Submission by

to the

Ministry for the Environment

on the

Annual updates to the New Zealand Emissions Trading Scheme limits and price control settings

16 June 2023

ANNUAL UPDATES TO THE NEW ZEALAND EMISSIONS TRADING SCHEME LIMITS AND PRICE CONTROL SETTINGS

1. BusinessNZ and the BusinessNZ Energy Council (BEC)[1] welcomes the opportunity to provide the Ministry for the Environment (referred to as 'the Ministry') with feedback on its consultation document titled "*Proposed changes to New Zealand Emissions Trading Scheme limit and price control settings for units 2022*" (hereafter referred to as 'the paper').

2. We support New Zealand's transition to a net-zero emissions future. We acknowledge that climate change is an issue that transcends national boundaries and that New Zealand, as a contributor to this global problem, bears a responsibility to take decisive action.

3. It is crucial to emphasise that New Zealand's business community actively acknowledge the importance of achieving the reductions sought in the Paris Climate Agreement. The impacts of emissions will persist unless a collective effort is made by all global actors.

4. New Zealand's enterprises are making noteworthy advancements in curbing their emissions. These businesses are determined to safeguard their competitiveness in a rapidly evolving global marketplace that places growing importance on the carbon efficiency of goods and services, while simultaneously balancing technological and economic realities.

5. It is crucial that climate policies, including the Emissions Trading Scheme (ETS), are guided by principles of prudence, evidence, fairness and are grounded by a comprehensive understanding of trade-offs, unintended consequences, and limitations.

6. In the pursuit of decarbonisation, we must not overlook the impacts on the affordability of goods, the competitiveness of goods made in New Zealand, and our overall living standards. Thus, we support a just transition – a path enabling the achievement of net-zero while minimising the costs.

7. The New Zealand Emissions Trading Scheme is a powerful market-based tool that will do the heavy lifting in contributing to the country's emissions targets. Admittedly, adjustments may be required to ensure the scheme's effectiveness over time.

8. It is vital to strike the delicate balance between regulatory changes and regulatory certainty. The latter is a perquisite for investment in decarbonisation projects, both large and small. The proposed options outlined in the paper raise concerns that warrant attention.

9. We strongly believe the process for setting price controls and unit limits needs to change. This will be essential to ensure an effective ETS going forward. The process, starting from the Climate Change Commission's (CCC) recommendations, followed by the Ministry for the Environment's (MfE) subsequent discussion documents, and ultimately leading to the Government's final decision, introduces a considerable level of uncertainty into the market, present throughout this process.

10. We do not fundamentally oppose adjusting price settings over time but we express apprehension about the proposed setting adjustments indicated in this paper. Several adjustments would likely enflame regulatory risks, creating considerable and continued uncertainty.

11. Our perspective aligns with the notion that NZU prices should incrementally increase to facilitate genuine emissions reductions, while exercising caution over unintended consequences such as carbon leakage and wider inflationary pressures.

[1] More information about BusinessNZ and BEC is provided in appendix one.

12. This submission provides the Ministry with general comments, concerns, and considerations regarding the proposed changes to unit limits and price control settings, aiming to offer a balanced perspective, reflecting the collective viewpoints of New Zealand's business community.

SUMMARY

13. **We <u>SUPPORT</u> the New Zealand Emissions Trading Scheme (ETS)** as the most effective mechanism for reducing emissions and achieving climate targets. The ETS incentivises cost-effective solutions, encourages investment in clean technology, and provides flexibility for businesses.

14. **We <u>RECOMMEND</u> conducting fewer reviews of price and unit settings and providing clarity on the balance between gross and net reductions.** The current process of frequent adjustments to ETS price settings creates regulatory uncertainty and hinders efficient price discovery. Ensuring stable and certain policy settings will build confidence and attract investment, contributing to New Zealand's emissions reduction goals. Stability, certainty, and a predictable trajectory for ETS policy settings are essential for businesses to plan and implement decarbonisation projects successfully**.**

15. **We <u>RECOMMEND</u> avoiding premature reductions in the stockpile.** Measures to reduce stockpile volumes should be based on robust analysis and justified by genuine excess units. Premature reductions could lead to unintended consequences and undermine market liquidity.

