materially impact on the environmental integrity or coverage of the NZ ETS, and will reduce administrative and compliance costs for participants and the Crown.

29. Larger amounts of synthetic greenhouse gases are imported in the refrigeration systems of offshore fishing boats. Persons who import these vessels are unlikely to be below the threshold and would therefore be mandatory participants for the first entry of the vessel into New Zealand.

30. The threshold recognises that the compliance and administrative costs for most importers and exporters of motor vehicle, planes and ships are likely to be larger than the environmental benefits gained by requiring their participation. It will also reduce the administrative costs of the NZ ETS administrator.

Risks

31. No threshold is proposed for importing synthetic greenhouse gases contained in goods that are not motor vehicles, planes or ships, subject to the other exemptions listed above. Any threshold would cause detriment to the environmental integrity of the NZ ETS and lead to undesirable domestic competitiveness impacts on our manufacturers[5]. Even though most imported refrigeration equipment only contains a small charge of synthetic greenhouse gases, because of the high global warming potentials of the gases the NZ ETS cost impact will be noticeable in the market.

[4] This figure is based on 2007 imports of small vehicle data. There will be additional participants importing trucks and buses, however changes in industry activity means the overall participant number is still likely to be below 200 persons.

[5] For example, a 100 t CO_2-e threshold would allow persons to import over 200 domestic air conditioning appliances without any NZ ETS obligations, whereas a domestic manufacturer that uses bulk imported synthetic greenhouse gases would possibly incur costs of one to four emission units per appliance ($50 to $200 at $50 per emission unit).

32. There will be significant administration costs and difficulties for the NZ ETS administrator. These costs are caused by a lack of information on who are mandatory participants and the quantity and type of synthetic greenhouse gases they are importing. The administrator is unlikely to be able to undertake the compliance and enforcement actions required under the Act in an efficient and cost effective manner, if at all, for some activities.

33. There are opportunities to address the administration costs and workability problems. Firstly, the Act requires a review of the operation of the NZ ETS in 2011. Secondly, officials will be working in the coming months exploring policies that address administrative costs through, for example, mandatory licensing for synthetic greenhouse gas importers. Alternative policies to NZ ETS coverage of synthetic greenhouse gases that will also reduce costs and workability, such as a greenhouse gas levy on import (as favoured by the motor vehicle importing industry) will also be assessed.

34. Furthermore, the pricing of synthetic greenhouse gases under the NZ ETS could lead to perverse outcomes in relation to controls on ozone depleting substances (ODS). Because synthetic greenhouse gases are substitutes for ODS, the NZ ETS could incentivise the importation of equipment that can only use ODS as refrigerants. New Zealand is phasing out the import of bulk ODS in line with obligations under the Montreal Protocol, but does not control the import of equipment with ODS installed. Officials are considering the costs and benefits of banning or phasing out the import of this equipment.

Next steps

35. A parallel policy process will consider the broad range of economic and environmental outcomes that arise from synthetic greenhouse gas emission reducing policies, including the current NZ ETS coverage. This assessment will provide information that may result in my proposing changes to these regulations next year, before mandatory reporting is required from participants over 2012.

Consultation

36. This paper was prepared by the Ministry for the Environment with input from the Ministry for Economic Development and the Ministry of Transport. The Ministry of Agriculture and Forestry, Treasury, Ministry of Foreign Affairs and Trade, and Te Puni Kōkiri were consulted on this paper and concur with its recommendations.

37. The Department of Prime Minister and Cabinet was informed.

38. In accordance with section 166 of the Act, consultation with stakeholders has included an opportunity for formal written submissions on exposure draft SEIP, Removals and General Exemptions amendment regulations. Consultation has also included a sector specific workshop for participants.

39. In accordance with section 3(g) of the Act (Treaty of Waitangi clause), consultation with Māori has included notification and participating in the consultation on draft regulations and explanation of the purpose of the consultation.

40. In accordance with section 173 of the Act, material incorporated by reference in the draft SEIP regulations was made available for inspection during working hours, free of charge, at the office of the Ministry for the Environment in Wellington from 28 June to 23 July 2010.

Financial implications

41. The proposals in this paper will have fiscal impacts from 2013, when NZ ETS liabilities commence for persons in the synthetic greenhouse gas sector. These impacts are relative to net revenue and expenses of the NZ ETS that have already been agreed through previous policy decisions.

42. The proposals in this paper have fiscal impacts in the form of costs and savings relative to the status quo. As discussed earlier, the NZ ETS methodologies are necessarily different from the Inventory methodologies. This means that in any year, the Inventory may determine the total synthetic greenhouse gas emissions to be slightly higher, or slightly lower than charged under the NZ ETS. It is not possible to quantify the exact magnitude of any fiscal costs or benefits as a result of this misalignment but it is possible to estimate the likely magnitude of the risk.

