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Environment
Manatū Mō Te Taiao

Updating the New Zealand Emissions Trading Scheme

Summary of Submissions

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1 Introduction

In 2011, an independent panel reviewed the New Zealand Emissions Trading Scheme (ETS) to consider how it should evolve over the next five years. The Panel recommended the Government provide for a gradual transition to full obligations in the short term, but give businesses certainty about when they will face the full cost of their emissions. It was also recommended the Government change aspects of how forestry is treated in the scheme, especially in regard to pre-1990 forests.

Taking into account the Panel's recommendations, the Government proposed key changes to the ETS which were consulted on during April and May 2012. The consultation document *Updating the New Zealand Emissions Trading Scheme: A consultation document* was published, and regional hui and public meetings were then held to discuss the proposed changes.

This document summarises the submissions received, and presents the main issues and themes raised in the submissions.

Submissions overview

A total of 359 submissions were received. A list of submitters is provided in appendix 1. A note on hui/meetings that were held is provided in appendix 2.

Fifty submissions on the proposed amendments to the ETS were received from iwi/Māori. Of these submissions, 12 were form letter submissions endorsing the fuller submission of the Climate Change Iwi Leaders group (CCILG) (066, 081, 082, 094, 140, 163, 164, 194, 225, 236, 271, 328). A total of 31 form letter submissions were also received from individuals in the forestry sector (071, 074, 078, 079, 083, 087, 088, 104, 109, 136, 145, 183, 185, 230, 231, 255, 280, 320, 337, 339, 340,341, 343, 344, 345, 346, 347, 348, 349, 350, 356).

An overview of submitters' views is presented in the table below.

	Proposal	Submitters views	No	Total	%
Transition phase	To phase out the 'one for two' surrender obligation in three steps from 2013–2015 to reduce the impact of the scheme on businesses and households, in line with the ETS Review Panel's recommendation.	Agree/Agree in principle	46	82	56
		Disagree/ Disagree in principle	23		28
		Other	13		16
	To maintain the current fixed price option for business at a constant rate of \$25 until at least 2015.	Agree/Agree in principle	24	100	24
		Disagree/ Disagree in principle	23		23
		Agree with maintaining fixed price option but disagree that it should be 'at a constant rate of \$25'	34		34
		Agree with maintaining fixed price option at \$25 but disagree with time horizon of 'until at least 2015'	15		15
		Other views or comments	4		4

	Proposal	Submitters views	No	Total	%
Supply of NZUs after 2012	To introduce a mechanism through legislation that will allow the Minister for Climate Change Issues to set a cap and auction NZUs.	Agree/Agree in principle	47	111	42
		Disagree/ Disagree in principle	55		50
		Other views or comments	9		8
	To introduce a mechanism that would allow the Minister for Climate Change Issues to place a restriction on the proportion of international units an ETS participant can surrender to meet its ETS obligations	Agree/Agree in principle	84	120	70
		Disagree/ Disagree in principle	31		26
		Other views or comments	5		4
Pre-1990 Forestry	To introduce the option of 'offsetting' for pre-1990 forest landowners in a way that is consistent with flexible land-use accounting rules agreed for the Kyoto Protocol Commitment Period 2.	Agree/Agree in principle	125	177	71
		Disagree/ Disagree in principle	9		5
		Other views or comments	43		24
	To adjust the level of compensation to pre-1990 forest landowners in light of the introduction of offsetting.	Agree/Agree in principle	17	180	9
		Disagree/ Disagree in principle	159		88
		Other views or comments	4		2
	To adjust the second tranche of allocation to pre-1990 forest landowners by one of the following options: A. full removal of the second tranche of pre-1990 compensation for all eligible landowners B. reduction of the second tranche of pre-1990 compensation for all eligible landowners C. removal of the second tranche of pre-1990 compensation for those landowners who take up offsetting.	Prefer Option A	8	141	6
		Prefer Option B	3		2
		Prefer Option C	106		75
		Other views or comments	24		17
To allow landowners who are eligible for the less than 50-hectares exemption but have registered in the ETS and received an allocation, to have the option to revisit their choice, should one of the above options be adopted.	Agree/Agree in principle	5	12	42	
	Disagree/ Disagree in principle	0		0	
	Other views or comments	7		58	
Agriculture	To include the power to defer the entry of agricultural gases by up to three years to enable the results of the 2014 review to be implemented	Agree/Agree in principle	29	76	38
		Disagree/ Disagree in principle	45		59
		Other views or comments	2		3
Other amendments	To allow for future linking by introducing the power to extend our fixed price option beyond 2015 if it is needed to align with any price ceiling in Australia.	Agree/Agree in principle	38	54	70
		Disagree/ Disagree in principle	7		13
		Other views or comments	9		17
	To remove the obligation to 'back' all NZUs issued with an equivalent amount of approved international units.	Agree/Agree in principle	4	39	10
		Disagree/ Disagree in principle	31		79
		Other views or comments	4		10
	To extend the ban on the export of NZUs from non-forestry sectors while the fixed price option remains in place and the ETS is not directly linked to another emissions trading scheme	Agree/Agree in principle	3	14	21
		Disagree/ Disagree in principle	11		79
		Other views or comments	0		0
	To replace the old methodology for calculating GWPs with updated international rules	Agree/Agree in principle	7	17	41
Disagree/ Disagree in principle		7	41		
Other views or comments		3	18		

Overall package

Submitters' views on the overall package of proposed amendments were mixed. Many agreed or agreed in principle with what was put forward. These submitters considered that moderating features of the proposed package were reasonable and appropriate given the global economic situation, the current state of international climate change negotiations and the lack of action by major economies and trading partners.

However, the majority of submitters focused on, and had significant concerns around, particular aspects. Many submitters considered the proposed changes raise more and ongoing uncertainty that will stall investment. Submitters mentioned several drivers of uncertainty in relation to the ETS. These include:

- frequent and abrupt rule changes, which are in some cases retrospective in nature, leading to a mistrust of the Government and wide powers
- the proposed use of enabling powers with a lack of detailed information for significant elements of the scheme design
- ETS participants being unsure of their obligations, leading to uncertainty in the market and the resultant collapse of the carbon price. This, in turn, leads to uncertainty for investment in post-1989 forestry.

Some submitters felt the Government is working hard to limit the impact of the ETS on industry and agriculture but not forestry, raising concerns of equity. The possibility of removal of the second tranche of allocation for pre-1990 foresters further exacerbates this concern for a large number of submitters. It was felt that the forestry sector is once again to be penalised at the expense of leniency in other industry sectors.

Many submitters mentioned the need to make decisions, in terms of the amendments to the ETS, which are consistent with the Treaty of Waitangi and ensure iwi/Māori do not bear a disproportionate share of any burden as a result of ETS amendments.

Process concerns were raised relating to a relatively short consultation period, a lack of clarity and detail behind the proposals put forward and a lack of recognition, in the consultation document, of the impact of the proposed changes on the waste sector.

Many submitters questioned the underlying science which forms the basis for action to combat climate change. As a result of their scepticism, these submitters considered the ETS should be abandoned immediately.

