

# Introduction

The Emissions Trading Scheme (the NZETS) is a key measure in New Zealand's response to climate change.

The NZETS will put a cost on emissions of greenhouse gases; sometimes called a 'carbon price'. This will have direct and indirect effects on the Council.

Direct effects include: liabilities for methane emissions from the Council's landfill operations; potential liabilities for deforesting pre-1990 exotic forest; and receiving credits (and associated potential liabilities) for forests planted after 1989.

Indirect effects include increased energy costs, increased costs for some services and perhaps greater incentives to develop renewable energy on Council-owned land.

This Carbon Management Policy provides a framework to aid the Council's decision-making where the future carbon price is, or may be, a material consideration. It will also help ensure that the Council meets its legal obligations and is fiscally prudent when managing carbon-related assets and liabilities.

A key challenge is to manage the considerable uncertainty that surrounds climate change policy, including the future carbon price in New Zealand.

The policy addresses the effects of the NZETS. It is a sub-set of the Council's wider Climate Change Action Plan. It does not address mitigation of climate change or adaptation to climate change directly, as these issues are covered under the action plan.

## Objectives

### The objectives of the Carbon Management Policy are:

1. to provide a framework to aid decision-making where the future cost of greenhouse gas emissions (sometimes referred to as the carbon price) is, or may be, a material consideration;
2. to ensure the Council meets its legal obligations and is fiscally prudent when managing carbon-related assets and liabilities; and
3. to identify opportunities to minimise liabilities and/or maximise assets created under the NZETS, where this is economically efficient and fiscally prudent.



## Scope and application

The Carbon Management Policy addresses assets, liabilities, costs and opportunities arising from the NZETS. It applies across all Council activities. The Council will engage with its Council Controlled Organisations on the policy, particularly through the Statement of Intent process.