43. Officials have compared the Inventory total for the nine years from 2000 through to 2008 with the total emissions that would have been charged under the NZ ETS using the proposed methodology. Because synthetic greenhouse gases being imported into NZ were generally increasing within the period, the chemical mass balance approach estimates potential emissions greater than the actual emissions reported in the Inventory. The average overstatement is 65% for the period, or $11 million at $25 per emissions units ($21 million at $50 per emission unit[6]). This is a net revenue situation; however it is expected to even out over the long term due to the chemical mass balance approach being equal to the Inventory approach over 20 years.

44. Under the chemical mass balance approach, participants enjoy price certainty because all potential emissions are assumed to occur when the synthetic greenhouse gas is imported or exported. The Crown however is exposed to price uncertainty in that its costs are not known until the actual emissions are reported in the Inventory. It is not possible to estimate the impact of this uncertainty as there are no emission unit price forecasting tools.

45. Officials are not able to compare the projected inventory total for 2013 to 2020 with the total expected emissions charged under the NZ ETS using the proposed methodology because accurate projections do not exist.

46. Emissions are thought to be imported and exported almost equally in two of the exempted activities. Exempting synthetic greenhouse gases contained in insulation foam will have no fiscal impact as no emissions are reported from this source in the Inventory.

47. The threshold for importing or exporting synthetic greenhouse gases contained in vehicles, including aircraft and ships, will result in some fiscal costs, compared with having no threshold. These costs, using conservative

[6] $50 per emission unit is used consistently through this paper, as this is the standard price for all analysis of post 2013 NZ ETS sectors

assumptions, 2008 activity data and $25 per emissions unit, would be $0.8 million per year (or $1.5 million at $50 per emissions unit). These costs are the same as noted on 26 May 2010 by Cabinet Economic Growth and Infrastructure Committee (EGI Min (10) 11/3) despite the increased coverage of the threshold to planes and ships. This is because the Inventory does not currently record any synthetic greenhouse gas emissions from imported planes and ships.

48. Reducing the obligation of each participant who imports synthetic greenhouse gases in motor vehicles by 100 t CO_2-e, as detailed in paragraphs 17 and 18 above, will result in fiscal costs compared to requiring those persons to surrender emission units equal to all activity. These costs, using conservative assumptions, 2008 activity data and $25 per emissions unit, would be $0.5 million per year (or $1 million at $50 per emissions unit).

49. The costs above were not factored into projected fiscal costs under the moderated emissions trading scheme, and so represent a departure from these figures. The net costs of the NZ ETS post-2012 are currently not accounted for in Crown accounts, so fiscal costs post-2012 currently do not count against the Budget allowance.

50. When these costs are fully accounted for in Crown accounts, the net fiscal impact of the NZ ETS will have an impact on the operating balance.

Human rights

51. There are no inconsistencies between the proposal and the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Legislative implications

52. Secondary legislation is required to implement the NZ ETS. Drafting instructions for amendments to the regulations providing for the synthetic greenhouse gases sectors to monitor and report on emissions and removal activities as well as exemptions will be issued to the Parliamentary Counsel Office if the recommendations in this paper are approved.

53. Approval for submission of the final regulations to the Executive Council will be sought from the Cabinet Legislative Committee when the amended regulations have been drafted.

Regulatory impact analysis

Regulatory Impact Analysis requirements

54. The RIA requirements apply to this proposal and a Regulatory Impact Statement (RIS) has been prepared and is attached to this paper.

Quality of the Impact Analysis

55. The Ministry for the Environment's independent RIA Panel has reviewed the RIS prepared by the Ministry for the Environment and associated supporting material. The Panel considers that the information and analysis summarised in the RIS meets the quality assurance criteria

Consistency with Government Statement on Regulation

56. I have considered the analysis and advice of my officials, as summarised in the attached RIS and I am satisfied that, aside from the risks, uncertainties and caveats already noted in this Cabinet paper, the regulatory proposals recommended in this paper:

    - are required in the public interest
    - will deliver the highest net benefits of the practical options available, and
    - are consistent with our commitments in the Government statement "Better Regulation, Less Regulation

Publicity

57. A public statement accompanying the Gazetting of regulations is envisaged to advise synthetic greenhouse gases sector participants of the detail of their responsibilities under the Act to report on emissions and removals. Detailed explanatory information and guidance materials to support these regulations will be disseminated to provide greater clarity for participants on the nature of their obligations. Workshops and individual case management will be undertaken to assist compliance.