2 Transition phase

Phase-out of ‘one for two’ surrender obligation

Proposal: To phase out the ‘one for two’ surrender obligation in three steps from 2013–2015 to reduce the impact of the scheme on businesses and households, in line with the ETS Review Panel’s recommendation.

A majority of those who commented supported the proposed phase-out of the ‘one for two’ surrender obligation.

Forty-six submitters agreed or agreed in principle with the proposal. The main reasons included:

- a gradual transition will provide greater market certainty and protection from shock costs (134, 264, 270, 326, 353)
- limited international progress (238, 287, 306)
- limited effort from other countries to implement schemes of a similar scope or nature (287, 306)
- allows for the cost increase resulting from the increase in GWP for methane (302) for transition of the waste sector, who are new entrants to the ETS (174, 247)
- protects horticultural businesses from rising costs that are unable to be passed on due to international competition (314).

Three submitters agreed in principle but suggested an alternative approach whereby phase-out applies only where NZUs or PFSI AAUs are being surrendered, but a ‘one for one’ obligation is retained where international units are being surrendered (031, 048, 055).

Fourteen agreed in principle but considered the proposal did not go far enough and that ‘one for two’ should remain in place, with phase-out beginning at a later date. One reason given for this was the lack of cost-effective mitigation technologies. Another reason stated was that competitors in the EU and Australia face a level of ‘carbon shielding’, with our Asian trading markets have not implemented a carbon price at all. Triggers proposed for beginning a phase-out of the ‘one for two’ included:

- when overseas competitors face a similar exposure to a carbon price (147, 221, 238, 250, 298)
- when there is a more comprehensive international climate change agreement (147, 175, 221, 228, 238, 250, 296)
- when the ETS is next reviewed ([withheld], 232, 248)
- when agriculture is included in the ETS (289).

Twenty-three submitters disagreed with the proposed phase-out. The main reasons included:

- such a move further weakens the impact of the ETS and disincentivises our economy to move to a low carbon future (092, 244, 253, 269, 307, 309, 321, 357)

- the ETS is characterised by a high level of uncertainty and the proposed phase-out increases that uncertainty. Businesses will have been factoring a full obligation into their business plans and investment decisions. The Government needs to send the right message to business and remain committed to that message. (196, 197, 262, 274, 313 315).
- the proposal transfers the liability to the future and to future generations (309, 321)
- the proposal further widens the gap between our international commitments and likely future emissions (202)
- the carbon price is already very low (212, 315) and is forecast to remain low through to 2015 (228). As such it was considered emitters do not need further help by phasing in the full obligation
- a phase-out will have minimal impact on the economy as, in many cases, entities are already passing on a \$25 carbon price per tonne of emissions to customers ([withheld], 313)
- the proposal creates unequal treatment between sectors: the forestry sector is facing a full liability and a lack of price certainty while emitters have part liability, sending mixed messages and discouraging new planting, particularly when considering the other obstacles the forestry sector faces in the ETS such as accounting difficulties and continual regulatory changes (180, 269, 310, 315).

Continuance of the fixed price option

Proposal: To maintain the current fixed price option for business at a constant rate of \$25 until at least 2015.

The majority of submitters did not support retaining a fixed price option set at \$25 until at least 2015.

Twenty-four submitters agreed or agreed in principle to the proposal. Of these submitters:

- 19 submitters supported the proposal as it stands ([withheld], 138, 172, 174, 191, 237, 247, 249, 252, 260, 270, 272, 286, 291, 306, 313, 326, 334, 353)
- 2 submitters agreed in principle but only if companies are more transparent and disclose the costs of the ETS that are being passed onto customers (152, 264)
- 1 submitter supported the proposal but thought a floor price should also be introduced (128)
- 1 submitter supported the proposal but only if it is consistent with the phasing out of the 'one for two' surrender obligation (289)
- 1 submitter supported the extension but questioned its impact at \$25 given current carbon prices (285).

Fifteen submitters agreed with retaining a fixed price option at \$25 but disagreed on the time span. Instead they suggested it should continue:

- until we have an international agreement in place (147,175, 221, 214, 224, 238, 250)
- until the next ETS review ([withheld], 232, 248)
- until overseas competitors face similar liabilities (298, 314)

- until a number of conditions are met (251)
- as the default position under legislation (168)
- but expire when a cap and auctioning scheme has been implemented (149).

Thirty-four submitters thought the fixed price should now be increased incrementally and/or the Review Panel's recommendation should be adopted (003, 049, 071, 074, 078, 079, 083, 087, 088, 104, 109, 145, 230, 231, 239, 255, 263, 266, 312, 315, 319, 337, 339, 340, 341, 343, 344, 345, 346, 347, 348, 349, 350, 356). One submitter also commented the Government should consider a floor price as protection (266).

One submitter thought the fixed price option should be capped at zero (146).

Twenty-three submitters disagreed or disagreed in principle with the proposal:

- 17 submitters disagreed with the proposal to continue the fixed price option at all, either because they thought the ETS should progress as originally planned and/or because it was considered unnecessary due to the low carbon price (92, 134, 170, 180, 202, 212, 218, 244, 253, 258, 294, 296, 307, 309, 310, 321, 357)
- 2 submitters did not support continuance of a fixed price option unless a floor price is also adopted (196, 197)
- 4 submitters considered that effectively capping the profits of foresters at \$25 was unfair when there was no such cap on their liabilities, which would be determined by the international market price at a future point in time (178, 201, 245, 268).

3 Supply of NZUS after 2012

Introduction of a cap and power to auction NZUs

Proposal: To introduce a mechanism through legislation that will allow the Minister for Climate Change Issues to set a cap and auction NZUs.

The majority of submitters commenting on this proposal did not support the introduction of the proposed mechanism.

Forty-seven submitters agreed or agreed in principle. The main reasons for support were to avoid excessive purchasing of international units and unnecessary offshore cash flows (031,168, 224, 248, 251), and to improve our domestic market liquidity (031, [withheld], 134, 307, 326). Some submitters also considered it is important to have a buffer against uncertainty in the international market (003, 224, 251). Some submitters considered having a cap important for strengthening the integrity of the ETS and incentivising emission reduction (092, 201, 202, 315, 322).

Many submitters that agreed in principle said further detail and consultation was required for unconditional agreement to the proposal (128, 138, 149, 198, 218, 248, 252, 260, 264, 284, 298, 299, 306, 309, 315, 323, 326) and that it was unclear what the Government's motivations were for this proposal (031). Some submitters that agreed in principle also said:

- a restriction on international units should be introduced and a price floor established (152, 279, 322)
- auctioning must be implemented in a quality way and the process should be well controlled so as not to have adverse market consequences (266, 329)
- auctioning should be accompanied by measures to reduce gross emissions (294, 357)
- the Government should sell NZUs through brokers rather than conduct auctions itself (306)
- the cap should be based on agreed emission targets (291)
- any revenue generated from auctioning should be earmarked for:
 - low-carbon technologies such as a New Zealand version of the Australian Clean Technology Fund (152, 291)
 - emissions mitigation technology or research (298)
 - tax reform and to finance CDM projects in neighbouring countries eg Pacific islands (208).

