



9 November 2007

Stephen Tindall
Leader of the Climate Change Leadership Forum
E mail address: stephen.tindall@thewarehouse.co.nz

cc Hon David Parker, Minister responsible for climate change issues

Dear Mr Tindall

The undersigned collectively represent a large number of key stakeholders that will be impacted by the proposed emissions trading scheme.

We have previously made known our concern to the government that the process being followed for the introduction of ET in New Zealand is deeply flawed, in part due to the speed with which the proposal is proceeding and in part due to the lack of good process, good analysis and adequate consultation with affected industry on the design of the scheme.

Adding to our concern is the impenetrability of the process that is being followed by the Climate Change Leadership Group.

It is our understanding that many of the issues we and our members have been raising in consultation meetings around the country have been referred to the Climate Change Leadership Group. Among them are issues such as high and volatile prices of carbon, lack of market liquidity, allocation of allowances, phase out of allocation, absolute caps versus intensity targets, points of obligation, and the definition of a unit of trade.

We understand the Climate Change Leadership Group has been privy to a large number of official papers on these various issues, and that members of the forum have been contributing in their areas of expertise. We are concerned that there is a

lack of transparency in this process that would enable the broader business community to assess whether advice given by members of the leadership forum has been impartial and objective or whether it reflects vested interests on the group.

We note that the Terms of Reference for the Climate Change Leadership Group require it to facilitate discussions with broader groups in the community and be representative of business and other sector views. To date there has been no discussion with our organisations nor have our views been sought.

Our question is when can our organisations be briefed on your deliberations and have access to the papers and information that you have had access to? To discharge your role on this important issue with credibility, we feel it is important to achieve maximum transparency in the policy design process so as to demonstrate that you are properly representing the views of the wider business community.

We look forward to your positive response.

To progress a meeting or for any correspondence please contact Catherine Beard of the Greenhouse Policy Coalition who is acting as coordinator on this issue.

Yours faithfully

<p>Catherine Beard, Executive Director, Greenhouse Policy Coalition.</p> 	<p>Roger Kerr, Executive Director, New Zealand Business Roundtable</p> 	<p>Tony Friedlander, Chief Executive Officer, Road Transport Forum Ltd.</p> 
<p>John Pfahlert Executive Officer Petroleum Exploration and Production Association</p> 	<p>Doug Gordon Chief Executive Officer, New Zealand Minerals Industry Association.</p> 	<p>Ralph Matthes, Executive Director, Major Electricity Users Group</p> 

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