

Topics for NZ ETS Review 2015/2016 consultation

About the consultation

The Government is reviewing the New Zealand Emissions Trading Scheme (NZ ETS) to assess how it should evolve to support New Zealand in meeting future emissions reduction targets and its ongoing transition to a low emissions economy. This follows the announcement by the Government in July this year that New Zealand's post 2020 target is to reduce greenhouse gas emissions to 30 per cent below 2005 levels by 2030.

The Ministry for the Environment is leading the consultation and welcomes your feedback on how the NZ ETS is working and how it might work better in the future.

The review will focus on:

- some transitional measures introduced to moderate the impacts of the NZ ETS
- what is required for the NZ ETS to evolve with changing circumstances including future targets
- operational and technical improvements.

Discussion document

For more information about the consultation, read our [discussion document](#). It sets out the issues on which the Government is consulting, the objective and drivers for the review. It also contains the terms of reference for the review.

See the following two technical notes for information on specific issues relating to forestry and on operational matters that could be improved. Submissions on these matters close at 5pm on 30 April 2016.

- [Operational matters technical note](#)
- [Forestry technical note](#)

The following three technical notes were made available to support submissions on the NZ ETS review's priority issues. Submissions on priority issues are now closed.

- [The New Zealand Emissions Trading Scheme evaluation report 2016](#)
- [Economic impacts of removing NZ ETS transitional measures](#)
- [Afforestation responses to carbon price changes and market certainties.](#)

Closing dates for submissions

- Submissions on priority issues closed at 5pm on 19 February 2016
- Submissions on other review matters close at 5pm on 30 April 2016.

Publishing and releasing submissions

All or part of any written submission (including names of submitters), may be published on the Ministry for the Environment's website www.mfe.govt.nz. Unless you clearly specify otherwise in your submission, we will consider that you have consented to website posting of both your submission and your name.

Contents of submissions may be released to the public under the Official Information Act 1982 following requests to the Ministry for the Environment (including via email). Please advise if you have any objection to the release of any information contained in a submission and, in particular, which part(s) you consider should be withheld, together with the reason(s) for withholding the information. We will take into account all such objections when responding to requests for copies of, and information on, submissions to this consultation under the Official Information Act.

The Privacy Act 1993 applies certain principles about the collection, use and disclosure of information about individuals by various agencies, including the Ministry for the Environment. It governs access by individuals to information about themselves held by agencies. Any personal information you supply to the Ministry in the course of making a submission will be used by the Ministry only in relation to the matters covered by this consultation. Please clearly indicate in your submission if you do not wish your name to be included in any summary of submissions that the Ministry may publish.

Contact for queries

Please direct any queries to:

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Email: nzetsreview@mfe.govt.nz

Postal: NZ ETS Review Consultation, Ministry for the Environment, PO Box 10362, Wellington 6143

Questions to guide your feedback

The questions below are a guide only, and all comments on topics are welcome. To ensure your point of view is clearly understood, please explain your rationale.

Contact information

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Submission Form

Discussion Document

Context and drivers for the review

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

Yes

No

No

Unsure

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

Moving to full surrender obligations – submissions on these priority issues closed on 19 February 2016.

Managing the costs of moving to full surrender obligations– submissions on these priority issues closed on 19 February 2016.

Other issues: business responses to the NZ ETS

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

Yes

If yes, how do you do this?

No

If no, please explain your answer?

The reduction in CO₂ will cause great damage to our agriculture by reducing growth and shortening growing seasons. There is great doubt as to whether the increase in CO₂ over the past 40-50 years has anything to do with man-made emissions. There is no evidence that the rate of CO₂ increase is over the past 40-50 years in anyway matches the increased output by man.

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

Scientific demonstration that the increase in CO₂:

- a. Can be attributed to man
- b. Increases temperatures

In addition, the benefits of a small increase in temperature far out-weigh any negatives – the only one that has any merit is increasing sea levels. However, the rate of sea level increase is tiny and appears to be slowing.

Other issues: protecting competitiveness through free allocation

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

In reality, NZ's produce will be sold on price and quality; any political "feel good" factors are irrelevant. Allocations distort the market and make business less competitive. All allocation should be withdrawn and let the market determine competitiveness. For those who see CO₂ reduction as a marketing tool, then let them do so – at their cost- benefit.

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?

See above

Other issues: managing unit supply - forestry

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

In your answer, we are interested in the:

- a) extent to which the NZU price impacts decisions, compared to other factors
- b) impacts of the current price, and of your expectations for future prices.

This is pure market distortion and in no-bodies interest except those who will scam the system (and they will!)

