



Cabinet

CAB Min (09) 9/10

Minute of Decision

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New Zealand Emissions Trading Scheme: Harmonisation with Australian Carbon Pollution Reduction Scheme

Portfolio: Climate Change Issues

On 16 March 2009, Cabinet:

- 1 **noted** that the Prime Ministers of New Zealand and Australia have agreed on the desirability of harmonising, to the greatest extent possible, the emissions reduction regimes in both countries;
- 2 **noted** that the Minister for Climate Change Issues is meeting the Australian Minister for Climate Change and Water, Senator the Hon Penny Wong, on 19 March 2009 to discuss harmonising the New Zealand Emissions Trading Scheme (NZ ETS) with the Australian Carbon Pollution Reduction Scheme (CPRS), which is still being developed;
- 3 **agreed** that officials start a process, under a Trans-Tasman Officials Group, on the harmonisation of carbon pollution reduction schemes;
- 4 **authorised** the Minister for Climate Change Issues, in consultation with the Minister of Finance and the Associate Minister for Climate Change Issues, to work with the Australian Minister for Climate Change and Water to agree the Terms of Reference for the process, a draft of which is attached as Appendix 2 to the paper under CAB (09) 107;
- 5 **[withheld]**
- 6 **noted** the need to continue policy work on other areas of the NZ ETS, including:
 - 6.1 forestry;
 - 6.2 consideration of whether to include the “50 by 50” target in legislation (a 50 per cent reduction of net greenhouse gases from 1990 levels by 2050);
 - 6.3 consumer assistance;
 - 6.4 technical changes to the Climate Change Response Act 2002 that would improve the operation of the NZ ETS (for introduction in the House following the report of the Emissions Trading Scheme Review Committee, which is expected in May 2009).

Secretary of the Cabinet

Reference: CAB (09) 107

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