58. I intend proactively releasing this paper on the Ministry for the Environment website. The issues it discusses will be of interest to NZ ETS participants and it is likely requests will be made under the Official Information Act 1982. Appropriate withholdings will be made before the release.

Recommendations

59. The Minister for Climate Change Issues recommends that the Committee:

    1. note that the Climate Change Response Act 2002 (the Act) requires participants in the synthetic greenhouse gas sectors of the New Zealand Emissions Trading Scheme (NZ ETS) to enter the NZ ETS on 1 January 2013

    2. note that is necessary to have regulations to support the entry of these sectors into the NZ ETS gazetted by 1 October 2011

    3. confirm the following in-principle decisions for the recommended methodologies for amendments to the stationary energy and industrial processes regulations, the other removal activity regulations and the general exemptions order made on 26 May 2010 by Cabinet Economic Growth and Infrastructure Committee (EGI Min (10) 11/3):

        3.1. the basic method for reporting emissions and removals from synthetic greenhouse gases activities will be the amount of a chemical imported or exported, its chemical composition, and the global warming potential of that composition

3.2. default chemical quantities will be provided for synthetic greenhouse gases contained in motor vehicles

3.3. eligibility for recognition of removal of sulphur hexafluoride exported in bulk is contingent on evidence that the chemical was imported after 1 January 2013

3.4. exemptions from the NZ ETS will be established for synthetic greenhouse gases:

3.4.1. contained in the refrigeration or air conditioning system of an aircraft, ship or container engaged in an international trip, including any domestic leg of an international trip

3.4.2. contained in a manufactured product that consists in part of that gas only because the gas was used in the manufacturing process

3.4.3. contained in goods where the goods are imported for that person's personal non-business use and are not intended for gift, sale or exchange

3.4.4. contained in motor vehicles if the total amount of synthetic greenhouse gases imported or exported in the year is less than 100 tonnes of carbon dioxide equivalent

4. approve the following policy additions for amendments to the general exemptions order:

4.1. exemptions from the NZ ETS for synthetic greenhouse gases contained in aircraft or ships if the total amount of synthetic greenhouse gases imported or exported in the year is less than 100 tonnes of carbon dioxide equivalent

4.2. the synthetic greenhouse gas mixture HFC 245fa/365mfc be exempted

5. approve the following policy additions for amendments to the stationary energy and industrial processes regulations:

5.1. the total emissions of any person who imports synthetic greenhouse gases contained in a motor vehicle will be the calculated emissions less 100 tonnes of carbon dioxide equivalent

6. agree to incur estimated fiscal costs of $1.5 million per year from 2013 from the threshold proposed in 3.4.4 and extended in 4.1 above

7. agree to incur estimated fiscal costs of less than $50,000 per year from 2013 as a result of the exemption proposed in 4.2 above

8. agree to incur notes estimated fiscal costs of $1 million per year from 2013 from the policy change in 5.1 above

9. note that as the proposed methodology differs from the approach used to calculate New Zealand's obligations, the Crown is exposed to price uncertainty with potential fiscal costs or savings, because its costs are not known until emissions are reported in the Inventory

10. note that due to the differing methodologies there will be fiscal implications that are highly uncertain, but are likely to be NZ ETS revenues until 2020

11. note that because the costs of the NZ ETS post-2012 have yet to be budgeted for these fiscal costs do not count against the budget allowance, although when these costs are fully accounted for in Crown accounts, the net fiscal impact of the NZ ETS will have an impact on the operating balance

12. notes that consultation on draft amendments to regulations was undertaken and submissions have informed these policy recommendations

13. notes that the NZ ETS administrator will have difficulty implementing their responsibilities under the Act for this sector in the absence of complementary policies to provide secondary information

Next steps

14. invite the Minister for Climate Change Issues to issue drafting instructions to the Parliamentary Counsel Office to give effect to these recommendations

15. invite the Minister for Climate Change Issues to submit a paper on amendments to the stationary energy and industrial processes regulations, the other removal activity regulations and the general exemptions order to Cabinet Legislative Committee in order to promulgate these regulations by 1 October 2010

16. note the Minister for the Environment intends proactively releasing this Cabinet paper on the Ministry for the Environment website with appropriate withholdings as if the paper had been requested under the Official Information Act 1982

17. note that a full analysis of the cost effectiveness of policies for reducing synthetic greenhouse gas emissions will be undertaken concurrently with implementing the regulations and may result in proposed amendments prior to mandatory reporting from 1 January 2012

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Hon Dr Nick Smith
Minister for Climate Change Issues
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