Fifty-five submitters disagreed with the proposal. The main reason given was that submitters could not see a rationale for introducing auctioning given the current \$25 price cap, and not enough information had been provided on how it would work (071, 074, 078, 079, 083, 087, 088, 104, 109, 136, 145, 147, 180, 183, 185, 191, 221, 230, 231, 238, 239, 255, 280, 287, 304, 320, 337, 339, 340, 341, 343, 344, 345, 347, 348, 349, 350, 356). It was further submitted:

- if liquidity in the domestic market is the concern, auctioning is not needed because as the supply of international units tightens, higher prices will increase supply of NZUs by foresters (214)

- if the concern is the Government's over-accumulation of international CERs, a clear remedy is to reduce the level of surrender obligations and that there is no discernible benefit in doubling the level of surrender obligations and thereby doubling the size of the problem (232)
- if risk of price volatility is a concern, this can be managed through use of forward contracts and purchasing over time to avoid price spikes and Government intervention is not needed (191).

An important underlying concern resulting in lack of support for this proposal was the impact auctioning would have on the NZU price, and the potential for the Government to interfere in the market for revenue (033, 155, 157, 214, 232, 234, 287, 302, 314, 325, 334). Some submitters were also concerned that foresters would be less able to sell their NZUs (038, 180, 206). One submitter considered it would increase costs to ratepayers (174).

Two submitters considered auctioning might be justified in a suitably narrowly defined set of circumstances, ie, when the international market ceased to exist or functioned efficiently (191, 214). One of these submitters further stated the auctions should be unrelated to the proposed domestic cap and restriction on international units and should only occur with clarity over the use of the auction revenue (214).

Many submitters that agreed or disagreed with the proposal made similar comments about the importance of certainty. Some submitters said the proposal to make changes with one year's notice would undermine market participants' confidence in auctioning and should instead be locked down for at least three or five years (080, 168, 198, 248, 251, 291). Some submitters said the rules for auctioning, including level of cap and units available, should be made through primary legislation, not regulation (168,175, 214, 224, 249, 251, 284, 291).

Nine submitters did not explicitly agree or disagree but made comments. Some submitters stated more information was required to make an informed assessment of the proposals (096, 115, 178) and that it seemed more changes could be made to the ETS on political whim (004).

Submitters also proposed alternatives to auctioning or how auctioning should work. Many suggested a combination of a ban on international units, an increase in the fixed price cap and allowing foresters to export (071, 074, 078, 079, 083, 087, 088, 104, 109, 136, 145, 183, 185, 230, 231, 239, 255, 280, 320, 337, 339, 340, 341, 343, 344, 345, 347, 348, 349, 350, 356). Another key suggestion was to increase supply of NZUs through supporting emission reduction such as use of renewable energy and domestic production of wood products (352). One submitter stated the amount of units available for auction should be based on the target for that year, minus forecasted allocations and exemptions (291).

Restriction of international units

Proposal: To introduce a mechanism that would allow the Minister for Climate Change Issues to place a restriction on the proportion of international units an ETS participant can surrender to meet its ETS obligations.

A majority of those who commented supported this proposal.

Eighty-four submitters agreed a restriction on surrender of international units should be introduced. Common reasons for support were that it would increase market stability –

providing certainty for participants and incentivising new planting (003, 048, 138, 167, 323) – and it would reduce the amount of capital exported offshore (031, 048, 092). Submitters also commented other countries had implemented similar measures, including Europe and Australia, which would make our ETS consistent with other countries (152, 173, 201, 204, 218, 244, 323, 329).

Some submitters suggested quantitative limits that should apply to international units, including:

- a limit of 25 per cent (031, 048)
- a complete ban, with a limit of 50 per cent at a minimum (071, 074, 078, 079, 083, 087, 088, 104, 109, 136, 145, 183, 185, 173, 230, 231, 255, 280, 301, 315, 320, 321, 337, 339, 340, 341, 343, 344, 345, 346, 347, 348, 349, 350, 356), including one proposal (301) to start at 15 per cent and increase by 5 per cent each year until 50 per cent with a review at 35 per cent
- a complete ban (269).

Some submitters agreed in principle but also stated:

- the restriction on international units should be furthered to only allow units from countries that allow trading of NZUs (071, 074, 078, 079, 104, 109, 230, 231, 255, 264, 320, 337, 339, 340, 341, 343, 344, 345, 346, 347, 348, 349, 350, 356)
- they were concerned about the lack of detail offered and requested more consultation on this proposal (128, 178, 201, 204, 218, 245, 249, 260, 284, 294, 299)
- the proposal should also restrict the type of international units allowed (152, 244)
- the restriction should not apply to international units already in participant's accounts, those already secured in forward contracts, and the proposal should come into force at the same time as other countries' proposals ([withheld], 204, 218)
- the proposal should be supplemented with the introduction of a price floor (031, 152).

Other comments by submitters who agreed with this proposal included that the proposal would encourage domestic emission reductions and increase the NZU price (171), increase the credibility of the ETS (160), decouple the NZU from the CER (301), and that they felt the surplus should be used to reduce budget deficits (061).

Thirty-one submitters disagreed with the proposal to enable restriction of international units. The key concerns were that it would increase costs on businesses and consumers (146, 168, 175, 198, 248, 289, 314, 325, 326) and that the proposal conflicted with the ETS objective of encouraging least-cost abatement (134, 270, 287, 296, 313, 334). Some submitters also commented the proposal was inconsistent with free market principles (198, 208, 232, 247, 248, 302) and would restrict access to international markets, limiting free trade (174, 234, 306, 314).

One submitter stated allowing the Minister to set a limit through regulation was inadequate democracy (157).

One submitter noted the power to restrict already existing under section 30G of the Climate Change Response Act 2002 (214).

Five submitters did not explicitly agree nor disagree with this proposal but made comments. Some felt the Government needed to do further consultation on the topic (096, 149, 189, 214). Two submitters stated that, in any case, international units already in the NZEUR should not be affected by this proposal (172).

4 Pre-1990 forestry

Offsetting

Proposal: To introduce the option of 'offsetting' for pre-1990 forest landowners in a way that is consistent with flexible land-use accounting rules agreed for the Kyoto Protocol Commitment Period 2.

A very large majority of those submitting on offsetting favoured allowing it in the ETS.

One hundred and twenty-five submitters agreed or agreed in principle with the proposal. The main reason was because it was considered to be of national benefit as it allows highest and best use of land which would otherwise be locked into historical rather than optimum use (025, 036, 061, 071, 074, 078, 079, 119, 120, 121, 122, 123, 125, 126, 127, 131, 145, 183, 184, 185, 255, 279, 280, 315, 320, 332, 337, 339, 340, 341, 343, 344, 245, 346, 347, 348, 349, 350, 352, 356, 361).

