

NET POSITION QUESTIONS AND ANSWERS 2009

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1/. THE NET POSITION

What is the net position report?

The net position report provides a projection of New Zealand's likely balance of Kyoto Protocol emissions units at the end of the first commitment period (CP1: 2008-2012). An emissions unit is equivalent to one tonne of carbon dioxide gas. The report is written on an annual basis to keep the Government informed of New Zealand's progress towards achieving its Kyoto Protocol obligations.

Who calculates the net position?

This report is compiled using sectoral projections reports from across government. Agricultural emissions and net removals by forests eligible under Article 3.3 of the Kyoto Protocol are provided by the Ministry of Agriculture and Forestry. Stationary energy (the energy sector excluding transport), transport and industrial processes emissions projections are provided by the Ministry of Economic Development. Emissions from the waste sector are projected by the Ministry for the Environment. The Ministry for the Environment leads the net position update across government to ensure internal consistency of projections, to project manage the update, and to compile the Kyoto Protocol compliance equation.

How is it calculated?

The net position is calculated consistent with the compliance equation of the Kyoto Protocol. The compliance equation is the difference between New Zealand's projected emissions between 2008-2012 and New Zealand's assigned amount over the first commitment period. The assigned amount is a combination of the emissions in 1990 multiplied by 5 (for each of the 5 years of the commitment period), removals from forests eligible under Article 3.3 of the Kyoto Protocol and any units acquired via the flexibility mechanisms of the Kyoto Protocol. The flexibility mechanisms are joint implementation, the clean development mechanism and carbon trading.

Which data did officials use to calculate the net position?

Officials decided during February 2009 to use the pessimistic economic assumptions from the December 2008 Economic and Fiscal Update for the net position modelling.

What is the 2009 net position?

The net position is projected to be a surplus of 9.6 million units during the first commitment period of the Kyoto Protocol (2008-2012). This compares with a projected deficit reported in May 2008 of 21.7 million units. The change in emissions is equal to a decrease in projected net emissions of 31.3 million tonnes carbon dioxide equivalent (million tonnes).

The 2009 projected estimate includes changed assumptions to account for a drought in 2007/2008, a recession during 2009, policy changes since 2008 and new scientific information from forest field studies from the Land Use and Carbon Analysis System (LUCAS).

2/. CHANGES IN THE NET POSITION

How have the latest emissions projections changed from previous projections?

There are five changes of note from the net position reported in May 2008. These are summarised below and described in more detail in the appendices to the report.

1. **Agriculture** emissions projections for 2008-2012 are lower due to the 2007/2008 drought. Farmers responded to this drought by reducing stock numbers for sheep, cattle and deer. Remaining livestock had less feed available which reduced emissions per head of livestock. Changes to emission factors reduced estimated emissions by 4.1 million tonnes. Overall projected agriculture emissions for 2008-2012 are now 14.4 million tonnes lower than projected in 2008.
2. **Net removals by planted forests** are projected to be 17.8 million tonnes higher than projected in 2008. The two key reasons for this change are as follows.
 - a. New information on post-1989 planted forests indicates that post-1989 forests are growing faster and capturing more carbon dioxide per hectare than previously thought. This is because they have higher stocking rates (more trees per hectare). Many of the post-1989 forests were planted onto farmland which is more fertile than traditional forestry sites and many have received less intensive forest management, particularly thinning. The preliminary analysis of the forest inventory data has resulted in a projected increase in removals from Kyoto Protocol forests of 8.2 million tonnes.
 - b. Deforestation emissions are projected to be 9.6 million tonnes lower than in the 2008 net position. For the first time, the area of immature forest intended to be deforested has been estimated in this year's deforestation intentions survey. Deforestation emissions from younger forests are lower than deforestation emissions from older forests. It was also assumed that all forest carbon is instantly emitted at the time of deforestation. It was previously assumed that harvesting residues decayed over time.
3. Total **energy and industrial emissions projections** for 2008-2012 have not changed from the 2008 projection. There are reductions in the projected emissions from energy due to lower than projected energy demand during 2008, and the expected effects of a continued recession. However, these have been offset by the effects of removing the Biofuels Sales Obligation and the

Renewables (Electricity) Preference, and a small increase in fugitive emissions from greater geothermal electricity generation.