16. **We <u>SUPPORT</u> maintaining the status quo regarding the cost containment reserve (CCR) and price floor to prevent this from becoming a reference point for particularly high prices.** A higher carbon price will impose notable pressures upon New Zealand's existing rate of elevated inflation.

17. **We <u>EMPHASISE</u> external constraints exist outside the ETS that limit the effectiveness of a higher price signal.** Supply-side constraints in available materials, technology, and labour reduce the effectiveness of a higher ETS price. Enabling policies that reduce regulatory barriers to improving supply-side factors should be investigated and barriers diminished.

18. **We <u>RECOMMEND</u> the Government proactively releases any market moving announcements before each quarterly auction, providing market participants sufficient time to react to policy changes.** This will enhance market reputation and help reduce some market uncertainty.

We <u>SUPPORT</u> the Emissions Trading Scheme

19. We reiterate that an Emissions Trading Scheme is the most effective mechanism for reducing emissions, particularly compared with command-and-control policies or carbon taxes. The ETS assigns a monetary value to emissions, incentivising businesses to seek cost-effective solutions and offering them flexibility in doing so. This approach helps achieve New Zealand's climate targets at a more affordable cost. The ETS also encourages investment in cleaner technology and innovation through market incentives. By setting a cap, it ensures gradual reductions over time, aligning with New Zealand's net-zero target. However, for the ETS to be effective, it requires stable and consistent policy settings that provide for market certainty and facilitate more efficient price discovery.

Regulatory uncertainty and carbon price volatility.

20. The current process for setting price controls and unit limits in regulation unintentionally creates considerable uncertainty for market participants as setting changes are being proposed too frequently in overly short durations. We believe this process needs to change.

21. Currently, price and unit settings are determined for five years ahead. Section 30GB(3)(b) of the Climate Change Response Act (CCCR or 'the Act'), notes regulations must be updated every year to prescribe for each of the following five years. During this process, settings for year's three and four must be reviewed, and thus can be adjusted. Settings for the current year is fixed and cannot be changed. Years one and two are fixed but the Minister can amend both years if doing do justified by matters outlined in s30GB(5)(b) of the Act.

22. The Act prescribes for the CCC to provide advice and recommendations on unit settings. The Minister must consider the CCC's recommendations before a final decision is made.

23. We acknowledge the rationale behind the annual update to the ETS unit settings. These updates are made to ensure settings align with New Zealand's emissions budgets, NDC, the 2050 net-zero target, and that the unit settings are established for the subsequent five years.

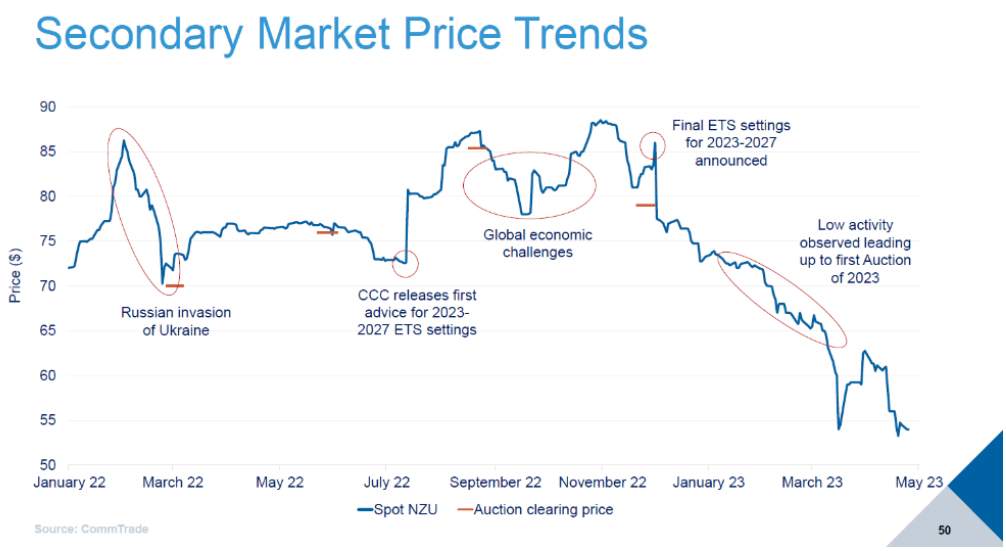
24. However, the entire process, starting from the CCC's recommendations, followed by the Ministry of the Environment's (MfE) subsequent discussion documents, and ultimately leading to the Government's final decision, introduces a considerable level of uncertainty to the market which is present throughout.