Many of the submitters who agreed in principle stated that many landowners would not be able to use offsetting due to the significant costs involved with new forest establishment and new infrastructure, particularly if new land had to be acquired (014, 033, 061, 080, 128, 136, 138, 139, 145, 204, 218, 219, 220, 223, 226, 227, 245, 266, 267, 268, 279, 280). Submitters also questioned how much suitable land was really available, and the cost of that land. Pre-1990 forest landowners wanting to offset would be competing for suitable land with those seeking to establish post-1989 forest land to earn units which was likely to increase the land price (033, 061, 080, 119, 120, 121, 122, 123, 125, 126, 127, 240, 241, 266). In addition, submitters also said the landowner would face an instant devaluation of the offset land (post-1989 eligible land) when used for offset as this land would be classed as pre-1990 forest land.

Some submitters that agreed in principle also mentioned offsetting could result in negative environmental outcomes for catchment/nutrient management, water quality, and biodiversity, which need to be managed (152, 235, 252, 262, 294, 318). One submitter said consideration needed to be given to adding elements that would contribute positively to freshwater management in New Zealand (273). One submitter considered New Zealand emissions would also increase with offsetting (038).

Two submitters, Raukawa Charitable Trust (271) and Waikato–Tainui (318), raised the point that offsetting options should be consistent with the Vision and Strategy for the Waikato River and not increase environmental effects on the river and catchment. The Vision and Strategy and rules to protect the Waikato are part of a Treaty settlement and co-governance agreement with five iwi in the Waikato/Waipā. It was submitted that incentivising conversion of forest to farms in the catchment would impact on environmental management objectives that were part of these settlements.

In relation to timing, it was submitted by some that offsetting should be allowed for those who had harvested under Commitment Period 1 and who had yet to decide on land use under the four-year rule, otherwise landowners who had been waiting for policy clarity on offsetting before deciding on land use would be disadvantaged (042, 204, 218, 240, 241). It was further submitted the nine- year rule should not apply to offsetting to prevent conversion, as it was a

movement of forest rather than deforestation (240, 241). It was also submitted post-1989 forest that was not already registered in the ETS should be eligible for use as an offset forest (181).

Nine submitters disagreed with the proposal to allow offsetting. Their reasons were largely the same as those mentioned above. Many submitters said the costs associated with offsetting were prohibitive or that it was otherwise not a viable option (002, 027, 032). One submitter said more emphasis needed to be placed on promoting actual emissions reduction from polluters rather than through forestry (307). Another submitter considered that although the climate change impact of offsetting might be neutral, implementation carried risks (321).

Forty-three submitters did not explicitly agree or disagree with the proposal to allow offsetting, but made similar comments to those above. Many said offsetting was in some situations impractical, costly, or unviable due to Māori lease arrangements, and that those who did not offset should not be disadvantaged (044, 046, 048, 050, 054, 056, 060, 081, 082, 094, 096, 143, [withheld], 154, 160, 165, 171, 176, 178, 187, 190, 194, 228, 249, 263, 269, 271, 276, 278, 282, 290, 310).

Some of the submitters that did not explicitly agree or disagree stated the ability to offset, while positive, would not benefit most Māori landowners as it was unlikely they would own land suitable for conversion or have more land for the new forest (041, 047, 056, 060, 081, 082, 094, 096, 098, 176, 245, 269). In addition, submitters stated Māori landowners faced other barriers with land management. For instance, some Māori forest land was in long-term leases which prevented this land from being converted with offsetting. Other owners might want to consider offsetting by leasing or acquiring other Māori land but faced further barriers from the Te Ture Whenua Māori Act 1993. Further, the principle of ownership of the offset forest land might also conflict with the principle of kaitiakitanga practised by Māori and prevent them from leasing their land for this purpose.

One submitter not explicitly agreeing or disagreeing discussed the environmental challenges likely to arise from land use intensification from allowing offsetting and submitted that five yearly ETS reviews should assess and report on unintended effects additional to the carbon sink objectives (065). Two submitters said that the option to offset should be extended to PFSI foresters as well (031, 055).

Adjusting the second tranche of allocation

Proposal: To adjust the level of compensation to pre-1990 forest landowners in light of the introduction of offsetting.

A very large majority of submitters were opposed to this proposal.

Seventeen submitters agreed with the proposal to adjust the second tranche of allocation in return for the flexibility of allowing offsetting. Some of these submitters stated adjustments should be made only for those who exercised the option to offset (002, 050, 138, 148, 353). Two submitters considered compensation should not be adjusted for Māori forest landowners as that might affect the overall value of compensation when land had been won through Treaty negotiations (041, 047). One submitter said compensation should be reduced proportionally (035).

One hundred and fifty-nine submitters disagreed with the proposal for reasons of equity. Submitters considered offsetting should be introduced independently of the second tranche. It was submitted the compensation for constraints on land use and land devaluation as a result of the pre-1990 forest liability was only partial or token in the first place and that this compensation remained inadequate even with the ability to offset while there was no amnesty from the pre-1990 obligation. It was further submitted that offsetting was in many cases impractical, had significant costs involved, and as such was often financially or otherwise unviable (003, 009, 014, 018, 020, 032, 033, 036, [withheld], 039, 042, 043, 044, 045, 054, 055, 059, 061, 066, 071, 074, 078, 079, 080, 081, 082, 083, 087, 088, 091, 094, 096, 099, 101, 102, 103, 104, 109, 115, 119, 120, 121, 122, 123, 125, 126, 127, 128, 131, 135, 136, 139, 140, 141, 144, 145, [withheld], 152, 154, 158, 163, 164, 165, 167, 169, 171, 174, 176, 177, 178, 180, 181, 183, 185, 186, 201, 204, 205, 206, 211, 212, 215, 218, 219, 220, 223, 230, 231, 240, 241, 244, 245, 249, 252, 255, 257, 258, 259, 263, 264, 266, 267, 268, 276, 280, 282, 287, 288, 290, 299, 301, 320, 322, 329, 330, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 356, 361).

Some submitters said they had invested considerable time and money to get allocation (042, 043) and that for many small forest owners the value of the compensation barely covered the direct cost of application, let alone the land devaluation and constraints. As such, it was considered only right they received the second tranche or alternatively, the Crown paid the costs of getting the application completed (181). Also in terms of equity, it was said emitters were effectively subsidised by forest owners in the ETS, and benefiting New Zealand, which should be compensated for (045, 209, 219, 220, 269).

The proposal was also said to be a serious breach of faith by the Government and created further uncertainty for forest owners (036, 045, 141, 160, 219, 220, 249, 257, 333). This lack of certainty, as well as the reduction in capital if second tranche was not allocated, was said to disincentivise planting (018, [withheld], 061, 219, 220, 244, 253, 257, 258, 259) and likely to water down the benefits of the offsetting proposal (325).

Forty-one Māori submissions recommended the second tranche be retained (057, 060, 066, 081, 082, 093, 094, 096, 098, 113, 116, 118, 135, 140, 163, 164, 176, 181, 182, 190, 194, 205, 211, 215, 219, 220, 223, 225, 236, 245, 263, 264, 266, 267, 269, 271, 276, 278, 313, 318, 320). Many proposed that any amendments to the ETS should be consistent with the Treaty of Waitangi and Māori should not bear a disproportionate share of the burden of amendments. CCILG (264) argued the removal of the second tranche breached Treaty agreements, was inconsistent with Treaty principles and disproportionately affected Māori who are owners of much pre-1990 forests and unable to use offsetting in most cases.

