

New Zealand ETS review 2015/16 consultation

Copy of your submission



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:

Agriculture needs to be included. Just because it is uncomfortable for farmers to contribute, this is no excuse. So far, positive contributions, for instance from forestry, have been punished, not applauded, with the result that we have lost a significant emissions control factor. Meanwhile farms and animals continue to degrade our environment.

We have our heads in the sand.

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:

Full surrender is the only responsible thing to do. It is not morally appropriate to compare NZ with other countries as an excuse.

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

Answer 4:

I would expect fuel prices to increase to cover the cost of pollution. Goods and services should also increase. If this results in less use of vehicles and more public transport, it will be a positive result for future generations.

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.

The public should be given clear warning that this will happen on a defined schedule.

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

Answer 6: No

6A. Please explain your answer:

This is an expected result and we should be prepared for it. There is no excuse for continued indifference.

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

Answer 7:

7A. Please explain your answer:

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

Answer 8:

It should be introduced as a compulsory fact of life and only relaxed when there is clear evidence that there has been a fundamental change in our attitude to climate change. So far there has been lip service only.

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

Answer 9: Yes

9A. How do you do this? Less vehicular and paper use.

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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 signal that the Government is actually serious about this.

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

Answer 11:

I don't see a clear need for free units in the long term - heads in the sand again?

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:

All major polluters need to contribute before discussion of re-introducing free units occurs. Much of the population will not accept that the Government is serious about the future if this does not happen first.

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

Answer 13:

Covering pollution costs should be a fact of life for all businesses, otherwise the country does not need that business.

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:

To date the Government has not shown any real understanding of the contribution of forestry - hence the reduction of our plantation base. Forestry will not play a greater role until it is on a par with agriculture, where the effects on the landscape are clear for all to see.

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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:

16A. Please explain your answer:

Allowing other units to be used is an open door for avoiding the issue and for additional overheads in administration. Sticking to NZ units is cleaner and simpler.

17. Should auctioning be introduced in the NZ ETS?

Answer 17: No

17A. Please explain your answer: Keep it simple and transparent.

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:

We need to move past the comparison with international units as a historic anomaly.

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

Answer 20: c) significant

20A. Please explain your answer: The allowance of international units has muddied the water.

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

Answer 21: No

21A. Please explain your answer: Managing carbon should be like any other business with ups and downs.

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

Answer 22:

22A. Please explain your answer:

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

Answer 23:

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

Answer 24: Yes

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

Answer 25:

Use of developing airborne technologies to verify areas and volumes involved. Perhaps even a dedicated organisation to confirm data for both farms and forests.

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

Answer 26:

Only the reluctance of individuals or companies to willingly participate and accept independent assessments. This might be the case for waterway pollution, for instance.

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. Clear neutral policy (not favouring agriculture) and establishment of a unit to carry out assessments.

28. Please comment here

Answer 28: A clear pathway for introduction of all industries into the ETS system.

Name Dave Cown (Emertus Scientist)

Organisation (if applicable) [REDACTED]

Address [REDACTED]

Telephone [REDACTED]

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