

# New Zealand ETS review 2015/16 consultation

Copy of your submission



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

Answer 1: No

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

Answer 2:

I support the intention of the ETS but it is clearly flawed and ineffective. I struggle with the claim in the MFE Video that says we're on track to meet our targets, how can this be when our emissions are increasing?

I suggest a carbon tax (that is revenue neutral to the Govt) is a far more effective approach than the flawed and ineffective NZ ETS.

3. Should the NZ ETS move to a full surrender obligation for the liquid fossil fuels, industrial processes, stationary energy and waste sectors?

Answer 3: Yes

3A. Please explain your answer:

4. What impact will moving to full surrender obligations have on you or your business?

Answer 4:

5. If full surrender obligations are applied, when should this be implemented?

Answer 5: c) 2018

Outline the reasons for your answer, and include any comments on the pros and cons of applying an increased surrender obligation to a partial or a full NZ ETS reporting a year.

Rather than maintaining a fixed price maximum price, the Govt must impose a fixed price MINIMUM price.

6. If the NZ ETS moves to full surrender obligations, should potential price shocks be managed?

Answer 6: Unsure

6A. Please explain your answer:

This ETS's reliance on financial constructs is weird given that the environment is real and life supporting, where as financial markets and monetary amounts are abstract and ultimately intangible.

7. If potential price shocks associated with moving to full surrender obligations should be managed, how should this be done?

Answer 7: d) other methods - please specify

7A. Please explain your answer:

Rather than maintaining a fixed price maximum price, the Govt must impose a fixed price MINIMUM price.

8. If the \$25 fixed price surrender option value should change, what should it change to and why?

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Answer 8:

Rather than maintaining a fixed price maximum price, the Govt must impose a fixed price MINIMUM price.

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

Answer 9: Yes

9A. How do you do this?

Choose only renewal power, drive a hybrid, work and shop locally and am upskilling in the area of sustainable transport.

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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: Certainty on the cost of emissions in to the future

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

Answer 11:

Free allocation rates need to start ASP, the planet's life supporting systems cannot wait!

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:

More confidence that we won't go into a climate change induced economic melt-down.

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

Answer 13:

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

Answer 14:

15. What are your reasons for the above answer?

Answer 15:

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: c) other

16A. Please explain your answer:

Do not allow international units to be eligible for NZ ETS compliance - it will only convolute the NZ ETS.



17. Should auctioning be introduced in the NZ ETS?

Answer 17: Unsure

17A. Please explain your answer:

The financial markets have no sense of how to price emissions in terms of ecological and social importance.

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

Answer 18:

18A. Please explain your answer:

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19. How should auctioned NZUs relate to other sources of unit supply in the NZ ETS, especially NZUs generated through forestry removals and / or international units?

Answer 19:

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

Answer 20:

20A. Please explain your answer:

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

Answer 21: Yes

21A. Please explain your answer: Introduce minimum prices

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

Answer 22: b) lower price limits (eg, price floor)

22A. Please explain your answer:

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

Answer 23:

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

Answer 24:

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

Answer 25:

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

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

Answer 26:

Yes, I have outlined the issues market failures in my responses above. A current example is the very low prices of petrol, gas and coal when we know we must reduce our burning of fossil fuels. The market is blind to our ecological situation, so how can we rely upon it to resolve the situation?

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:

Introduce a carbon tax instead, just like we tax cigarettes to encourage a reduction in consumption.

28. Please comment here

Answer 28: How to remove the political bias from this process.

Name [REDACTED]

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