It was also submitted that:

- some were banking on the second tranche of units to negate future liabilities, or had already made decisions based on the rules in place at the time and it was too late to consider the alternative of offsetting. As such, they submitted it would be unfair for the rules to be changed at this point (024, 040)
- there was unlikely to be an actual increase in the market value of pre-1990 forest land as a result of offsetting, as most landowners and agents did not understand the current scheme let alone any future amendments (003)
- if the Government did not grant the second tranche allocation in full, the money feeding into this allocation should be channelled into a “Flexible Land-use Fund” to provide targeted assistance to eligible persons (as opposed to landowners) of pre-1990 land who were actually deforesting and creating economic wealth for New Zealanders (113, 313).

Four submitters did not explicitly agree or disagree with the proposal to adjust the second tranche but made comments that:

- the link between allowing offsetting and renegotiating compensation was spurious, as offsetting was not a costless exercise (323) and that the Government should provide a detailed analysis on the level of compensation and impacts for land value in the forestry sector with and without offsetting (189)
- NZUs were in no way enough compensation for loss of land value, the freedom to relocate forested areas was better economic value (052)
- including pre-1990 forests in the ETS was a mistake, and they should be removed from the ETS from the end of 2012 (146).

Options for adjusting the second tranche

Proposal: To adjust the second tranche of allocation to pre-1990 forest landowners by one of the following options:

- A. full removal of the second tranche of pre-1990 compensation for all eligible landowners
- B. reduction of the second tranche of pre-1990 compensation for all eligible landowners
- C. removal of the second tranche of pre-1990 compensation for those landowners who take up offsetting.

The vast majority of those submitting on their preferred option for adjusting allocation preferred option C over the other two options.

Eight submitters preferred option A. Two of these submitters stated it was reasonable to remove further compensation in return for the flexibility provided to the forestry sector by allowing offsetting (025, 052) and that the current market value of NZUs meant that it was already considerably cheaper than originally envisaged to change land use (025). Two submitters considered the ETS as configured subsidised forestry while penalising agriculture and orchardists (053, 351). Two submitters considered further compensation provided an incentive not to replant forest (170, 253).

Three submitters preferred option B. Their reasons for this preference were that there should be a consistent basis for allocation to all landowners (143) and that option C was not very practical, as management and owners of forest may change (091, 209).

Five submitters proposed ways of implementing option B, should the Government choose to proceed with this option. Two submitters suggested the Government should estimate the potential for land-use change, based on past behaviour and land-use classification of current pre-1990 forest and reduce the second tranche by this amount (091, 209). Another alternative suggested was to enforce a 20 per cent second tranche reduction for all, a 50 per cent reduction for those opting to offset on higher value land, and an 80 per cent for those opting to offset to a lower value land (035). One submitter suggested the second tranche should only be paid to pre-1990 landowners who sold land between 20 July 2010 and April 2012 (313).

One hundred and six submitters preferred option C. Many preferring this option stated they were, in principle, still opposed to the second tranche of allocation being adjusted at all

(009, 020, 043, 045, 050, 058, [withheld], 154, 174, 176, 177, 196, 197, 201, 204, 205, 210, 212, 218, 229, 240, 241, 245, 252, 259, 268, 273, 276, 278, 282, 288).

The main reason this option was preferred was it was considered the most fair, as very few would be in a position to benefit from offsetting, and because the decision of the second tranche or offsetting remained with the landowner. For many, offsetting was considered to be not practical or not suitable and it was felt the other options lacked equity for people in that position. Option C was considered to allow individuals to make their own commercial decisions (002, 014, 031, 035, 038, 041, 045, 046, 047 086, 089, 090, 138, [withheld], 154, 159, 167, 169, 177, 184, 210, 252, 259, 282, 301, 329, 352, 353).

Several submitters that preferred option C (010, 031, [withheld], 134, 315), and some that did not select a preference (003, 264), said option C was unworkable. It was submitted that the decision to offset would rest upon a number of variables and the offsetting decision should be able to be made at any point in future. As such it was said the second tranche should be allocated in full but pre-1990 forest landowners should repay units when they offset. Other variations suggested were:

- the second tranche could potentially be reduced for those taking up offsetting but should not be removed (223)
- remove the second tranche for those who take up offsetting, but emissions that arise from conversion (eg, agriculture) should be brought into the ETS immediately to reflect the true carbon cost of conversion (352)
- if the second tranche is removed, pre-1990 forest owners are allowed to bring this forest area into post-1989 allocation plan and manage under post-1989 forestry rules (295).

Two submitters said there should have been a fourth option to provide for Māori landowners that do not have a legal right to take advantage of offsetting and convert their land because the land in question is tied up in long-term leases (041, 047).

Twenty-four submitters did not explicitly agree or disagree but commented on this proposal. Many stated that none of the three options were acceptable and allocation should be in full, as planned (003, 032, 036, 039, 061, 136, 145, 171, 178, 180, 186, 244, 263, 264, 266, 267, 269, 280, 322). Two of these submitters further stated if there was an adjustment to the second tranche, the only fair solution was to require the repayment of the second tranche at the point of exercising the option to offset, as the decision to offset would depend on many variables and should be able to be made at any future point in time (003, 264).

Ngati Makino Iwi Authority submitted that if compensation was removed or reduced, Ngati Makino must be either exempted or properly compensated so as not to devalue their Treaty settlement. A failure to exempt or compensate would break the agreement that was reached between that iwi and the Crown (057).

It was also submitted that all of the options appeared to be a further disincentive to investment by forest owners (228) and that, in some circumstances, they severely inhibited the ability to self-fund the next forest rotation, which would inevitably result in ETS liabilities that could not be met (263).

Revisiting 50-hectares exemptions

Proposal: To allow landowners who are eligible for the less than 50-hectares exemption but have registered in the ETS and received an allocation, to have the option to revisit their choice, should one of the above options be adopted.

None of the submitters disagreed with the 50 ha proposal.

Five submitters agreed those foresters who were eligible for the exemption but had registered in the NZ ETS and received an allocation should have the option to revisit their choice. One submitter also stated those who had received an allocation but decided to opt for exemption in light of these changes should not have to pay back the first tranche (264).

Seven submitters did not explicitly agree or disagree with the proposal but commented it was arbitrary and unfair that landowners with holdings over 50 hectares could not get an exemption (044, 268). One submitter stated that the Māori Trustee, whose total landholding exceeds the 50 hectare limit, should be able to apply on the basis of landholding by individual Māori Trusts' ownership, in line with the ETS Review Panel's recommendation on this matter (266).

Two submitters considered that land that is less than 50 hectares should be exempt from the ETS (135, 269).

5 Agriculture deferral power

Proposal: To include the power to defer the entry of agricultural gases by up to three years to enable the results of the 2014 review to be implemented.

The majority of submitters who commented disagreed with the agriculture proposal.

