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NAME	Submission to the New Zealand Emissions Trading Scheme review
PREPARED FOR	Ministry for the Environment
PREPARED BY	VUWSA Executive
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**Contents:**

1. Introduction
2. Climate Change
3. The Emissions Trading Scheme
4. The drivers and context for the review
5. Moving to full surrender obligations
6. Full surrender obligations should be put in place as soon as possible
7. Summary



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## **1. Introduction**

1.1 The Victoria University of Wellington Students' Association (VUWSA) welcomes the opportunity to make a submission on the Ministry for the Environment New Zealand Emissions Trading Scheme Review 2015/16.

1.2 VUWSA was established in 1899, making it the oldest students' association in the country, and functions to represent and advocate for the interests Victoria University of Wellington's (VUW) 22,000 students.

## **2. Climate Change**

2.1 As the representative body of Students' at VUW, VUWSA understands that climate change is an issue with growing significance for students. Through this submission, VUWSA acknowledges the large proportion of students who are young people, who will deal with the intergenerational effects of climate change.

2.2 VUWSA also acknowledges the widespread challenges climate change poses socially, economically and culturally; which graduates will be faced with when entering their future industries and building their lives, families and communities.

2.3 At VUWSA's 2013 Initial General Meeting, two motions regarding climate change were passed: That VUWSA acknowledges the current and future impacts of climate change on students and society and the need for an urgent and comprehensive response and that VUWSA takes appropriate action where possible to support the transition to a prosperous and equitable low-carbon economy. It is therefore with the support of our membership that we make this submission.

2.3 As a result, VUWSA as an organisation has advocated consistently for action on climate change. This has included submitting on Local Government Climate Change Strategies and presenting a strong showing of students at the People's Climate March in November 2015.

## **3. The Emissions Trading Scheme**

3.1 The Emissions Trading Scheme (ETS) is relevant to VUWSA's stance on climate change. Used effectively, these schemes can aid in mitigating some of the impacts of climate change.

3.2 An effective ETS puts in place processes that help to move toward a low carbon economy. Ensuring that there are measures that allow for accountability from those who create emissions.

3.3 Large scale emitters have a considerable impact on the amount of carbon emitted as a whole. An accountability structure is necessary to aid in limiting the impacts of climate change.



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### **3. The Drivers and Context for the Review**

3.1 VUWSA welcomes the context for the 2015/16 review of the ETS. The four drivers allow for a conversation around what would make an Emissions Trading scheme more effective both in the short and long term in New Zealand.

3.2 All four drivers relate directly to New Zealand's obligations to the climate, on both a national and international scale.

### **4. Moving to full surrender obligations.**

4.1 VUWSA believes that the transitional measure of allowing one credit to be traded for the price of two should be removed to make the system more effective.

4.2 In its current state, the ETS does not hold large scale emitters adequately to account for their impacts to the climate. The relatively low cost of credits (In comparison to other countries with similar systems) lead to there being very little deterrent to choosing to emit carbon.

4.3 The measure was included in the early ETS, as a means of transition, as businesses adjusted to the cost of the new scheme. As the scheme has now been in place since 2008, it is time for transitional measures to come to an end.

4.4 For the scheme to function as initially intended, full surrender obligations must be in place; 'two for one' or half price credits are not aiding New Zealand in meeting its international obligations on climate change.

4.5 The discussion document states that higher prices of units did impact on decision-making, i.e. the higher price was an incentive for businesses to engage in emission-reduction behaviour. Moving to full surrender obligations will encourage emitters to continue this responsible behaviour, as they will be paying appropriately for their emissions.

### **5. Full surrender obligations should be put in place as soon as possible**

5.1 A rapid movement toward full surrender obligations is the most preferable decision that the government can make.

5.2 This move should be made as soon as is possible, to avoid further delay. More tangible benefits from the ETS will be seen as a result. The time for transition has passed. Any time spent further delaying the process is simply postponing the ETS beginning to work as intended.

5.3 After the Paris Climate agreement, New Zealand has a renewed commitment to climate action. Making this change to the ETS will signal a move forward in New Zealand's commitment to climate action.

### **6. Summary**



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6.1 VUWSA is an organisation committed to working toward a low carbon economy.

6.2 The ETS should be moved to full surrender obligations. The time for transitional measures is over. Introducing full surrender obligations will encourage responsible behaviour, and be more likely to result in the desired outcomes of the scheme.

6.3 The move should be made as soon as possible, to avoid delay.

6.4 This will demonstrate New Zealand's commitment to climate action.