25. As the process unfolds and participants await the Government's final decision, they become unsettled and speculate about the degree to which the Government will align its decision with the Commission's recommendations. Notably, the Commission's recommendations 2022 significantly accelerated the trajectory of price and unit settings. For instance, the Commission proposed the introduction of a two-tier cost containment reserve (CCR), with tier 1 starting at $171 in 2023 and gradually increasing to $214 by 2027. In comparison, the prevailing status quo prices were $78.40 for 2023 and $110.15 for 2026. Unit limits were recommended to tighten with the recommended floor price nearly double the existing price floor out to 2027.

26. After the proposed and substantial adjustment in the ETS price settings, the market became uncertain about the level of aggressiveness – or conservatism – in the forthcoming price setting decision. It is likely participants responded to this regulatory uncertainty in a rational manner by hedging against the anticipated higher prices signalled by the Commissions preference for future tighter units. Participants were likely motivated to purchase and bank units before the settings were adjusted, as a strategy to shield themselves from the uncertain risk of a sudden and significant adjustments to unit or price settings.

27. Figure 1 demonstrates the impact of the Commission's 2022 advice released in July, which suggested significant adjustments to price control settings, leading to a rapid surge in secondary market prices from $73 to $83. The September auction illustrated more demand and the expectation of higher prices in the future, with the auction clearing at $85.40.

Figure 1: Spot and auction clearing price trends.



28. However, when the Government declared in December 2022 that the existing price control settings would mostly remain unchanged, the secondary market price of NZUs promptly dropped from $86 to approximately $70 and leading up to the March 2023 auction, low activity was observed. Demand was small, and the auction's clearing price failed to meet the confidential reserve price.

29. When considering the events leading up to the March 2023 auction, it is not particularly surprising that the auction failed. The presence of regulatory risk likely prompted participants to hedge against higher prices by purchasing more units than they would have initially, especially given the aggressive setting recommendations and advice. As a result of this hedging strategy, it is likely many participants had no need to acquire additional units in the March auction. But with the dust settling and the risks diminishing, there is still underlying uncertainty over the ETS in the future. The Government has failed to provide definitive clarity on whether it agrees or disagrees with the Commission's efforts to shift away from solely focusing on net-zero and instead promote more gross emission reductions.

30. This **lack of clarity regarding the ETS structure, its governance framework, and the persistent changes in settings over the five-year period, exacerbated by the Commission's forceful recommendations to tighten the setting within a short time frame, generate uncertainty and discourage investment.**

31. Operating a market-based tool in this manner is not consistent with the efficient price discovery of an abatement cost. Although the ETS operates within specific parameters defined by legislation and therefore by the Government, its purpose is to facilitate the price discovery of an abatement cost based on the underlying force of unit demand and supply. As the available units at auction decreases, or the "lid sinks," the price will naturally fluctuate. The lowest cost reductions are made first, freeing up credits for harder-to-abate participants who are willing to pay higher prices due to the limited alternatives they face, while also enabling businesses to determine when a decarbonisation project becomes economically viable for them.

32. However, instead of allowing the ETS to achieve its primary goal of price discovery based on supply and demand, regulatory changes, the anticipation of setting adjustments, and uncertainty about the settings expose this instrument to political and policy preferences defining the price. This frequent and eager interference side-lines the most efficient way to operate this instrument.

