



NZ's Emissions Trading Scheme

Performance and Outlook

Hon Dr Nick Smith
Minister for Climate Change



7th Australian New Zealand Climate Change and Business Conference
Hon Dr Nick Smith, Minister for Climate Change Issues
1 August 2011

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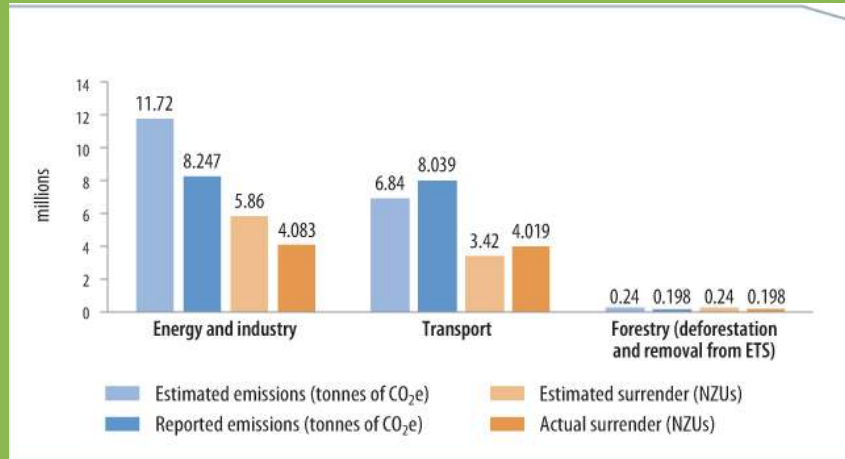
Government's Underlying Objectives

- **NZ's doing its fair share on climate change**
 - Protecting clean, green brand
 - Making a start on the transition to a low carbon economy
- **Careful balance of NZ's economic and environmental interests**
 - Very conscious of costs on households and businesses
 - Ensuring trade competitiveness is not undermined



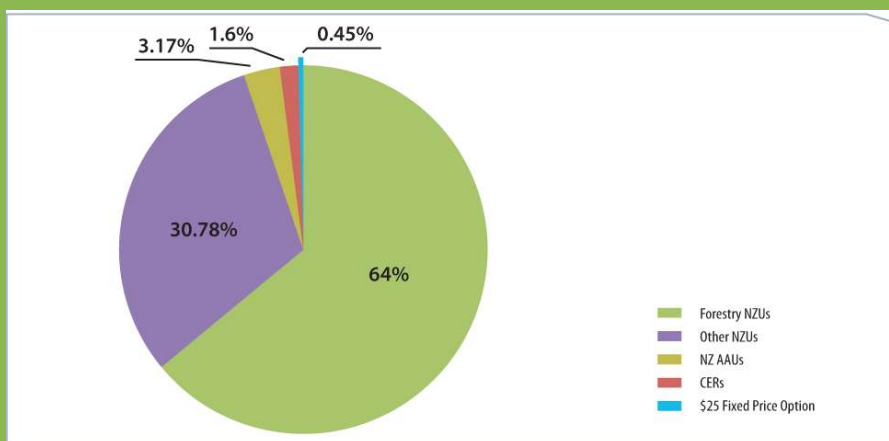
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Units Surrendered



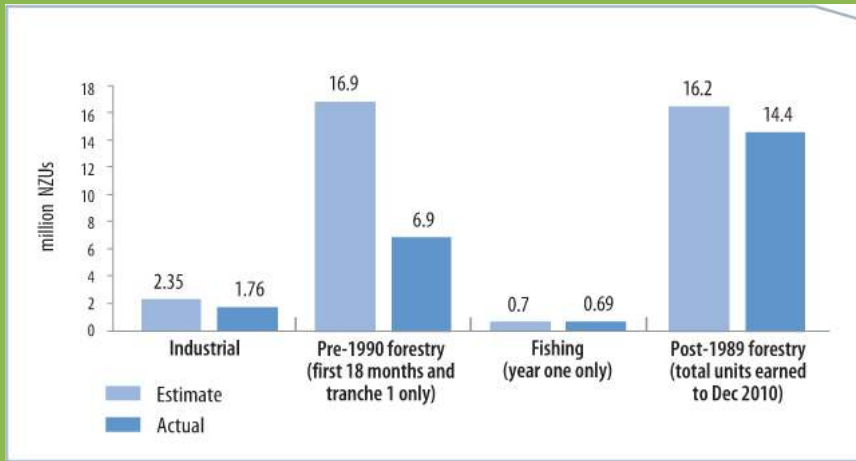
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Types of Units Surrendered