Twenty-nine submitters agreed or agreed in principle that the Government should have the power to defer the entry of agricultural gases into the ETS by up to three years. However, many of these submitters had a desire to see the timeframe of deferral extended beyond the three years proposed (096, 146, 157, 168, 222, 275, 283, 284, 287, 332). In some cases it was submitted that agriculture should not enter until agricultural sectors of trading partners faced a price on carbon (044, 131, 264, 270, 277, 287, 298, 316, 332). Key reasons for favouring a longer deferral included:

- ETS costs would make agriculture uneconomic. Two submitters felt agriculture should only enter the ETS if agricultural production could be raised beyond 1.3 per cent per year to counter the effect of ETS costs (284, 332)
- a lack of mitigation technologies available for farmers to reduce emissions and the unlikelihood of this criterion being met in the next three years (157, 206, 266, 316). It was further submitted that forestry offsetting should not be considered an appropriate abatement technique, as this is not a technology but an offset mechanism (157, 284).

Forty-five submitters disagreed with having an enabling power to defer the entry of agricultural gases by up to three years. This was mostly due to a sentiment that further deferral of agriculture's entry results in inequitable treatment of the different sectors in the ETS (003, 119, 120, 121, 122, 123, 125, 126, 127, 128, [withheld], 175, 180, 187, 202, 248, 268, 310, 313, 321, 352). Another common concern was that delaying entry would weaken the ETS and credibility and public confidence in the ETS would suffer (003, 092, 099, 170, 196, 197, 307, 352, 358). Further delaying the entry of agriculture was also considered to act as a disincentive to reducing emissions, investment in abatement technology, and afforestation (080, 092, 252, 253, 274, 321, 357). Some submitters disagreeing with this proposal also stated:

- the reasons for not including agriculture are flawed as mitigation techniques and technologies are available (080, 092, 128, [withheld])
- agriculture should enter the ETS sooner than currently legislated (135, 312). As this sector is our major emitter of greenhouse gases, agriculture needs to be responsible for the emissions it creates (190, 196, 197)
- concern about the cost to the country if agriculture does not bear some of the costs of its emissions (198) and, in particular, who would cover the increase in costs due to new greenhouse gas accounting standards which increased the costs for methane (152).

Concern was expressed by many submitters, regardless of their stance on the proposal, about the Government's criteria for the inclusion of agriculture (004, 075, 092, 157, 168, 316, 332). Comments included:

- conditions of entry are ill-defined and arbitrary (092, 75, 357, 294)
- criteria should be clarified and include "practical, internationally recognised, regional and sectoral differences." (168, 270, 277, 284, 316, 332, 353)

- criteria should be specific to *agricultural* emissions of international competitors (157, 168, 270, 332).

Although not directly related to the proposal, a number of submitters stated the point of obligation for agricultural gases should be at the farmer level (148, 207, 270, 287, 298, 313, 316). Incentives and linking with other markets (eg, the Carbon Farming Initiative) were also discussed by some submitters (168, 291, 316).

6 Other amendments

Power to extend price cap beyond 2015

Proposal: To allow for future linking by introducing the power to extend our fixed price option beyond 2015 if it is needed to align with any price ceiling in Australia.

A majority of those who commented on the proposed extension of the price cap beyond 2015 agreed with the proposal.

Thirty-eight submitters agreed or agreed in principle with the proposal. Most qualified their support by commenting that the extension must benefit New Zealand (071, 074, 078, 079, 104, 109, 145, 183, 185, 230, 231, 239, 255, 320, 337, 338, 339, 340, 341, 343, 344, 345, 346, 347, 348, 349, 350, 356, 358). One submitter thought this could be ensured by securing the ability to sell on the open market, which the submitter believed relied heavily on the backing of NZUs (145). One other supporter noted the high value of linking with Australia (358). One waste sector submitter agreed with the proposal on the condition that New Zealand did not also align with Australian waste regulations for emissions trading (234).

Seven submitters disagreed with the proposal. Those that disagreed did so mostly because of concerns about the impact the extension would have on the New Zealand carbon market. The concerns included:

- the extension would hinder liquidity in the carbon market (134)
- the transparency of the market and the ETS as a whole would be subverted (357)
- the impact of the ETS on emission reductions would be lessened, as a price floor would be a better mechanism for maintaining incentives to invest in reducing emissions (294).

Nine submitters did not explicitly agree or disagree but commented on the proposal. Some submitters cautioned against linking with Australia, with some suggesting more analysis and thought was required around:

- the political uncertainty surrounding the longevity of the Australian scheme (191)
- the market advantages and challenges of a price cap versus a price floor (313)
- the fact the Australian scheme enables farming to earn emissions units (316).

Removal of backing requirement for NZUs

Proposal: To remove the obligation to 'back' all NZUs issued with an equivalent amount of approved international units.

A majority of those who commented on the proposed removal of the NZU backing obligation disagreed.

The main reason for the opposition to the proposal was the perception that ETS participants would no longer be able to sell units overseas and, as a result, would no longer get the best price for their carbon sequestration (071, 074, 078, 079, 083, 087, 088, 255, 320, 337, 338, 339, 340, 341, 343, 344, 345, 346, 347, 348, 349, 350, 356). It was argued that the result of this, was an impediment to demand and investment in new forests (212). The other reason for opposition to the proposal was the opinion that removing backing would damage the environmental integrity of the ETS, with one submitter comparing removing backing to printing money (249).

Of those that supported the proposal, one argued that backing was no longer necessary as Canada, Japan and Russia had not signed up to Commitment Period 2 ([withheld]). However, that same submitter did highlight that removing backing would require more bilateral linking with other regional and national trading schemes ([withheld]). Another submitter agreed with the proposal but believed it should only be implemented after an adequate limit on NZU supply had been set domestically (321).

Other comments cautioned that removing backing would need to be carefully implemented to ensure the reputation and environmental integrity of the ETS was not damaged (191).

Ban on export of NZUs from non-forestry sectors

Proposal: To extend the ban on the export of NZUs from non-forestry sectors while the fixed price option remains in place and the ETS is not directly linked to another emissions trading scheme.

Three submitters agreed with this proposal (212, 264, 291). The reasons for supporting the extension to the ban included that:

- restrictions on the export of NZUs from non-forestry sectors benefit the forestry sector
- it would protect New Zealand in the event that the carbon price exceeded the \$25 price cap, and was consistent with the long-term sustainability and economic viability of New Zealand.

One submitter disagreed with the proposal, stating that holders of NZUs should be able to exploit market opportunities for their assets wherever these opportunities existed, and that to deny them these opportunities imposed a cost on the unit holders (289).

Eleven submitters commented indirectly on the proposal, noting that forest owners should continue to be able to export units (an ability which was not currently being proposed to be changed). They said there should be an ability to export NZUs up to the combined number of units available to emitters from their allocation and auctioned units (071, 074, 078, 079, 109, 230, 231, 239, 320).

One submitter that agreed (212) felt more work needed to be done on educating the forestry sector on the benefits of the proposal.

Updating of GWP calculation methodology

Proposal: To replace the old methodology for calculating greenhouse gas emissions with updated international rules on Global Warming Potentials (GWPs).

There was no majority either way on this proposal.

Three submitters agreed with the proposal. Their reasons were based on the need:

- for common standards to allow linking with other trading schemes ([withheld])
- to accept international precedent (174)
- to base policy decisions on the best available science (207).

