



18-D-01948

s9(2)(a)

Tēnā koe s9(2)(a)

We are writing in response to your request for information under the Official Information Act 1982 (the Act) dated 11 September, for:

- 1) *"What positive impacts, if any, has the NZ Emissions Trading Scheme contributed in meeting our 2020 carbon emissions target?"*
- 2) *How much have domestic NZ companies and businesses paid overseas to purchase carbon credits?*
- 3) *Are there any plans in place for NZ to replace the ETS with another model, given that it was a campaign promise of New Zealand First?*
- 4) *What are the projected benefits the One Billion Trees initiative will bring to helping us meet our carbon emissions target?"*

Please find below our response to each of the part of your request:

- 1) *What positive impacts, if any, has the NZ Emissions Trading Scheme contributed in meeting our 2020 carbon emissions target?*

The New Zealand Emissions Trading Scheme (NZ ETS) has contributed to New Zealand meeting its 2020 emissions reduction target. The estimated mitigation impact of the NZ ETS between 2008 and 2020 is predicted to be 2,930 (kt CO₂-e). New Zealand's 2020 emissions target will be met with a combination of domestic emissions reduction (through the NZ ETS and forestry removals) and international units.

There are some caveats to this estimate. First, the calculation only includes data from energy, transport, and forestry, and not industrial processes and product use (IPPU) and waste. Second, the estimate includes mitigation that occurred outside of the 2020 target period (i.e. 2013 to 2020). There is some evidence that the NZ ETS had a small positive impact on the forestry sector in the 2011 to 2012 period. The increased planting in this period is partially attributable to the relatively high carbon price at the time.

Information on this can be found in the following documents on the Ministry for the Environment (the Ministry) website:

- <http://www.mfe.govt.nz/publications/climate-change/new-zealands-third-biennial-report-under-united-nations-framework>
- <http://www.mfe.govt.nz/publications/climate-change/new-zealands-seventh-national-communication-under-united-nations>
- <http://www.mfe.govt.nz/publications/climate-change/new-zealand-emissions-trading-scheme-evaluation-report-2016>

- 2) *How much have domestic NZ companies and businesses paid overseas to purchase carbon credits?*

The Ministry does not have information on the amount of money paid by participants in the NZ ETS for international carbon credits. We are therefore refusing this part of your request under section 18(g)(i) of the Act: *the information requested is not held by the department and the person dealing with the request has no grounds for believing that the information is either— held by another department or Minister of the Crown or organisation, or by a local authority.*

However, some information about the purchase of international units by New Zealand companies is publicly available. The following documents provide information on the numbers of international units surrendered by NZ ETS participants between 2010 and 2014, and the price on international units between 2010 and 2015:

- <https://www.epa.govt.nz/assets/Uploads/Documents/Emissions-Trading-Scheme/Reports/Annual-Reports/2017-ETS-Facts-and-Figures.pdf>
- <http://www.mfe.govt.nz/publications/climate-change/new-zealand-emissions-trading-scheme-evaluation-report-2016>

- 3) *Are there any plans in place for NZ to replace the ETS with another model, given that it was a campaign promise of New Zealand First?*

There are currently no plans to replace the NZ ETS with another emissions trading scheme, price-based measure, or policy. The Government recently reviewed the NZ ETS and is currently revising the policy's settings and design.

- 4) *What are the projected benefits the One Billion Trees initiative will bring to helping us meet our carbon emissions target?*

The One Billion Trees initiative is expected to deliver 10-30Mt CO₂-e of abatement over the 2021 to 2030 period, last estimated at 18 May. Further information on the One Billion Trees initiative can be found at:

- <https://www.mpi.govt.nz/funding-and-programmes/forestry/planting-one-billion-trees/>

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at <http://www.ombudsman.parliament.nz/> or freephone 0800 802 602. If you wish to discuss this decision with us, please feel free to contact me.

Ngā mihi nui



Janine Smith
Director, Climate Change
Ministry for the Environment