4. Projected emissions from **waste** during 2008-2012 have increased by 1.1 million tonnes, compared to the 2008 projection. This is the result of changes to the method used to model emissions from solid waste disposal.
5. The projected quantity of Kyoto Protocol emissions units awarded under the **projects to reduce emissions programme** has been reduced from 7.0 to 6.8 million tonnes.

Why are the agriculture projections lower than previous projections?

Farmers responded to the 2007/2008 drought by reducing stock numbers of sheep, cattle and deer. Remaining livestock had less feed available which reduced animal productivity and greenhouse gas emissions. Projected agriculture emissions for 2008-2012 are now 14.4 million tonnes lower than projected in 2008. Of this, 4.1 million tonnes was due to the development of a New Zealand specific emission factor for nitrous oxide emissions from dung and urine, and the incorporation of a nitrification inhibitor, dicyandiamide (DCD).

Why have emissions from energy remained the same since last year?

Total energy and industrial emissions projections over 2008-2012 have not changed from the 2008 projection. There are reductions in the projected emissions from energy due to lower 2008 demand and the expected effects of a continued recession but these have been offset by the removal of the biofuels obligation and a small increase in fugitive emissions from more geothermal electricity generation.

What has changed in the waste sector to increase projected emissions?

Projected emissions from waste during 2008-2012 have increased by 1.1 million tonnes, compared to the 2008 projection. This is the result of changes to the method used to model emissions from solid waste disposal.

Have transport emission projections changed?

This year's projection reflects a small net increase of less than 1 million tonnes of carbon dioxide equivalent from transport. The increase arises because of the effect of the repeal of the biofuel sales obligation and the delayed entry date of the transport sector to the ETS from January 2009 to January 2011. This increase is partly offset by the impact of the recession on demand for transport fuels.

Why are the effects of policies included in the emission projections?

The net position does not evaluate or report the effects of individual policies. All policies are treated together to get the best estimate of New Zealand's emissions and removals over the first commitment period. The net position is calculated consistent with the Public Finance Act 1989 (section 26U) that requires the net position to incorporate to the fullest extent possible, all government decisions and all other circumstances that may have a material effect on the projection and that can be quantified with reasonable certainty.

3/. UNCERTAINTY

Why do the net position numbers change over time?

The projection of the net position will continue to change as projection models are refined, new information becomes available, assumptions are updated and we get closer to the end of the commitment period where variables that were once projected become known values.

What factors cause uncertainty?

Uncertainty is caused by the need to project variables which drive greenhouse gas emissions such as economic growth, fuel and energy prices, exchange rate, technical change and population growth. The future value of these variables cannot be known and we use a range around these variables to quantify different emissions scenarios.

Will the uncertainty reduce?

The net position will remain uncertain until New Zealand's national greenhouse gas inventory covering the first commitment period has been internationally reviewed, final emissions unit purchases and sales are completed and the review report accepted by the Enforcement Branch of the Compliance Committee of the Kyoto Protocol. The internationally agreed timelines for these processes mean that New Zealand will submit its annual inventory for the 2008 calendar year in 2010. As inventory data is submitted for the first commitment period during 2010-2014, uncertainty in the net position will be reduced because actual estimated emissions data will replace projected estimates of emissions. New Zealand's Kyoto Protocol compliance over the first commitment period will not be finalised until 2015.

Where does most of the uncertainty come from?

The largest source of uncertainty is the forecast carbon dioxide removals by forests. The Ministry of Agriculture and Forestry report a large uncertainty range of 46 to 108.1 million tonnes (62.1 million tonnes) between the high and low figures for the removals by forestry projection. This uncertainty is due to information gaps, scientific and measurement uncertainty.

The Ministry of Economic Development and the Ministry of Agriculture and Forestry are now using provisional data for 2008 in the net position estimates for energy and agriculture. As actual data continues to replace previously projected estimates for all sectors the uncertainty will continue to reduce.

Results from field studies from the Land Use and Carbon Analysis System (LUCAS) such as updated carbon capture by post-1989 forests is now being used to project removals by forests. New satellite mapping of forests due to be completed during 2009 will provide the first real measurement of the change in forest area since 1990. This new mapping could make a further change to the projected estimate of removals by forests. These completed studies will further reduce the uncertainty around the forestry projections.