One submitter that supported the move to new GWPs opposed the additional cost that this might cause (247). Another submitter supported the move conditional on other major emitting countries adopting them as well (289).

Three submitters disagreed with the proposal. Their reasons included:

- disagreement with the accuracy of the new GWP for methane (025)
- a view that the GWP for methane was too high, given its short-term nature (264)
- a view that GWPs were an imperfect and flawed science (284).

One submitter that disagreed with the proposal argued that if the new GWPs were implemented, then fugitive coal seam methane should be added as an additional emission source for industrial allocation, so the increased cost could be covered (250). Two submitters thought the decision should be deferred, one proposing the decision be put to the Global Research Alliance (155), and the other proposing the decision be deferred until the 2014 Agriculture Review (237).

There were some other comments about the science of the GWPs (092), and that sufficient time would be needed to adjust for the increase in cost these new GWPs would create (260).

Related matters raised in submissions

One hundred and forty-nine submitters raised many issues that were outside the scope of this consultation.

Broadly, issues covered by these submitters included:

- the need for market transparency with respect to ETS cost pass-through was a recurring theme amongst submitters
- views advocating for exclusion from the ETS for trees under power lines, tree weeds, and those participating in the Micro Cheese Makers Trial Programme and inclusion for fugitive emissions.
- the current industrial allocation settings and proposed changes to these settings
- including averaging (long-term average carbon storage concept relating to forestry) which was the subject of the 2011 ETS Review Panel recommendation 5.11
- government management of the loss of the Afforestation Reforestation Debit Credit Rule
- providing clarity on the setback requirements under the national environmental standards (NES) and other conflicts between the Resource Management Act and the Climate Change Response Act
- forestry industry support for more plantings that would avoid NZ future liabilities
- considering soil carbon changes in pasture
- allowing riparian areas in the ETS
- creating biodiversity credits for new or pre-1990 indigenous forests
- the need for complementary measures to support the ETS and investment in renewable energy, and the request these are suited to Māori
- the view there is a lack of certainty pervading the ETS and the Government needs to be mindful the ETS is a market mechanism and not to tamper with it too much
- the view the ETS should be stopped now there is no international reason to continue with it and/or because it is too much of an economic burden for people
- the need for more investment in research and innovation into emissions reducing technologies
- the view the ETS is not and will not make significant difference to greenhouse gas levels in the atmosphere
- the view the scientific basis on which the ETS has been implemented is unfounded
- issues relating to the waste sector in the ETS
- issues relating to synthetic greenhouse gases in the ETS.

Appendix 1: List of submitters

ID	Submitter	ID	Submitter
001	Cwmglyn Farmhouse Cheese	051	Richard Allison
002	Grant Anderson	052	Michael Higgins
003	Action Forest Management Ltd	053	Johannes Biemond
004	Remuera Station	054	Carolyn Rose
005	Patricia Ann McNair	055	Hamish Fraser
006	Vincent Gray	056	Ngai Tahu Māori Law Centre
007	NOT A SUBMISSION	057	Ngati Makino Iwi Authority
008	Maurice J Smalley	058	Caroline Menzies
009	Ashburton District Council	059	Norman Hewett
010	Ian Cairns	060	Unified Whanau Trusts/Whanau & Hapu Collective
011	Martin Hill	061	Howard Moore (Consultant)
012	Lynn Foreman	062	Bryan Leyland (Consultant)
013	John Clements	063	Simon Gresham
014	John Perry	064	Susan Walkinton
015	John Montgomerie	065	Gisborne District Council
016	Fred Singleton	066	Aohanga Incorporation
017	Murray Lander	067	V Alexander
018	Piers Maclaren	068	Adam Gresham
019	Kathy Gray	069	Peter Cashmore (Timberwise Limited)
020	Rawhiti Forest Partnership	070	John Greene
021	Dr John Happs	071	Janette Walker
022	Verdi van Beek	072	Ian Brown
023	James Perry	073	Bruce Millard
024	Pelorus Sound	074	Alastair Gibb
025	Graeme Edwards	075	Malcolm White
026	Malcolm Rollinson	076	T G Nelson-Parker
027	DL Gordon	077	Hazel Walton
028	Shelley Frost	078	Ed Davies
029	Ben Lane	079	Jim Lochhead
030	Sirjana Singh	080	PF Olsen Ltd
031	Hamish Fraser	081	Ngati Koata Trust
032	Owen Cashmore (Timberwise Limited)	082	Unified Whanau Trusts/Whanau & Hapu Collective
033	Grant Cashmore (Timberwise Limited)	083	Michael Taylor
034	Trustee Corporations Association of New Zealand	084	Paula Slack
035	Stevenson Group Limited	085	Grant Bellaney
036	Hammond Resource Management Ltd	086	Ron & Robin Braithwaite
037	[withheld]	087	Peter Warwick
038	Parengarenga A incorporation	088	Bud Jones
039	Forest Enterprises Ltd	089	Hugh Boughtwood
040	Neeley Management Services	090	Margaret Boughtwood
041	Maraeroa C Incorporation	091	Western Bay of Plenty District Council
042	Jo Liddell	092	WWF New Zealand
043	Graham Dobson Chartered Accountants	093	Ngati Rarua Iwi Trust
044	Shaun and Sue Morgans	094	Atihau Whanganui Inc
045	GB Tim Rayward	095	Neville Wallace
046	Brunswick Group	096	The Proprietors of Taheke 8C & Adjoining Blocks
047	Te Maru O Rereahu Trust	097	Bev Heathcote
048	Lansdowne Forestry Limited	098	Te Rūnanga O Ngāi Te Rangi Iwi Trust
049	Wind Farm Group	099	Owen Springford (Consultant)
050	George Hori	100	Ashburn Lane Ltd