33. As mentioned previously, the Minister can modify settings in the first two years if specific considerations outlined section 30GB(5)(b) of the Act are met. Settings for years three and four, however, must undergo a review and are subject to potential changes. If the changes proposed for price settings, as outlined in the discussion document, are implemented, this will mark the third alteration in recent years. This presents a challenge for many, if not most, participants.

34. The continuous tinkering with the ETS not only undermines price discovery but also hinders the encouragement of the necessary investments in decarbonisation projects. These projects, which involve significant reductions in carbon emissions, typically have long payback periods and require substantial capital expenditure. Businesses engaged in decarbonisation do not operate on short-term horizons of one or two years, or even five years, especially when substantial investments is involved.

35. The payback period for such investments can frequently range from ten to fifteen years. These extended timeframes necessitate regulatory certainty, providing businesses with confidence that they will recoup their upfront capital expenditure and mitigate the risks associated with it.

36. In May 2023, BusinessNZ and BEC commissioned a research paper for the Future of Work Tripartite[2], which involved interviews with leaders of New Zealand's emissions-intensive trade-exposed (EITE) businesses. The objective was to gain a better understanding of the steps already taken, and those being taken to transition to a low-emissions economy. Additionally, the research aimed to identify potential barriers and solutions to decarbonisation. During the interviews, these businesses expressed concerns about the difficulty of attracting capital and justifying significant investments due to the ever-changing nature of emission policies, particularly those relating to the ETS and industrial allocation settings. Some businesses shared the following sentiments:

    "We can't make long-term investment decisions because of frequent changes to the ETS. It can absolutely destroy a business case, and we don't know what it will look like."

    "Fiddling with the ETS rules could make our payback of a project look worse. How can we plan long-term when the ETS is so uncertain?"

37. In many instances, parent companies operating in other jurisdictions might make a major investment. Countries with policy environments that foster decarbonisation and provide regulatory certainty and long-term stability for businesses case are more likely to attract these investments, rather than New Zealand. This outcome is unfavourable for New Zealand's economy and its ability to achieve its emissions budgets.

38. **Considering these concerns, we <u>RECCOMEND</u> conducting reviews and making amendments to price and units settings less frequently.** As a market instrument created by the Government, it is sensitive to material and unexpected Government policy. Material changes undermine investor sentiment and confidence in the instrument, and thus the level of investment businesses will undertake. This recommendation aims to establish stability and clarity for the gradual reduction in units and a corresponding increase in price settings, thus creating a clear and predictable trajectory.

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[2] *Insights into emissions-intensive, trade-exposed businesses,* Future of Work Tripartite Forum Research, Dylan James, Jamie O'Hare, and David Moore, BusinessNZ and BEC, May (2023)

39. Stable and certain policy settings are essential for building confidence and facilitating the development of a business case for investment in emission reduction technologies. With a clear understanding of price and unit trajectory, businesses can adequately prepare and plan their investments in advance. This level of certainty is crucial for successful decarbonisation project implementation, which involves complex planning, coordination with other firms and the acquisition and installation of capital-intensive technologies.

Timeliness of market moving decisions

40. The final auction of 2022 was held on Wednesday 7 December with a clearing price of $79.00. A week later, on Thursday 15 December, the Ministry released Cabinet papers on the Government's final decision on the ETS price settings. As noted, the secondary market price then dropped to $70.00. The papers showed the Government had already made their decision before the December 7 auction. This raises concerns about the timeliness of the Government's decision, and its impact on the market. **We <u>RECOMMEND</u> that the Government proactively releases any market moving announcements before each quarterly auctions.** Providing market participants with more time to react to policy changes will enhance market reputation and help reduce some market uncertainty.

Gross vs net, and the role of forestry.

We <u>SUPPORT</u> more clarity about the balance between gross vs net reductions, and the role of forestry in the future

41. As noted above, the effectiveness of the ETS is undermined by policy uncertainty, which leads to a lack of investment. The role of forestry in the ETS is also a major source of uncertainty. The announced review of the ETS and the Commission's emphasis on gross emission reductions rather than net reductions, along with its opposition to maintaining a common price for gross emissions and carbon removals through forestry, has further increased this uncertainty. Additionally, decisions that would provide clarity regarding permanent exotic forests have been postponed. Consequently, the future tradability of NZU-F remains uncertain, leading to increased volatility in the current price.

