



Cabinet

CAB Min (08) 14/1(6)

Minute of Decision

Copy No:

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2008 Budget Package: Vote Climate Change

On 14 April 2008, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2008 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
4825	Further the NZ Emissions Trading Scheme Policy Development	-	2.725	-	-	-
4828	Implementation of Climate Change Adaptation Measures	-	0.250	0.250	0.250	0.250
4829	International Negotiations and Linkages to the NZ Emissions Trading Scheme	-	1.000	-	-	-
Total Operating		-	3.975	0.250	0.250	0.250

2. **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
3. **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
4. **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2007/08 above be included in the 2007/08 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
5. **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2007/08 Supplementary Estimates, the 2008/09 Estimates and the fiscal forecasts;

6. **noted** that all communications relating to the 2008 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Secretary of the Cabinet

Reference: 2008 Budget package tabled
by the Minister of Finance

Distribution:

Prime Minister

Chief Executive, DPMC

Director PAG, DPMC

Minister of Finance

Secretary to the Treasury

Hon Jim Anderton

Associate Minister of Finance (Hon Trevor Mallard)

Minister Responsible for Climate Change Issues

Secretary for the Environment (Climate Change)

Controller and Auditor-General

Vote: Climate Change

Title: Further the NZ Emissions Trading Scheme Policy Development

Description: The Government has proposed an emissions trading scheme as its cornerstone policy for reducing green house gas emissions and introducing the price of carbon in the economy. The development of the New Zealand Emissions Trading Scheme (NZ ETS) will require ongoing resourcing in order for it to succeed.

Theme: Economic Transformation

Theme Objective: Environmental sustainability:
emissions trading

Performance Information

Performance Text

Deliver further policy development, regulation, engagement and analysis to the level expected by Ministers; achieve a high-level of coordination across the relevant agencies; increase awareness and understanding of the NZ ETS; Organisation and logistics in arranging meeting, hui, management of the Climate Change Leadership forum. Each of these outputs will contribute to the mitigation of risks associated with the successful implementation and delivery of the scheme.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	2.725	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.725	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Policy Advice - Climate Change (funded by Revenue Crown)	-	2.725	-	-	-
Total Operating	-	2.725	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 4828

Vote: Climate Change

Title: Implementation of Climate Change Adaptation Measures

Description: New Zealand communities, local government and economic sectors are enabled to take the most appropriate action to adapt to the physical impacts of climate change. This initiative develops a suite of regulation, guidance material and engagement initiatives to encourage adaptation.

Theme: Economic Transformation

Theme Objective: Environmental sustainability: emissions trading

Performance Information

Performance Text

Develop adaptation toolbox items; engagement with engineers, planners, insurance and local government.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.250	0.250	0.250	0.250
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.250	0.250	0.250	0.250

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Policy Advice - Climate Change (funded by Revenue Crown)	-	0.250	0.250	0.250	0.250
Total Operating	-	0.250	0.250	0.250	0.250
Total Capital	-	-	-	-	-

Initiative No: 4829

Vote: Climate Change

Title: International Negotiations and Linkages to the NZ Emissions Trading Scheme

Description: International climate change negotiations will increase over the next four years as post-2012 commitments are finalised. Coupled with these international negotiations is the need to develop international linkages to the New Zealand Emissions Trading Scheme (NZ ETS).

Theme: Economic Transformation

Theme Objective: Environmental sustainability: emissions trading

Performance Information

Performance Text

International agreement post the Kyoto Protocol period and the NZ ETS being able to link to international markets.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.000	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Policy Advice - Climate Change (funded by Revenue Crown)	-	1.000	-	-	-
Total Operating	-	1.000	-	-	-
Total Capital	-	-	-	-	-