



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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New Zealand Emissions Trading Scheme Tranche Two: Improving Transparency

Portfolio Climate Change

On 4 April 2019, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that the New Zealand Emissions Trading Scheme (NZ ETS) is the government's key tool to assist New Zealand to meet its climate change targets, and that:
 - 1.1 the government is reforming the NZ ETS to ensure it can support the transition to a low-emissions and climate resilient New Zealand;
 - 1.2 this requires amendments to the Climate Change Response Act 2002 (CCRA);
- 2 **noted** that the amendments are being developed in tranches:
 - 2.1 in December 2018 Cabinet agreed to tranche one of amendments to the CCRA and drafting has commenced [CAB-18-MIN-0606.01];
 - 2.2 tranche two comprises of a series of papers with discrete proposals which will be considered by Cabinet over March to May 2019;
 - 2.3 tranche one and two will result in a single bill amending the CCRA to be introduced to the House in mid-2019, and to enter into force in 2020;
- 3 **noted** that the attached tranche two paper focuses on increasing transparency within the NZ ETS through the release of participant level emissions and removals data, from 2021 (for emissions data in 2020);
- 4 **noted** that improving transparency within the NZ ETS will help to improve public trust in the scheme, increase market efficiency and better align the NZ ETS with international emissions trading schemes;
- 5 **noted** that the need for greater transparency of information has been a strong and consistent theme with stakeholders;
- 6 **noted** that there are legitimate risks that publishing emissions data may allow inferences to be made about business information that may be commercially sensitive, and that select committee provides an opportunity to further consider stakeholder views;

- 7 **noted** that on balance the benefits of releasing emissions and removals data outweighs the risk outlined in paragraph 6;
- 8 **noted** that for NZ ETS forestry participants, data released will be the net emissions or removals in tonnes of carbon of dioxide equivalent (tCO₂-e) for each forestry activity undertaken at the participant level;
- 9 **agreed** to require the Environment Protection Authority (EPA) to publish all NZ ETS participant level emissions data in tCO₂-e at least annually and as soon as practicable, beginning with returns submitted to the government in 2021;
- 10 **agreed** to require the EPA to publish all NZ ETS participant level removals data in tCO₂-e at least annually and as soon as practicable, beginning with returns submitted to the government in 2021;
- 11 **authorised** the Minister for Climate Change, in consultation with the Minister of Forestry as appropriate, to further clarify policy decisions relating to the amendments proposed in the paper under ENV-19-SUB-0013, in a way not inconsistent with Cabinet's decisions;
- 12 **invited** the Minister for Climate Change to issue drafting instructions to the Parliamentary Counsel Office based on the decisions in the paper under ENV-19-SUB-0013.

Vivien Meek
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson
Hon David Parker (Chair)
Hon Stuart Nash
Hon Shane Jones
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Officials Committee for ENV
Ministry for the Environment officials

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Minister for Climate Change