Stockpile

We <u>OPPOSE</u> measures for reducing stockpile volumes.

42. The assumptions about the level of unit stockpiles lack certainty and a solid foundation. The Commission's estimated range of 33 to 66 million unit 'surplus' is uncertain. Before making any changes to the units available at auction, further assessment of the 'surplus' units must be conducted. Ongoing work on the ETS's governance should involve gathering this information.

43. It is crucial that any setting adjustments aimed at reducing the stockpile are based on a genuine existence of 'excess' units. Rapidly reducing the pool of stockpiled units, as outlined, will increase the ETS price and have additional impacts, such as imposing inflationary pressures or an elevated risk of carbon leakage and undermining investor confidence. Currently, there is insufficient justification for such reductions, and more information is required. Before implementing any changes, it may be helpful to consider conducting a voluntary and anonymized survey of unit holdings, including reasons for holding them, both directly and indirectly.

44. Despite the lack of robust analysis on the level of the stockpile, shrinking it would likely result in unintended consequences, creating a much more aggressive price signal for NZUs in the future. To ensure compliance, participants would likely resort to a strategy of purchasing units 'at any cost' to reduce the risk of paying the high penalty of not meeting their obligations. This could increase the incentive to buy and stockpile units, ultimately reducing overall market liquidity. This is problematic because the market still needs time to establish greater liquidity, considering the cap has only been

in place since 2020. Additionally, liquidity is essential for participants to readily acquire NZUs to fulfil their surrender obligations. A liquid market ensures lower price volatility and better reflects supply-demand dynamics over time.

The cost containment reserve (CCR)

We <u>SUPPORT</u> the status quo option.

45. The Commission has reiterated its previous recommendation that the CCR should not be released frequently, arguing the market may perceive the CCR as a reference point for future price expectations, considering the lack of timely and relevant market information. Consequently, the Commission mention the CCR may act as a magnet for higher prices. To reduce the likelihood of additional unit releases, the Commission suggests implementing a two-tier CCR system with significantly higher levels in 2024. The first tier would be set at $184 and the second tier at $231, compared with the current single-tier price of $91.81.

46. Our previous submission on updating ETS settings,[3] expressed concerns about the complexity and uncertainty introduced by a two-tier CCR with varying unit volumes and prices. We emphasise that setting high price levels for releasing CCR, in 2024 and 2025, sends a message of policy instability, where settings can change rapidly based on policy and political preferences. This undermines confidence in operating within the market, as investment decisions, such as switching fuel in an industrial process, are made over several years, not on an annual basis. Sudden regulatory changes disrupt the business case for such investments.

47. The Commission's aim to decouple price expectations from the CCR by significantly increasing the CCR, could inadvertently communicate the Government's desired carbon price corridor to the market. As a result, the market becomes more responsive to regulatory changes rather than to the fundamental dynamics of unit supply and demand.

48. We are also concerned about the Commission's departure from the original purpose of the CCR, which was to dampen prices to an acceptable price corridor. This has since been redefined and transformed into a signal that outlines expected price bounds to manage the risk of NZU prices deviating from New Zealand's emissions budget. We emphasise that the primary intention of the CCR is to release additional units to stabilise prices, considering the broader economic and social implications, such as inflationary pressures and the competitiveness of emissions-intensive and trade-exposed businesses in New Zealand.

49. The CCR should continue to function as a mechanism that gradually increases over time. Sudden shocks in the CCR levels, as recommended by the Commission, increase the risk of abrupt price increases, and attract more speculative market actors who compete with mandatory participants in fulfilling unit surrender obligations.

50. The Commission's advice to significantly raise the price settings for the CCR is driven by its decision to prioritise gross emissions reductions, downplaying the role of afforestation. This results in a higher emissions price trajectory underlying the Commission's price control recommendations and goes beyond its mandate to provide recommendations to achieve New Zealand's net-zero target as outlined in legislation. Prioritising gross emissions reductions represents a departure from the Commission's purpose of achieving the net-zero target through a combination of carbon offsets and gross reductions, providing the most cost-effective pathway considering scarce resources and competing objectives.

