

Transition into and evolution of a New Zealand Emissions Trading system

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New Zealand Climate Change Policy
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Outline



- Where do we want to get in the long term within the international context?
- What should a medium-term ETS look like?
- What should we do in the period before we can implement a full ETS?

Long Term



- Long-run international policy must effectively limit emissions not just emissions intensity
- Long-run international policy should be efficient
- New Zealand's key role in international policy is to encourage others to act
- New Zealand should achieve this in a way that minimises the long run cost to our economy

Medium Term



- Medium-term NZ policy should encourage reductions in all emissions except where those reductions would result in significant leakage.
- The stringency of medium and long-term NZ policy should depend on two things: how we perceive our international responsibilities; and the levels of cooperation that others are engaging in.
- The architecture of the NZ system should be designed to be adaptable to changing targets and scientific knowledge.

Short term



- We should not do anything in the short term that we do not want to do in the long term
- We should take account of the need for short term adjustment
- NZ should emphasise policies that will take time to take effect and that are not dependent on other policies for their effectiveness.