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

Yes

No

NO

Unsure

15. What are your reasons for the above answer? If you answered yes, we would be interested in comments on:

- a) any barriers to participating in the NZ ETS that could be reduced
 - b) other factors.
-

Other issues: managing unit supply – international units

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

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) others **Should not be allowed at all.**

Please explain your answer.

Other issues: managing unit supply – auctioning

17. Should auctioning be introduced in the NZ ETS?

Yes

No

No

Unsure

If yes, when?

a) in the next two to three years

b) within five years (before 2020)

c) after five years (post 2020).

Never

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

a) to align supply in the NZ ETS more closely with our international target

b) to more actively manage NZU prices

c) other **To prevent scamming and market distortion**

Please explain your answer.

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?

Other issues: managing price stability

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

a) minor

b) moderate

c) significant.

Please explain your answer.

None, we do not and will not take any ETS into account – it is a vast waste of resources and will have ZERO impact on temperatures or climate.

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

Yes

No

 No

Unsure

Please explain your answer

There should not be an ETS – see above.

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

a) upper price limits (eg, fixed price option, or a price ceiling implemented through an auctioning mechanism)

b) lower price limits (eg, price floor)

c) other

Please explain your answer

Get rid of all ETS systems and let business get on with business.

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

The science is based on computer models, the hypothesis is not only unproven, it cannot be proven! If anyone is so arrogant they think man controls the Earth's climate, then those that do will be milked.

Other issues: operational and technical matters

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

Yes

No

Unsure

Get rid of anything and all departments involved in anything to do with ETS and climate change, and stop wasting time and money. Use it for more productive purposes – like life-saving medicines; better facilities and treatment for the mental and physically handicapped; assist business more pro-actively with market access for exporting; focus on real life issues, not made-up ones that may or may not increase temperatures by a degree or so (think about it – daily temperature vary by 10s of degrees, tides by 3-4 meters). CO₂ will change this – seriously!!

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

We would be interested in comments on:

- a) complexities involved in NZ ETS participation
- b) penalties for breaching NZ ETS obligations
- c) any technical or operational changes that could be made to the NZ ETS to improve efficiency.

It's a huge waste of resources – get rid of it!

Other issues: addressing barriers to the uptake of low emissions technologies

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

Any market opportunities for new technologies will be based on market acceptance, not Government intervention, which ALWAYS distorts markets with unintended consequences (which are always wasteful and able to be scammed)

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

The Government should set up an Independent Royal Commission to examine the science (the IPCC only looks at human caused issues!) for facts – based on long term climate changes (thousands of years) and possible causes. This needs to be a scientific, not political Commission, with these involved charged with providing a balanced Report on the actual state of the science and an assessment of all possible climate drivers: plus possible positive and negative outcomes depending on changes to the climate (whether warming or cooling). Remember we are currently living in an Inter-glacial Ice Age.

Any other comments related to issues set out in the discussion document

28. Please comment here

See above. We are wasting a fortune on a no-issue. Climate changes and will continue to do so. Man cannot alter it but we can prepare for possible changes. A warming world has tremendous positive effects; a cooling world is cause for concern. Based on cycles over the past 2.5 million years, the world will enter another cooling cycle sooner rather than later. As to why – this is worth researching – but scientifically, not politically as is most so-called climate science

[NB: Separate consultation form]

NZ ETS review: Forestry technical note

The following questions relate to information presented in the Forestry technical note.

Existing structural design settings

F1. What do you consider are the strengths and weaknesses of the NZ ETS forestry settings?

F2. Do the NZ ETS forestry settings discourage deforestation? If not, what settings do you think would?

Yes

No

Unsure

Please explain your answer

I do not know for sure, but any such scheme is bound to get scammed – to the detriment of the majority of those working in the industry.

F3. Do the NZ ETS settings incentivise afforestation and replanting? If not what settings do you think would?

Yes

No

Unsure

Please explain your answer

**Depending on the scheme, planting may or may not occur – again a major market distortion.
Forestry is a BUSINESS not a political game to make politicians and bureaucrats feel good.**

F4. Does the NZ ETS provide effective incentives for smaller foresters to participate in the scheme? If not, what settings do you think would?

Yes

No

Unsure

Please explain your answer

See above

F5. Does the NZ ETS work well alongside other forestry programmes? If not, how do you think these programmes could be better aligned?

Yes

No

Unsure

Please explain your answer

The ETS will ensure decisions are made to maximise whatever the ETS incentives are AT PRESENT. When they change so will the decisions – it's simple!

F6. What changes could be made to NZ ETS forestry sector provisions to improve the scheme?

Get rid of it completely and let proper business decisions be made.