[3] BEC's submission on the *proposed changes to New Zealand Emissions Trading Scheme limit and price control settings for units 2022*

51. Instead of the large price increases in the CCR recommended by the Commission, incremental adjustments over time would send stronger signals to emitters to reduce emissions while minimising the risks of carbon leakage and inflationary pressures.

Price floor

We <u>SUPPORT</u> the status quo option

52. Similar to the recommendations made for the CCR, the proposed increase in price floors is driven by the Commission's inclination to prioritise gross emissions, rather than net emission reductions. This preference sets out more ambitious settings and, consequently, higher prices over a short timeframe. It is important not to underestimate the implications of these higher prices over a limited period.

53. It is crucial to carefully consider the significant implications of higher prices. According to the Commission, if the emissions price increases from $50/tCO2e to $100/tCO2e, industrial users of fossil gas will experience a substantial 31% cost increase.[4] This would have a direct impact on energy costs for industrial users, which will subsequently be passed on to businesses across various sectors, ultimately affecting consumers.

54. The influence of high NZU prices extends to wholesale electricity prices, as these are heavily driven by the marginal cost of gas and coal. While transitioning to alternative energy sources in the long term is a positive step, it's important to acknowledge that thermal generation still plays a vital role in supporting intermittent generation and powering industries that currently have limited alternative fuel options. Although many industrial and commercial businesses have the potential to electrify a significant portion of, and for some, all their processes, higher prices act as a deterrent to this electrification process. Consequently, these elevated prices create barriers that hinder electrification.

Table 1: Impact of emissions price on electricity price
All prices in the body of the table are in c/kWh

Level of impact	Sector	Electricity price 2021	Emissions price ($ per NZU[1])				
			$50	$75	$100	$150	$200
High	Residential	30.6	1.9	2.9	3.8	5.7	7.6
	Commercial	18.5	1.7	2.5	3.3	5.0	6.6
	Industrial	17.1	1.6	2.4	3.1	4.7	6.2
Low	Residential	30.6	1.1	1.7	2.2	3.3	4.4
	Commercial	18.5	1	1.5	1.9	2.9	3.8
	Industrial	17.1	0.9	1.4	1.8	2.7	3.6

Note:
1 New Zealand Unit (NZU) represents one metric tonne of carbon dioxide equivalent (tCO_2e).

Source: NZIER

[4] Advice on NZ ETS unit limits and price control settings for 2023-27, Climate Change Commission, 2022.

Acknowledging constraints and ensuring a just transition

We <u>SUPPORT</u> a gradual increase in price settings and a gradual decrease in the unit limit to facilitate a just transition within the broader constraints

55. It is crucial to mitigate the risk of carbon leakage, which refers to the relocation of economic activity to jurisdictions with less stringent climate policies, resulting in increased global emissions and potential negative impacts on domestic industries. A sudden tightening of units, coupled with high price settings, can jeopardize the profitability and presence of businesses in New Zealand, especially emissions-intensive and trade-exposed sectors. This poses a challenge to achieving global climate goals. We agree with the discussion document below:

    "In the event that prices increased to reach the Commission's recommended CCR trigger prices, this price rise, in combination with the phase-out of industrial allocation, might have the impact of closing down firms in some industries, unless they rapidly decarbonise." [5]

56. While progress has been made globally in reducing emissions through the implementation of emissions trading schemes, the risk of carbon leakage remains. The increasing number of ETS schemes worldwide demonstrates positive steps forward, but interim measures are necessary to protect against carbon leakage until more countries adopt their own ETS schemes and face similar carbon costs. Industrial allocations have been instrumental in providing protection to firms, helping them manage the cost of carbon. As industrial allocations phase down, the price of carbon becomes a stronger signal for emissions reduction. However, the prospect of large price increases, due to wider price corridors indicated by the adjusted price settings, does not allow firms to adapt adequately in the face of external constraints.