ID	Submitter	ID	Submitter
101	Ronaki Ltd	153	Paul Stichbury
102	Tinui Station Forest Ltd	154	Wakamarina Valley Forestry Partnership
103	KC & JF Rushton Partnership	155	NZ Climate Science Coalition
104	Doug Harris	156	Norman Walkinton
105	Gerald Gibbard	157	Farmers of NZ
106	Sean Murphy	158	Bruce & Vicki Didsbury
107	Chris & Sarah Johnson	159	John Galilee
108	Rory Pilbrow	160	Alan Bell (Forestry Consultant)
109	Paul Melser	161	South Auckland Forgings Engineering Ltd
110	John Adams	162	Mischele Rhodes
111	Robert Story	163	Kaitiakitanga - Caring for our Lands & Foreshore
112	Pastural Farming Climate Research Inc	164	Wikaire Whanau Trust
113	Ngai Tahu Property Ltd	165	[withheld]
114	Erin Clarkson	166	Transpower
115	Sally Sisson	167	Duncan & Peter McCrostie
116	Pukemakoiti Trust	168	Ballance Agri-Nutrients Ltd
117	Chris How	169	Leo Jelinek
118	Te Putahitanga O Nga Ara Trust	170	Geoff Mason
119	Monterey Pines Ltd	171	NZ Farm Forestry Assn
120	McEwan Pines Ltd	172	Genesis Energy
121	Kea Pines Ltd	173	TrustPower Ltd
122	Forest Management Resources Ltd	174	Timaru District Council
123	Pixie Sanders	175	NZ Aluminium Smelters Ltd
124	Gull New Zealand Ltd	176	Te Runanga o Toa Rangatira inc
125	Allan Mant	177	Mackenzie Properties Ltd
126	Beverley Blanchfield	178	NZ Forest Owners Assn
127	Enterprise Forestry Ltd	179	Auckland Council
128	Wentia Forest Products	180	Carbon Farming Group
129	Gordon Swan	181	Taharoa C Block
130	Jay Scott	182	NOT A SUBMISSION
131	Scenic Dairy Holding Ltd	183	Deborah Hayes
132	Gregor Vallely	184	Greater Wellington Regional Council
133	Colin E McIntyre	185	Green Grass Trust
134	BP Oil NZ Ltd	186	Flora Gilkison
135	Te Waimana on Te Kotahi A Tuhoē Charitable Trust	187	John Roper
136	Johnny Bell	188	D Arbuckle
137	Paul Marshall	189	Westpac NZ Ltd
138	Ogle Consulting Ltd	190	Ngati Whatua o Kaipara
139	Bodis Forest Farms Ltd	191	Contact Energy Ltd
140	Te Kotahitang o Ngati Whakaue Asset Trust	192	John Woolford
141	Lloyd Powell	193	NZ Centre for Political Research
142	Jason Reid	194	Ngati Rangi Trust
143	Westervelt Company	195	Meridian Energy
144	Local Government NZ	196	MacKenzie Forest Management
145	Robert G Adamson	197	Deep Creek Forest Partnership
146	Climate Realists New Zealand	198	Vector Ltd
147	Straterra Inc	199	Rowena Kaleopa
148	Landcorp Farming Ltd	200	Agriculture ETS Advisory Committee
149	Shell NZ Ltd	201	City Forests
150	William O'Connell	202	Parliamentary Commissioner for the Environment
151	[withheld]	203	Middle District Farm Forestry Assn
152	Permanent Forests	204	Wairakei Pastoral Ltd

ID	Submitter	ID	Submitter
205	Māori Land Court	257	Forest Tech Services
206	IFS Growth	258	Patrick & Marlene Anderson
207	Waikato Regional Council	259	Marlborough Regional Forestry
208	Environmental Intermediaries & Trading Group Ltd	260	Mobil Oil NZ Ltd
209	P A Handford & Assoc	261	M Travaille
210	Chiltern-Hunt NZ Ltd	262	Environmental Defence Society
211	Matahina F Trustees	263	Ngati Hine Forestry trust
212	Insurance Facilitators	264	Climate Change Iwi Leadership Group
213	Sandy Price	265	David Keys
214	BusinessNZ	266	The Māori Trustee
215	Ngati Kahungunu Iwi incorporated	267	Rotoma No.1 Inc
216	[withheld]	268	NZ Institute of Forestry
217	Refining NZ	269	Tuhoe - Te Uru Taumatua
218	Woodsearch Marketing Ltd	270	Beef & Lamb NZ
219	Wi Pere Trust	271	Raukawa Charitable Trust
220	Mangatu Blocks inc	272	NZ Wind Energy Assn
221	Bowron Sheepskins	273	NZ Carbon Farming
222	Catherine Pioletti	274	Oxfam NZ
223	Federation of Māori Authorities	275	Lois Roulston
224	Solid Energy NZ Ltd	276	Forestry Emission Unit Trust
225	Te Komiti Nui o Ngati Whakaue	277	NZ Pork
226	Te Runanga o Ngati Apa	278	Awhina Group
227	Moonshine Forest Group	279	JLT Carbon Farming Consultancy
228	Wood Processors' Association of NZ	280	Alistair Brown & Mel Prouting
229	Marlborough Forest Industry Assn	281	Michael Stettell
230	Guy Farman	282	Timberland Management Ltd
231	James Hunter	283	Deer Industry NZ
232	Employers & Manufacturers Assn - Nth	284	Sally McIntyre
233	Tony Murphy	285	Oceana Gold
234	Waste Disposal Services	286	NZ Coal & Carbon
235	Waikato River Authority	287	Federated Farmers
236	CNI Iwi Holdings Ltd	288	Te Awahohonu Forest Trust
237	Queenstown Lakes District Council	289	Seafood Industry Council
238	Heinz Wattie's Christchurch	290	Marawaiwai Park Ltd
239	Paerata Forest Farm Limited	291	Fonterra
240	Ingleby New Zealand LP	292	Hawkes Bay District Health Board
241	Whitford Forest Holdings Company	293	Cedric Backhouse & Susan Galea
242	Swish Automation	294	Environment & Conservation Organisations of NZ
243	Pete Murphy	295	Carbon Solutions NZ Ltd
244	Hancock Forest Management NZ Ltd	296	Coal Assn of NZ
245	Lake Taupo and Lake Rotoaira Forest Trusts	297	Venture Southland
246	Peter Foster	298	Meat Industry Assn
247	Tranzpacific Industries Group	299	NZ Anglican Church Pension Board
248	Holcim NZ	300	John Davison
249	Duncan Cotterill	301	CO2 NZ
250	New Zealand Steel	302	Transwaste Canterbury Ltd
251	Z Energy	303	Mike Grobstein
252	Craigmore Forestry Ltd	304	Bathurst Resources Ltd
253	Ewan Kingston	305	Hugh Riddiford
254	George Van Valkenburg	306	Origin Energy Ltd
255	Daniel & Lucy McDougall	307	Pacific Institute of Resource Management
256	George Gardner	308	Kai Point Coal

ID	Submitter
309	Sustainability Council of NZ
310	Tomorrows Forests Ltd
311	Alan (Tom) MacRae
312	Anne MacLennan
313	Te Runanga o Ngai Tahu
314	Horticulture NZ
315	Carbon Farm Management Consultants
316	Dairy NZ
317	Centre for Urban & Transport Studies
318	Waikato Tainui
319	Clean Farm Ltd
320	Kaiwhaiki Land Trust
321	Generation Zero
322	Ernslaw One
323	Carbon Conscious
324	Chris Young
325	Electricity Networks Assn
326	Methanex
327	Keith Houston
328	Ngati Hurungaterangi & Ngati Whakaue
329	Carbon Match
330	Pan Pac Forest Products Ltd
331	Luci Cooper
332	Federated Farmers
333	Ian Grogan
334	Todd Energy
335	I S MacKenzie
336	NOT A SUBMISSION
337	Ed Kight
338	Kiloran Land Co
339	C L Meredith
340	John Dalziell
341	Evening Investments Ltd
342	Tuaropaki
343	Ashby Downs Ltd
344	A J Lister
345	W T Buick
346	Graeme Saunders
347	I J Cameron
348	Deborah Woodhouse
349	David Woodhouse
350	Stuart Orme
351	Ian Stringer
352	Carter Holt Harvey
353	Northland Regional Council
354	Export NZ
355	Graeme Howard
356	Te Urumingi Whanau Ahu Whenua Trust
357	NZ Climate & Health Council
358	G E Energy
359	Perce Harpham
360	Darrell Hellier
361	Graeme Ure
362	Neil Harrap