

# New Zealand ETS review 2015/16 consultation

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1. Do you agree with the drivers for the review?

Answer 1: Yes

2. What other factors should the Government be considering in this NZ ETS review?

Answer 2:

I think the government should control the whole ETS and not allow private industry to do so as we have seen in the past they have just made a truck load of money out of you and me. This is a tax which should then be channelled back into the real issue - growing trees. In order for it to happen Government needs to step in and organise it. Industry will only respond when the price is "right" ie they are making more out of it then putting in. Meantime we as a country need to be consistently planting so we have a rotation of credits and not a wall of wood scenario which is likely to be a bust and boom situation for a national industry.

9. Do you consider the future cost of emissions in your business planning?

Answer 9: Yes

9A. How do you do this?

I shall be planting trees on my own beef property to account for future obligations I may incur. I also pay for tree planting when I fly, however planting an arboretum (air NZ) is a classic waste of money instead of commercial high density forest.

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10. What would improve your ability to take into account the future cost of emissions in your business planning?

Answer 10: A fixed minimum Carbon price and none of those fake overseas credits.

11. Under what conditions should free allocation rates start to be reduced after 2020?

Answer 11:

When one has workable, viable alternatives or solutions. Eg: For livestock if there is not a viable alternative to methane belching then it should not be taxed. If there is then bring them in over a time period - say a generation of animals.

12. What impact would it have on your investment decisions over the next few years if there was a clear pathway or criteria for phasing out of free allocation after 2020?

Answer 12:

It would help as there is a long lead up time to planting trees and even longer before they produce meaningful credits.

13. How does the carbon price impact your forestry investment decision-making?

Answer 13: It makes a huge difference - plant or not plant is the bottom line.

14. Are there opportunities for the NZ ETS to increase incentives for forestry investments, outside of NZU price?

Answer 14: Yes

15. What are your reasons for the above answer?

Answer 15:

I believe tax breaks should be given until the hectares being planted are back on a reasonable trajectory for New Zealand to both cover all it needs and also to have enough in reserve, as I believe this government has dumbed down how serious the global warming issues are to us all, especially for a small country with coast lines around the entire border.

16. If international units are eligible for NZ ETS compliance in the 2020s, should any of the following restrictions be placed on their use?

Answer 16:

- a) restrictions on where units can be sourced from (location of and/or types of projects)
- b) restrictions on how many units can be surrendered
- c) other

16A. Please explain your answer:

We should be paying our own way, not being a third world developing nation, so we should not be allowed to source carbon credits off shore at all. However certain countries do not have growing land for trees like say Saudi Arabia, so we should have enough extra credits to trade with those type of countries.

17. Should auctioning be introduced in the NZ ETS?

Answer 17: No

17A. Please explain your answer:

Again this leads to exploitation by those who can afford it and as prices change, more uncertainty and therefore extra cost to consumers. The nature of mitigation through forestry is too long a time to allow for this uncertainty.

18. What should be the role or purpose of an auctioning function in the NZ ETS, if one were introduced?

Answer 18: c) other

18A. Please explain your answer:

My answer in 17 above - no auctioning.

It is a tax -since when did we allow taxes to be fixed by the auction?

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19. How should auctioned NZUs relate to other sources of unit supply in the NZ ETS, especially NZUs generated

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through forestry removals and / or international units?

Answer 19: As stated previously no auctions.

20. What impact has carbon price volatility in the NZ ETS had on your business?

Answer 20: c) significant

20A. Please explain your answer:

I am in the forestry business and we have gone from boom to bust in 2 years - well done government! You guys have significantly knee capped the ETS with the and have learnt nought from your efforts.

21. Do you think measures should be in place to manage price stability?

Answer 21: Yes

21A. Please explain your answer: Fixed minimum Carbon price in line with world recognised costs.

22. What do you consider are important factors for managing price stability?

Answer 22: c) other

22A. Please explain your answer:

A fixed price that does not get distorted by future traders. Along with a cpi adjustment.

23. What should the Government consider when managing price stability?

Answer 23:

The longevity of forest planting, growing and cycle time. With this kind of investment one needs stability.

24. Are you aware of ways the administrative efficiency of the NZ ETS could be improved?

Answer 24: Unsure

25. Can you provide further information to support your answer?

Answer 25:

26. Are there any barriers or market failures that will prevent the efficient uptake of opportunities and technologies for reducing emissions?

Answer 26:

Absolutely - government metalling with policies once they have been announced in a long time frame industry.

27. If so, is there a role for the Government in addressing these barriers or market failures and how should it do this?

Answer 27:

Yes - get all parties to agree to the ETS and do not open it to industry. It needs to be managed by the government as it is a tax.

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Ministry for the  
**Environment**  
*Manatū Mo Te Taiao*

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28. Please comment here

Answer 28:

Name Mark Ryan

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