The net position is a projected estimate and will remain uncertain until New Zealand's national greenhouse gas inventory covering the first commitment period has been internationally reviewed, final emissions unit purchases and sales are completed and the review report accepted by the Enforcement Branch of the Compliance Committee of the Kyoto Protocol. The internationally agreed timelines for these processes means that New Zealand will submit its annual inventory for the 2008 calendar year in 2010.

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What is New Zealand's commitment over the Kyoto Protocol?

As a party to the Kyoto Protocol, New Zealand has committed to reducing its average net emissions of greenhouse gases over 2008-2012 (the first commitment period of the Kyoto Protocol or CP1) to 1990 levels or take responsibility for any difference.

4/. FINANCIAL IMPLICATIONS

Financially how big is the swing from deficit to surplus from last year?

The drop in projected net emissions means the Crown's projected fiscal liability of NZ\$546 million moves to a projected NZ\$ 241million asset. That is an overall improvement of NZ\$787 million since last year's projection.

But, current estimates of forestry participation and the future of the Emissions Trading Scheme are uncertain. The Ministry for the Environment intends to retain the assumptions used in the emissions trading scheme documentation (from 2008).

How will this affect the budget?

The revised estimate of the provision for the asset and the revenue from the Emissions Trading Scheme will be included in the Government's Budget and Economic Fiscal Update to be delivered by the Minister of Finance on 28 May 2009.

When can we expect the figures to accurately reflect what's happening?

The figures should be accurate in 2015 when New Zealand's national greenhouse gas inventories covering the first commitment period have been internationally reviewed. Final emissions unit purchases and sales also need to be completed and the review report accepted by the Enforcement Branch of the Compliance Committee of the Kyoto Protocol. New Zealand's Kyoto Protocol compliance over the first commitment period will not be finalised until 2015.

The uncertainty around the projections is reducing and is expected to reduce rapidly now we are in the first commitment period.

How will the Government spend the extra money?

The Net Position report suggests that, on current projections, there might be a surplus of emission units. But there are many uncertainties, including economic growth, emissions intensive investment and the possibility that NZ emission units might be sold offshore that are not included in the modelling. These uncertainties prevent considering the net surplus of units as a certain asset.

Has the recession affected these projection figures?

The effects of the recession are moderate compared to the effects of the drought during 2008.

How does the net position contribute to the Kyoto liability?

The projected quantity of greenhouse gas emissions and removals is a core component of New Zealand's projected financial surplus or deficit over the first commitment period of the Kyoto Protocol. The other components are the international price of emissions units and the exchange rate between the New Zealand and Euro currencies. The net position shows the number of Kyoto emission units needed to meet New Zealand's commitment over CP1. Multiplying this by the carbon price in New Zealand dollars gives the size of the Kyoto liability. The provision for the Kyoto liability is updated regularly in the crown accounts

(see: <http://www.treasury.govt.nz/government/liabilities/kyoto>)

What are the major differences of assumptions applied for the 2008 and 2009 net positions?

The provision for the Kyoto asset is reported in the Crown accounts against the Ministry for the Environment. The price of Kyoto Protocol emissions units was NZ\$25.15 as at 28 February 2009. The provision for the asset is therefore estimated to be NZ\$241 million for the five years of the first commitment period of the Kyoto Protocol (2008-2012).

5/. DIFFERENCES IN EMISSIONS REPORTING & ACCOUNTING

What is the difference between net position and emissions trading accounting?

The net position represents the balance of units faced by 'New Zealand Inc.' under the Kyoto Protocol. It is the balance that the international community will see that New Zealand has i.e. whether New Zealand is a net importer or exporter of units. However the net position does not represent the position of any one organisation, including the Crown. The Crown's balance of units will depend on the net position, the final configuration of the Emissions Trading Scheme, and the flows of units under the Projects to Reduce Emissions programme.

The net position is a simple balancing of New Zealand's units assigned under the Kyoto Protocol (Assigned Amount Units (AAUs) and Forestry removal units) against our projected obligation under the protocol.

ETS accounting considers how those units will be devolved domestically to participants, and balances up the flows of units from the Crown account. This means that under the net position New Zealand could have a surplus of units, but due to a generous allocation of units under the ETS, the Crown may still need to purchase units from overseas. The ETS accounting is a prediction of what units the Crown will receive from the sectors that have obligations under the ETS, and a prediction of allocation of units to sectors within the scheme.

