

**Title:** Council Submission on Proposed Changes to the Emissions Trading Scheme

**Section:** Strategic Planning

**Prepared by:** Yvette Kinsella (Principal Planner)

**Meeting Date:** 25 October 2018

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Legal     Financial     Significance = low

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## Report to COUNCIL for decision

### SUMMARY

The purpose of this report is to seek Council endorsement of a submission to government on proposed changes to the New Zealand Emissions Trading Scheme.

Submissions on the proposed changes were due on 21 September. Staff made a submission and are seeking Council endorsement of the submission content. The draft submission (attached as **Appendix 1**) outlines responses to the proposed changes that protect the interests of Council and the Tairāwhiti community.

The decisions or matters in this report are considered to be of **low** significance in accordance with the Council's Significance and Engagement Policy.

### RECOMMENDATIONS

**That the Council:**

- 1. Notes the contents of this report.**
- 2. Retrospectively approves the draft Gisborne District Council Submission on Proposed Changes to the New Zealand Emissions Trading Scheme (Appendix 1).**

Authorised by:



Jo Noble  
**Strategic Planning Manager**



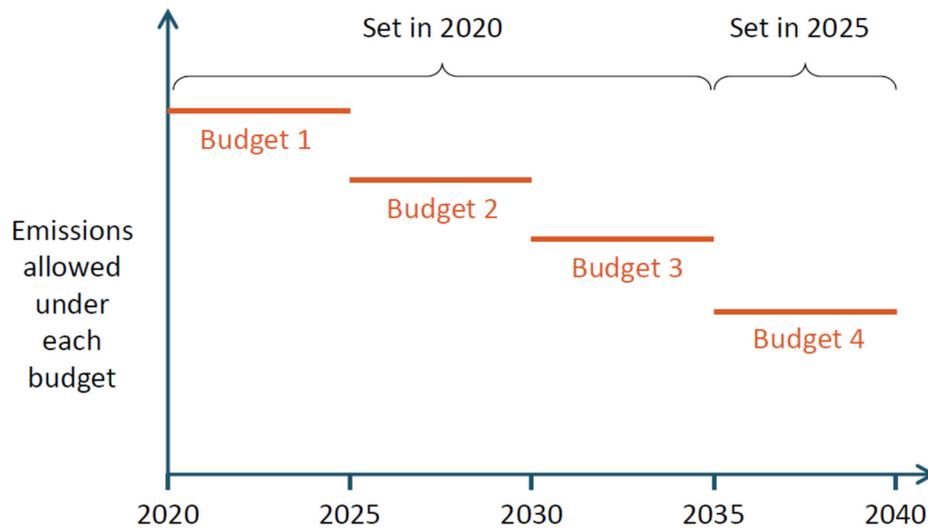
Keita Kohere  
**Director Transformation & Relationships**

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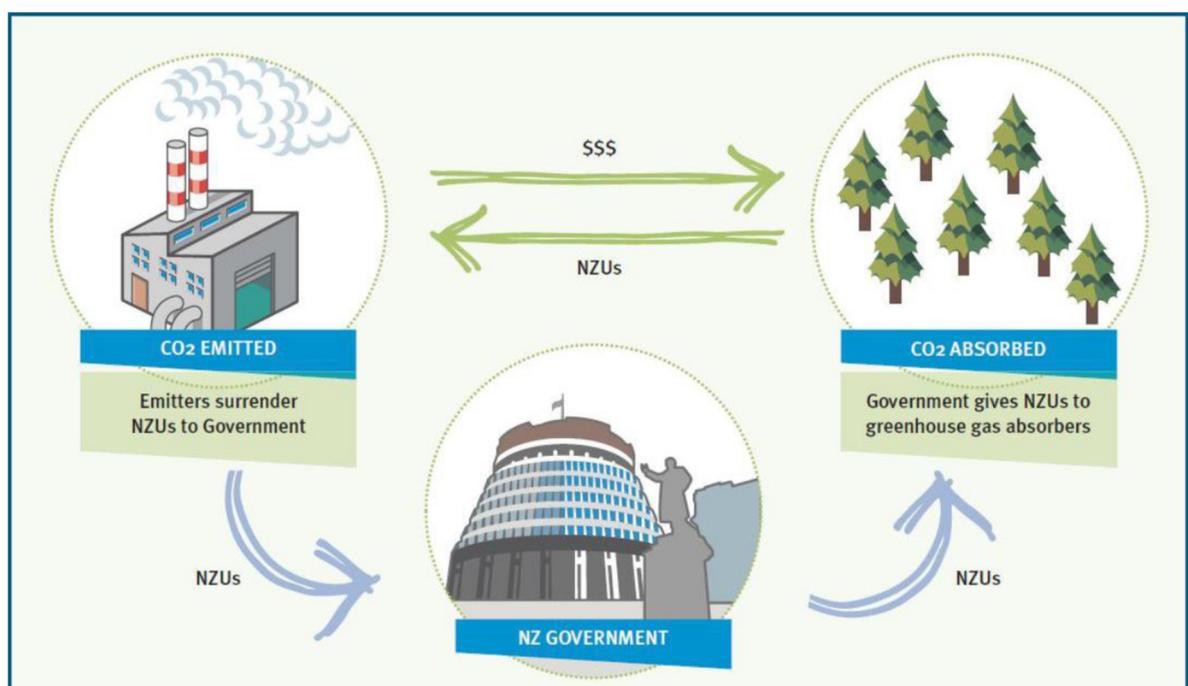
**Keywords:** climate change, emissions trading scheme, government policy, council submission