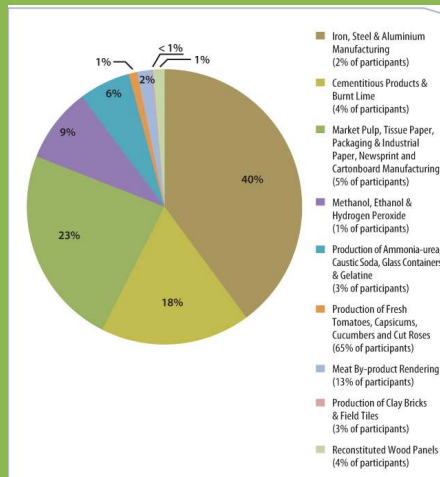
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Units Allocated



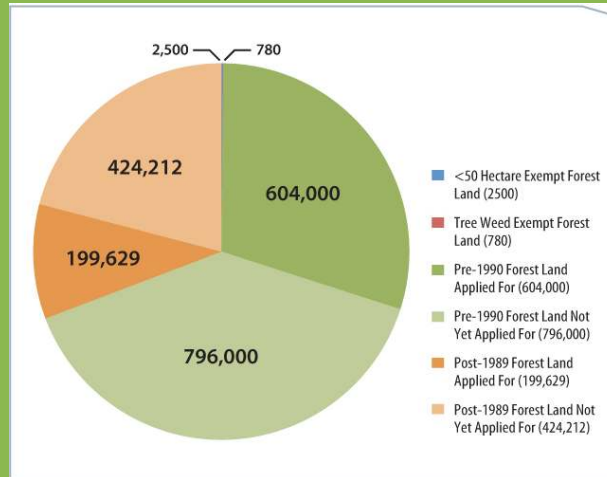
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Allocations - Industry



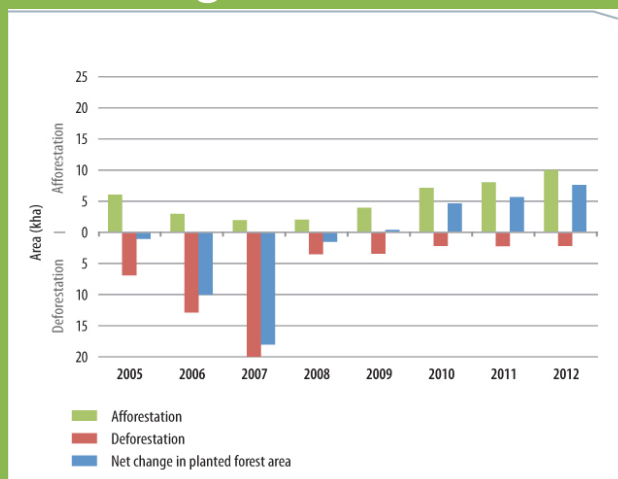
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Distribution of Forest Land



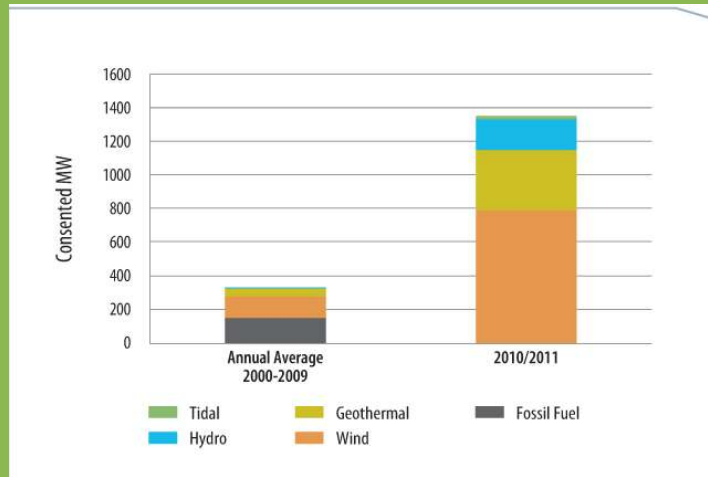
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Net Change in Planted Area