The two sets of accounting are very different as different sectors come into the ETS at different times, and have differing levels of allocation, while under the net position accounting, all of 'New Zealand Inc.'s' emissions are accounted for from 2008.

What is the difference between removals when reporting under the Climate Change Convention and accounting under the Kyoto Protocol?

Inventory reporting under the Convention as agreed by the Conference of the Parties is reporting emissions and removals and does not have accounting consequences.

Reporting land use, land-use change and forestry under the Convention includes emissions and removals from all land use categories (forest land (planted and natural forests), cropland, grassland, wetlands, settlements and other land for all years since 1990. For New Zealand removals from our forest land category dominate removals and emissions from all other land categories.

The Kyoto Protocol limits the accounting of emissions and removals from the land use, land-use change and forestry sector to Article 3.3 activities (afforestation, reforestation and deforestation) and Article 3.4 activities (forest management, cropland management, grazing land management, revegetation). Accounting for Article 3.3 activities is mandatory. Article 3.4 is voluntary (NZ has elected not to account for Article 3.4).

Therefore accounting for land use, land-use change and forestry under the Kyoto Protocol includes changes in carbon stocks from afforestation, reforestation and deforestation between 1990 and the first commitment period of 2008-2012.

6. IMPLICATIONS FOR EMISSIONS TRADING

Why has an Emissions Trading Scheme been included in the emission projections this time?

As a party to the Kyoto Protocol, the Crown has taken on a liability, so the Emissions Trading Scheme has to be included. There is a Public Finance Act requirement to include policies that may influence future fiscal situation. The 2009 net position includes the modelled effects of the New Zealand Emissions Trading Scheme as legislated during 2008. The 2009 net position report includes all government decisions as at December 2008. The biofuels sales obligation was included in the 2008 net position estimate but has been removed in the 2009 projection in line with government policy.

If we no longer have a liability why do we need an emissions trading scheme?

Any agreement in Copenhagen in December this year is likely to mean tougher targets for New Zealand after 2012. An emissions trading scheme will be an important means of reducing our greenhouse gas emissions to meet those targets.

If we are now in surplus – why do we need an ETS, can't we just rely on our forestry to keep removing our emissions?

The emission trading scheme contains several objectives, including providing a least cost way for the New Zealand economy to meet our Kyoto obligations. Other objectives are to position our economy for probably deeper emission obligations in the future and to influence near-term long-lived investment decisions through adopting the international market price for emission units. For those reasons, the net surplus projected is irrelevant to decisions on the future of the ETS.

How much uncertainty is there in the ETS calculation?

The Ministry for the Environment baselines incorporate an assumed take-up profile for the emissions trading scheme. Actual take-up could be higher or lower than assumed, representing an unquantified risk to the operating balance. The estimate represents best judgement under *limited information and this could impact on the operating balance*.

Have you told the special select committee looking at the Emissions Trading Scheme that we now have a surplus rather than a deficit?

I spoke to the committee in March and told them our net position was likely to have improved on last year's so they could take this into account during their deliberations.

Will the revised net position affect the select committee's decision on the Emissions Trading Scheme?

That is for the committee members to determine themselves based on all the information they have and will be given.

7/. GENERAL QUESTIONS AND ANSWERS FOR AGRICULTURE, ENERGY, INDUSTRIAL PROCESSES, WASTE, AND LULUCF

AGRICULTURE

What is the difference for overall emissions projections between the May 2008 and May 2009 net positions?

New Zealand's projected agricultural greenhouse gas emissions for the first commitment period of the Kyoto Protocol are 14.4 million tonnes lower in the May 2009 set of projections. Drought, the introduction of new information from research on the breakdown of animal dung and urine lowered agriculture emissions projections for 2008-2012.

Stock numbers of cattle, sheep and deer were down and livestock productivity was reduced as a result of a drought in 2007/2008. While new research for a New Zealand specific emission factor for nitrous oxide emissions from livestock, and the incorporation of a nitrification inhibitor, dicyandiamide (DCD), accounted for 4.1 million tonnes of the reduction in the estimate of emissions from agriculture.

What are the major differences in policies between the 2008 and 2009 net positions?

There is no policy change expected regarding greenhouse gas emissions for the agriculture sector over the first commitment period.

What are the major differences of modelling applied for the May 2008 and May 2009 net position calculations for the first commitment period?