## BACKGROUND

1. Under the Paris Agreement on Climate Change 2016, the New Zealand Government is required to submit and deliver on “nationally determined contributions” (NDCs) to reducing greenhouse gas emissions by 2050.
2. New Zealand recently submitted its first NDCs – a target of reducing emissions to 30% below 2005 levels by 2030.
3. NZ will be required to demonstrate it is on target to achieving this by 2020. We also must set new emissions reduction targets every five years and these targets (and their associated emissions budgets) must be progressively more ambitious.



4. The New Zealand Emissions Trading Scheme (ETS) provides the link between these international targets/emissions budgets and our NZ economy. It encourages businesses to take the costs of their emissions into account when making investment decisions. It helps incentivise and drive action towards a low-carbon economy. The diagram below shows the relationships between the players.



5. Central government is reviewing the NZ ETS to:
  - strengthen the ETS framework so that it is a credible and well-functioning scheme that helps us meet our climate change targets
  - reduce complexity and other barriers to forestry owners being part of the scheme.
6. The proposed changes Government is consulting on are around the design of the ETS system (eg the fixing or variation of unit prices for carbon) and not the specific ETS settings (eg the actual unit price of carbon). Consultation around the specific ETS settings will come later.
7. Government is also not consulting on whether agriculture will be part of the NZ ETS at this time. It is seeking further advice and will consider this matter in the second half of 2019.
8. The attached submission outlines the key proposals of relevance to Council and the Tairāwhiti region and the responses officers have provided to the proposals.

## ASSESSMENT of SIGNIFICANCE

Criteria	This Report	The Process Overall
The effects on all or a large part of the Gisborne district	Low	Low
The effects on individuals or specific communities	Low	Low
The level or history of public interest in the matter or issue	Low - Med	Low - Med
Inconsistency with Council's current strategy and policy	Low	Low
Impacts on Council's delivery of its Financial Strategy and Long Term Plan.	Low - Med	Low - Med

9. The decisions or matters in this report are considered to be of **low** significance in accordance with Council's Significance and Engagement Policy. The proposed changes are to government policy and Council and the community are the party being engaged in this instance.

## COMMUNITY ENGAGEMENT

10. Any individual or group can make a submission on the proposed changes to the ETS.
11. The Ministry for the Environment held a meeting in Gisborne on 12 September to discuss the proposed changes. Submissions were due seven working days later on 21 September.
12. Council has not completed any engagement locally.

## NEXT STEPS

Date	Action/Milestone	Comments
12 September	Public meeting organised by MfE and MPI to present proposed changes	
28 September	Draft staff submission forwarded to MfE and MPI	
25 October	Council confirms Future Tairāwhiti meeting to consider submission content	
28 September	Confirmed submission forwarded to MfE and MPI (late)	

## APPENDIX

Appendix 1: Draft Gisborne District Council Submission on Proposed Changes to the New Zealand Emissions Trading Scheme

## LINKS

Consultation documents: <http://www.mfe.govt.nz/consultation/ets>