



05 MAY 2010

Office of Hon Dr Nick Smith

MP for Nelson

Minister for the Environment

Minister for Climate Change Issues

Minister for ACC

CC 2454

Neil & Esther Henderson
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Dear Neil & Esther Henderson

Thank you for your email of 8 March 2010 regarding the New Zealand Emissions Trading Scheme (NZ ETS) and climate change science.

I note your concern over media reports around the leaked or stolen emails from the University of East Anglia Climate Research Unit. I am advised that a careful review of the content shows that nothing in the emails undermines the scientific case that climate change is real — or that human activities are almost certainly the cause. This scientific case is supported by multiple, robust lines of evidence, including several that are completely independent of the climate reconstructions debated in the emails.

On the subject of temperature trends, it is necessary to look at longer time periods, which show a clear underlying upward trend in both global and local temperature records. The global mean temperature has increased by about 0.74°C over the last century. However, the rate of warming has dramatically increased over the last 25 years and the average global temperature over the past decade is amongst the highest of the last century.

Rather than solely relying on the work of the IPCC as you suggest, I can assure you that I have been well-read on the science of climate change for nearly 20 years and remain well informed on the different theories. I do not claim absolute consensus on the science, nor do I claim that everything about the earth's climatic system is understood. As an engineer, I come from a risk management perspective and I am satisfied that there is sufficient risk to justify action.

I do not agree that the government should defer introduction of the NZ ETS. My number one priority for domestic climate change policy is ensuring that a settled NZ ETS is in place to provide certainty for businesses. The government has significantly moderated the NZ ETS to reduce impacts on the economy and protect the competitiveness of New Zealand businesses, while creating incentives to reduce emissions. The Carbon Pollution Reduction Scheme (CPRS) remains Australian government policy. Clearly it would be desirable from a New Zealand perspective to have certainty on progress of the CPRS legislation. However, we are not dependent on Australia's progress to implement the NZ ETS.

Finally, I note that the NZ ETS is flexible, allowing for adjustments to occur in response to changes in the international situation and our understanding of the science of climate change. Regular reviews of the NZ ETS are scheduled, starting in 2011 and five yearly thereafter. During these reviews it will be possible for the government to monitor progress of the scheme and international developments and make any necessary adjustments.

Yours sincerely

Hon Dr Nick Smith
Minister for Climate Change Issues