The model used to estimate animal numbers was updated to include animal performance and land use information. Outputs from this model are fed into the agricultural tier two inventory model to forecast greenhouse gas emissions. The inventory model is currently being used to estimate emissions for the National Inventory.

What is the level of uncertainty in the projection?

The projected emissions from agriculture for CP1 range from 166 Mt CO₂-e to 205 Mt CO₂ -e.

Where is the uncertainty in the projection?

In the agricultural greenhouse gas emission projections, the economic uncertainty comes from the exchange rates and agricultural commodity prices. These feed into the uncertainty around animal numbers. Variation in climate (particularly droughts) and biological variability also creates uncertainty in the projections and is centred around projections of animal performance (methane emissions per unit of feed intake and nitrogen output per animal).

What improvements have been implemented since 2008?

Improvements have been made in both projection methods for animal population and greenhouse gas emissions.

8/. GENERAL QUESTIONS AND ANSWERS ON FORESTRY & LULUCF**What is the difference between overall emissions projections for the May 2008 and May 2009 net positions?**

Projected removals of carbon dioxide by post-1989 forests have increased by 8 million tonnes carbon dioxide equivalent during the first commitment period of the Kyoto Protocol (2008-2012).

Projected emissions from deforestation have fallen from 16.9 million tonnes carbon dioxide equivalent to 7.3 million tonnes carbon dioxide a reduction of 9.6 million tonnes during the first commitment period of the Kyoto Protocol (2008-2012).

What are the major differences between assumptions applied for the 2008 and 2009 net positions?

There are two main differences in the 2009 net position.

First, new information on post-1989 planted forest growth rates (directly related to how much carbon dioxide the forests is remove from the atmosphere), was available from field measurements. These measurements, which are part of the Land Use and Carbon Analysis System (LUCAS) show the forests are capturing more carbon per hectare. This is because they have higher stockings (more trees per hectare) and because many of the post-1989 forests were planted onto farmland which is more fertile than traditional forestry sites. The preliminary analysis of the forest inventory data has resulted in a projected increase in removals from Kyoto Protocol forests of 8.2 million tonnes.

The second main change is in the forecast of deforestation emissions. Forecast deforestation emissions are based on a Deforestation Intentions Survey. For the first time this survey provided information on the age of the trees intended to be deforested. This information has not been available previously. In previous forecasts, it was assumed that all trees to be deforested were mature trees, as no other information was available. This year, it was known that a proportion of the trees intended to be deforested were younger trees, with an average age of 12 years old. Deforestation emissions from younger forests are lower than deforestation emissions from older forests. So this new information has allowed a more refined estimate on the carbon sequestered by the trees. In addition it was assumed that all carbon is instantly emitted at the time deforestation takes place. It was previously assumed that harvesting residues decayed over time.

What are the major differences between policies for the 2008 and 2009 net positions?

There is no policy change expected regarding greenhouse gas emissions for the forestry sector between 2008 and 2009. The 2009 net position was estimated based on the current Emission Trading Scheme policy. This same policy was assumed in 2008.

What are the major differences between the modelling applied for the May 2008 and May 2009 net position calculations for the first commitment period?

The introduction of actual rather than estimated carbon removal data for Forestry is the major difference between the 2008 and 2009 net positions for Land Use, Land Use Change and Forestry (LULUCF). LULUCF refers to a greenhouse gas inventory sector that covers emissions and removals of greenhouse gases resulting from direct human-induced land use, land-use change and forestry activities.

What is the level of uncertainty in the projection?

Net removals by the LULUCF sector (that is, removals by post-1989 forests minus deforestation emissions) for the period 2008-2012 are projected to be in the range of 46 to 108.1 million tonnes of carbon dioxide. The uncertainty for the 2008 net position was in the range of 33.7 to 90.4 million tonnes of carbon dioxide.

Where is the uncertainty in the projection?

These projections have significant uncertainties due to information gaps, scientific uncertainty and the complexity of forecasting biological systems that are inherently variable. The largest measurement uncertainties are in the area of Kyoto forest, the future growth rates of these forests and the level and emissions from future deforestation.

Why does New Zealand have this uncertainty in the LULUCF projection?

Many countries are in the same position as New Zealand with limited national scale information on forestry and land use change. Countries such as Finland, Sweden, Norway, and the United States have measured their forests growth and changes in areas for decades in national forest inventories.