Future forestry accounting in the NZ ETS

F7. What are important factors when considering changes to forestry accounting settings in the NZ ETS?

Whatever system is in place it will be scammed – its simple human nature to maximise to best advantage!

F8. Do you think a different forestry accounting approach in the NZ ETS would change the scheme's incentives for afforestation?

Yes

 YES

No

Unsure

Please explain your answer

Averaging

F9. Do you think averaging should be introduced for post-1989 forests? If so, why?

Yes

No

Unsure

Please explain your answer

This is pure market distortion. Get the Govt out of the business (other than strengthen property rights – in the broadest sense)

Do you think it should it be optional or mandatory?

F10. Should there be limits on the types of forests that can use an averaging accounting method? For example, new forests only or forests under a size threshold.

Yes

No

Unsure

Please explain your answer

Personally I think large tracts of mono-culture trees is worse than open cast mining – it has major impact on fauna and flora in these areas – where are the Greens??

F11. How might averaging impact on your business decisions?

Harvested Wood Products

F12. Do you think deferred liability for emissions from Harvested Wood Products (HWPs) should be recognised domestically? If so, how?

Yes

No

 NO

Unsure

Please explain your answer

See above.

F13. How might the options for deferred liability for emissions from HWPs impact on your business decisions?

Never will!

Other

F14. Do you have any other comments or things you think are important?

See comments above

[NB: Separate consultation form]

NZ ETS review: Operational matters technical note

The following questions relate to information presented in the Operational Matters Technical Note, which can be found here.

Encouraging compliance with NZ ETS requirements

OM1. Do you encounter challenges when completing New Zealand Emissions Trading Scheme (NZ ETS) requirements, such as meeting your emissions reporting or surrender requirements?

Yes

No

Unsure

What are these?

There are no challenges – do not ever intend to conform to a scheme which is based on a fantasy and has no commercial value. I have no intention of wasting my valuable time or money on such a nonsense scheme.

What would overcome these challenges?

Get rid of it

OM2. What is your opinion of the tools available to regulators to correct errors and address non-compliance?

Get rid of it.

What would help improve these tools?

OM3. Are there options, not already included here, for improving compliance with emissions reporting and surrenders?

Yes

No

Unsure

What are they?

These simply generate wasteful use of resources and make business less competitive; for no justifiable reason.

Disclosure of NZ ETS information

OM4. Does the current level of information available allow you to make informed decisions about your participation in the NZ ETS?

Yes

No

Unsure

If not, please give examples of information you think would be useful, and how it would help you.

It is easy to get caught up in dealing with details, but the overall system is based on a false premise and should be scrapped.

OM5. Are there any additional forms of information that would assist with your understanding of, or participation in, the market?

NO – but what is it actually going to achieve? Simply waste of peoples time and money and for what? Even the IPCC indicate reductions in CO2 will make less than 0.04°C difference by 2100! Seriously!!

Transfer of participation for post-1989 forestry

OM6. Have you undertaken, or expect to undertake in the future, an NZ ETS transfer process?

Yes

No

Unsure

If so, how well do you understand the transfer provisions?

It is pointless

OM7. Have you encountered issues with NZ ETS land transfer requirements?

Yes

No

Unsure

If so, what issues did you have?

N/A

OM8. Do you think the NZ ETS transfer requirements should be changed or simplified?

Yes

No

Unsure

If so, how?

Yes – get rid of the scheme.

Tree weed exemption provisions under the Climate Change Response Act 2002

OM9. Have you encountered any problems with the tree weed exemption process?

Yes

No

Unsure

Please explain your answer?

Good grief – talk about making up more bureaucracy!

OM 10. Have you encountered issues in complying with the conditions of a tree weed exemption?

Yes

No

Unsure

Please explain your answer?

N/A

OM 11. Do you think the tree weed exemption provisions could be improved?

Yes

No

Unsure

If so, how?

Seriously?

The public's limited access to information about the NZ ETS status of land

OM12. What information on land status under the NZ ETS would be useful for your decision making?

None – I would not take it into account unless for legal reasons (and would think twice before proceeding).

OM13. Have you faced any problems in classifying forest land under the NZ ETS or in accessing information on forest land's NZ ETS status?

Yes

No

Unsure

Please explain your answer? **N/A**

OM 14. Do you think the Government should provide information on the NZ ETS status of land that is not already subject to the NZ ETS?

Yes

No

Unsure

If so, how would this help you?

More bureaucracy! What a waste of resources!

When your submission is complete

Email your completed submission to nzetsreview@mfe.govt.nz or post to NZ ETS Review Consultation, Ministry for the Environment, PO Box 10362, Wellington 6143.

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