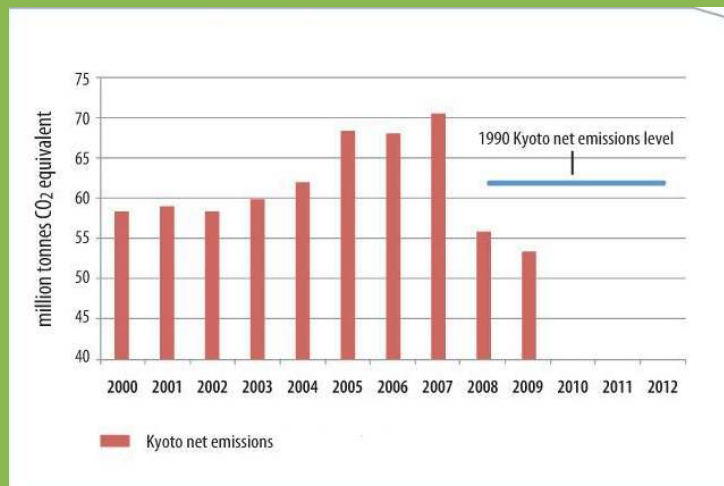
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Consents for Electricity Generation



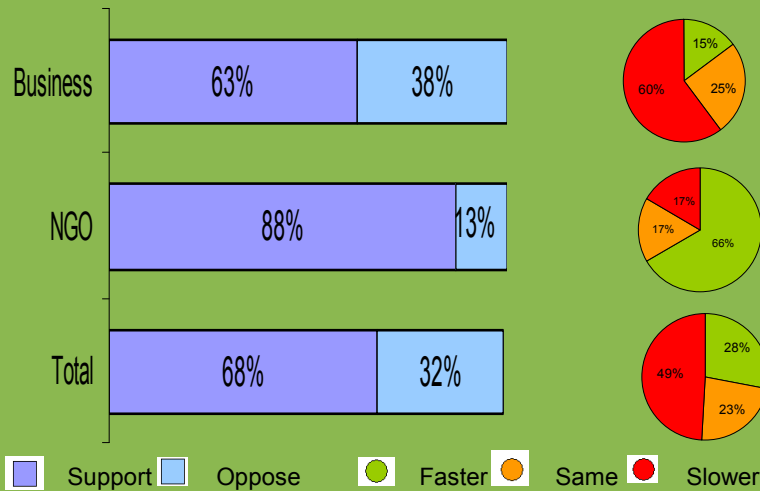
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Net Emissions



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ETS Review Submissions



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ETS Review

- Government received report on 30th June 2011
- Officials doing analysis on recommendations
- Review Panel giving further consideration to recommendations in response to Australian carbon price announcements
- Review release and Government response likely to be later this month



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Comparison with Australia



Start date	July 2012	July 2010
Carbon price	\$23 AUS	\$25 NZ
Sectors included	Electricity ✓ Industrial ✓ Transport X Agriculture X	Electricity ✓ Industrial ✓ Transport ✓ Agriculture 2015
Industry support		
High	94%	90%
Medium	66%	60%



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NZ Complementary Measures

- **Agriculture**
 - Global Research Alliance on agricultural greenhouse gases
 - 32 signatory countries
 - NZ contribution \$45 million
- **Households**
 - Warm up NZ Programme
 - 100,000 homes insulated, 25,000 homes converted to clean heat
 - Solar hot water subsidy
 - 6740 new systems
- **Transport**
 - \$1 billion investment in electrifying Auckland rail
 - RUC exemption for electric cars
- **Business**
 - Advisory Group on Green Growth
 - Looking for initiatives to support transition to a low carbon economy



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Conclusions

- **Performance**
 - Successful implementation of ETS a significant first step
 - ETS functioning well and in line with expectations
 - Investment shift to renewables and afforestation
- **Outlook**
 - Response to ETS review likely later this month
 - Green Growth Advisory Report on low-carbon economy
 - Trans-Tasman carbon market possible post-2015



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