New Zealand does not have a history of undertaking regular national scale forest inventories. There was one national forest inventory undertaken after World War II. The results of this inventory showed that New Zealand had limited future timber to meet the country's needs. This led to an expansion of the planted forest estate.

Why didn't New Zealand have a forest inventory system before 2005?

Before New Zealand signed the Kyoto protocol (and climate change policies were proposed) there wasn't a strong national need to invest in a national forest inventory.

The Ministry for the Environment formally established the current LUCAS programme in 2005 to measure and report on changes in carbon stock in the LULUCF sector. Every measurement cycle takes three to five years. LUCAS won't have good quality information with repeat measurements until after 2012. Until these measurements are completed the large uncertainty around the LULUCF projections are likely to remain.

Why are trees absorbing much more carbon than expected this time last year?

Trees are absorbing the same amount however our estimation methods are changing. Previously estimated data based on dated studies of pre-1989 forests and postal surveys is being replaced by new studies and updated field trials

Where did the carbon sequestration (absorption) figures come from?

Research and field studies commissioned for the Land Use and Carbon Analysis System (LUCAS).

Will the figures jump again in the future?

There will be continual adjustment to the figures right through until the end of the first commitment period as part of the continuous improvement that is required by the United Nations Framework Convention on Climate Change. This adjustment will come from additional field work and research and a second round of mapping from satellite imagery collected for the 2012 year.

What is the benefit of gathering this information?

The benefit of having all this information gathered (ie inventory and LUCAS) provides NZ with 400 million units or around NZ\$10,000 million at current carbon prices.

How much has it cost to gather this information?

The LUCAS programme has a budget of 70 million dollars. However the information that LUCAS provides is a requirement to participate in the Kyoto Protocol. Furthermore, the carbon sink credits that LUCAS generates for New Zealand is currently valued around 2.5 billion – a 35:1 benefit to cost ratio.

9/. THE REVIEW OF THE NET POSITION REPORT**Why was the net position reviewed in 2005?**

The May 2005 net position report projected that New Zealand would have a deficit of emissions units for commitment period one of the Kyoto Protocol (CP1). The Ministry for the Environment commissioned UK-based consulting firm AEA Technology to undertake an independent review of the May 2005 net position report. The May 2007 net position report was also reviewed.

What did the review say?

AEA Technology's key finding was that:

“The methodologies employed to project emissions and sinks across the different sectors [are] generally sound and reasonable in their approach.”

The review noted the uncertainties inherent to all countries' projected greenhouse gas emissions, and that it is “not uncommon” for projections to change.

How did officials use the review?

The 2007, 2008 and 2009 net position reports incorporate many of the improvements to methodology and process identified by government agencies together with additional recommendations by AEA Technology.

Why was the net position reviewed again in 2007?

The net position was reviewed to assess the Ministry for the Environment's efforts to implement the improvements recommended in 2005, provide suggestions for further improvements and to help improve the treatment of uncertainty.

Why is the 2009 Net Position Report being reviewed?

The Net Position Report is being reviewed by the Audit Office to ensure the figures are accurate using the best available information. The Audit Office carries out this function every year as part of the reporting process.

What is the Audit process for the Kyoto financial account?

Audit New Zealand will conduct their annual review of the Kyoto Protocol account on the Crown Financial Statement once the final net position report has been completed by the Ministry for the Environment.

The review by Audit New Zealand will be completed by September 2009 as part of the overall audit of the Ministry for the Environment's accounts.

Audit New Zealand will meet with experts from the Ministry of Agriculture and Forestry the Ministry of Economic Development, for assurances around the modelled projections of emissions and removals across each sector. The Ministry for the Environment will commission AEA Technology (UK-Based independent firm) to review the net position report and sectoral appendices. The review by AEA Technology will likely be conducted from May to September 2009.

The Chief executives of the Ministry of Agriculture and Forestry, and the Ministry of Economic Development provide the Secretary for the Environment with letters of representation for projections of agriculture emissions, forestry removals and energy emissions.

The Treasury periodically re-estimate the price of Kyoto Protocol emissions units (the carbon price). The carbon price methodology is usually reviewed by Allen Consulting group, an Australian based economics consulting firm. The Audit New Zealand review will also consider the carbon price and the advice of Allen Consulting Group.