



OIAD-667

9(2)(a)

Dear 9(2)(a)

Thank you for your email of 23 May 2023 to the Ministry for the Environment (the Ministry) requesting the following under the Official Information Act 1982 (the Act):

- 1 In the Financial statements of Tasman Steel for the year ended 30 June 2022 they report that they have received Carbon Credit Grants of \$118 million in financial 30 June 2022 and \$66 million for 30 June 2021. What is the basis of those grants ? Why is it that the taxpayer is paying an emitter ? Which other emitters were paid in excess of \$1m, and how much did each get?*
- 2 When advice was given to Cabinet about the \$140m contribution to changing technology was Cabinet also told that the company had achieved a profit of \$372 million in for 30 June 2022 AND that (see page 7 note 12) that the plant and equipment had been almost depreciated off the books and that replacement was due anyway?*
- 3 Was Cabinet told about the buy out of Defined Pension scheme rights underway (note 17) and the positive impact for the company of buying out those pension rights from staff during this difficult time? Where the staff advised by the company to get independent financial advice?*

I respond to each of questions below.

### **Response to question 1**

The Ministry cannot comment on specifics related to Tasman Steel's financial statements.

NZ Steel does receive free emissions units (New Zealand Units or NZUs) annually via industrial allocation policy. This policy reduces the risk of "emissions leakage" where activities subject to domestic climate policy (the New Zealand Emissions Trading Scheme for example) shift offshore to other countries with less stringent climate policy to reduce costs. Emissions leakage could increase global emissions and reduce New Zealand's economic activity for no positive climate gain.

Industrial allocation is the provision of NZUs, not the provision of cash, though the units do have a financial value. How Tasman Steel (NZ Steel's holding company) treat those NZUs on its financial statements is not something the Ministry is privy too.

You can find a record of industrial allocations given to all recipients on the Environmental Protection Authority's website here: <https://www.epa.govt.nz/industry-areas/emissions-trading-scheme/industrial-allocations/decisions/>. Please note these are final allocations for calendar years.

### **Response to question 2**

The Ministry is not aware of any advice of this nature being provided to Cabinet.

### **Response to question 3**

The Ministry is not aware of any advice of this nature being provided to Cabinet.

You have the right to seek an investigation and review by the Office of the Ombudsman of my response relating to this request, in accordance with section 28(3) of the Act. The relevant details can be found on their website at: [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz).

Please note that due to the public interest in our work the Ministry for the Environment publishes responses to requests for official information on our [OIA responses page](#) shortly after the response has been sent. If you have any queries about this, please feel free to contact our Ministerial Services team: [ministerials@mfe.govt.nz](mailto:ministerials@mfe.govt.nz).

Yours sincerely

*Electronically Approved*

James Combes  
**Manager, Emissions Pricing Policy**