57. A carbon price is effective in driving behavior change and encouraging emission reductions, but there is a natural time lag between investment decisions and actual emission reductions. The process of sourcing capital, obtaining resource consent, conducting research and development, coordinating with suppliers, and building infrastructure takes time and involves factors outside the scope of the ETS. Many firms face supply-side constraints and struggle to fully respond to the signal provided by the ETS due to limited availability of technology, competition for resources, and scarcity of skilled labour. New Zealand, being relatively smaller in size than many other countries, may face challenges in sourcing necessary technologies and materials for decarbonization efforts.

58. Some businesses encounter difficulties in accessing commercially viable and scalable alternative technologies, hindering their ability to transition quickly. A sudden increase in ETS unit and price settings does not expedite progress for these firms, as they are dependent on the availability and viability of relevant technologies. As noted, in BusinessNZ and BEC's research paper on the Future of Work Tripartite, several firms voiced these realities[6]:

    "A lot of things around technology is there on the horizon, but they are not available on scale, and can't be used to replace a key part of our production. These are very real challenges."

    "We have technology scouts out all of the time, and we've done a lot of our own research, you cannot heat [product] to the temperatures needed without coal or gas."

59. It is important to acknowledge these constraints and provide a balanced approach to ETS settings to alleviate the risk of carbon leakage. This allows New Zealand businesses to produce and export sustainable goods to a global market that values sustainability. However, a rapid and substantial cost differential between New Zealand and its competitors could impede such opportunities.

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[5] Annual updates to the New Zealand Emissions Trading Scheme limits and price control settings, 2023, p48

[6] *Insights into emissions-intensive, trade-exposed businesses, Future of Work Tripartite Forum Research, Dylan James, Jamie O'Hare, and David Moore, BusinessNZ and BEC, May (2023)*

Therefore, a just change of price settings and units is necessary to ensure a just transition without deindustrialisation.

60. Enabling policies play a crucial role in enhancing the effectiveness of the ETS by reducing supply-side barriers. Examples of enabling policies include reforming the resource management regime to reduce the cost and time of obtaining consents; identifying and reducing barriers to skilled migrants entering New Zealand; loosening foreign direct investment restrictions to attract the overseas capital needed for the new projects that will result in emission reductions; and interventions aimed at solving 'chicken-and-egg' problems not fully solved by the market. For example, where uptake is low due to a lack of supply, such as EV charging infrastructure in certain locations.

Appendix One - Background information on BusinessNZ and BEC

BusinessNZ is New Zealand's largest business advocacy body, representing:

- Regional business groups EMA, Business Central, Canterbury Employers' Chamber of Commerce, and Employers Otago Southland
- Major Companies Group of New Zealand's largest businesses
- Gold Group of medium sized businesses
- Affiliated Industries Group of national industry associations
- ExportNZ representing New Zealand exporting enterprises
- ManufacturingNZ representing New Zealand manufacturing enterprises
- Sustainable Business Council of enterprises leading sustainable business practice
- BusinessNZ Energy Council of enterprises leading sustainable energy production and use
- Buy NZ Made representing producers, retailers and consumers of New Zealand-made goods

BusinessNZ is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

In addition to advocacy and services for enterprise, BusinessNZ contributes to Government, tripartite working parties and international bodies including the International Labour Organisation (ILO), the International Organisation of Employers (IOE) and the Business and Industry Advisory Council (BIAC) to the Organisation for Economic Cooperation and Development (OECD).

The BusinessNZ Energy Council (BEC) is a group of New Zealand's peak energy sector organisations taking a leading role in creating a sustainable energy future. BEC is a division of BusinessNZ, New Zealand's largest business advocacy group. BEC is a member of the World Energy Council (WEC). BEC members are a cross-section of leading energy sector businesses, government and research organisations. Together with its members BEC is shaping the energy agenda for New Zealand.

Our vision is to support New Zealand's economic wellbeing through the active promotion of the sustainable development and use of energy, domestically and globally. With that goal in mind, BEC is shaping the debate through leadership, influence and advocacy.