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Improvements to the New Zealand Emissions Trading Scheme

BusinessNZ is pleased to have the opportunity to provide a submission to the Ministry for the Environment ('MFE') on its consultation document entitled 'Improvements to the New Zealand Emissions Trading Scheme', dated August 2018.[1]

Introduction

BusinessNZ welcomes the Government consultation document outlining its proposed priorities and other issues related to the New Zealand Emissions Trading Scheme (the 'NZETS'). It is generally and genuinely accepted that to meet more stringent emission reduction targets (let alone existing targets to 2030), that changes are needed to the scheme to reflect the circumstances in which we now find ourselves and the actual effort being undertaken by other countries.

We also welcome the measured approach and tone of the document and we appreciate the work of officials to move away from the tactical to the more strategic (at least at this stage).[2] It is helpful that MFE has adopted a progressive approach to the development of what is an incredibly complex set of interwoven issues by staging the consideration of the issues. In doing so it has resisted the temptation to delve into the detail until decisions have first been made on the broad approaches.

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1 Background information on BusinessNZ is attached in Appendix One.

2 This was a strong criticism levelled by BusinessNZ at MFE in the context of the previous government's reforms (see BusinessNZ's submission entitled 'New Zealand Emissions Trading Scheme Review 2015/16' dated 19 February, 2016).

Finally, we also welcome the continuation of work on the previous government's priority areas. While the emphasis might be different, it is a welcome signal of a deliberate and careful moving forward, rather than the ad-hoc pursuit of overtly politically driven priorities.

These factors allow for a deeper dialogue with business and for business to make more informed decisions to invest and create jobs.

Our Approach

As with our previous climate change policy-related submissions, to both MFE and the Productivity Commission, the 'lens' through which we view the issues in the consultation document is broadly informed by:

- the recognition that greater ambition, and therefore policy action is not only increasingly accepted but welcomed by many businesses (no more tangibly demonstrated than through leading businesses pledging to adopt science-based targets);

- the need for the scheme settings to be carefully calibrated with the:

  a. nature and extent of action being taken by our trade-competitors to reduce their emissions;

  b. overall emission reduction target (whatever that is); and

  c. broad mix and relative roles and contributions of non-NZETS measures (such as energy efficiency, public transport, electric vehicles, research and development, land-based policies [forestry and agriculture], etcetera);[3] and

- a desire to balance the need for greater ambition with the long-term durability of the framework and policy settings being put in place.

This framing is intended to help provide a clear policy line of sight between any anticipated increase in carbon price, the desired domestic transition to a low carbon economy (both its nature and how it might be achieved) and the impact on the international competitiveness of the export sector.

Only a deeper, more informed conversation on these issues will fully unlock the resources and technology that resides in the business sector and that will be required to catalyse even greater ambition.

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3 In the context of 'calibration', we note that MFE states on slide 7 of its NZ ETS Improvements slide pack that "The ETS settings should mostly reflect the decisions *that have already been taken* in the earlier decisions about target-setting and emissions budget-setting." (emphasis added) We completely agree with this statement, similarly the sentiment that "The NZ ETS acts as the 'messenger' between the 2050 target, emissions budgets and the economy." (slide 8). A failure to appropriately calibrate the ETS settings across the wider range of policy setting risks an unnecessary 'doubling-down' on effort, or creating confused rather than clear signals to economic agents.

Summary of Recommendations

BusinessNZ:

a. supports the introduction of frequent ascending clock auctions. They are a vital component of the overall scheme architecture. Their introduction needs to be timed to coincide with changes to the price cap;

b. supports the progressive lifting of the price cap in the right circumstances (but remains opposed to a price floor);

c. suggests that in the likely long-term absence of international markets any limit on the use of international units by business (as opposed to government) be deferred as a lower priority until we can have a more informed conversation about their likely source and quality;

d. agree that while decisions on the co-ordination unit supply are important more consideration needs to be given to who (which non-MFE entity) should exercise the powers and functions set out in the consultation document; and

e. agree to the commencement of the industrial allocation phase-out under the right conditions.

Some context

Since the passage of the NZETS into law in 2008 things have changed substantially. For example:

a. at the time of passage into law, there was substantial optimism that the world was moving rapidly into a global trading-based arrangement. This optimism continued to be felt by policy makers even after a change of government in 2008, the global financial crisis and in the immediate run-up to the Copenhagen CoP at the end of 2009;

b. a corollary to this over-optimism was the expectation that the trading regime would be the primary (if not the sole) policy tool by which New Zealand would meet its economy wide target; and

c. the expectation was that there would be a smooth transition into a Kyoto second commitment period and that a Kyoto-lookalike arrangement would eventually be negotiated.

But reality has proven to be somewhat different. Optimism about the speed with which the world will move to a globally linked trading scheme has proven to be misplaced. This is related to the fact that reality is much more uncertain and complex than previously expected, and the growing recognition of national circumstances (including both the challenges arising from them and the opportunities they give rise to) has resulted in an increasing realisation that there is more than one way to meet the emissions reduction objective than a single economy-wide target and price.

For business, the origins of this realisation does not lie in pursuit of emission reduction *per se*, but rather a broader emphasis on sustainability as reflected for example in the planetary boundaries work of the Stockholm Institute, and in resource use efficiency, natural capital assessment, etcetera and the increasing acceptance by mainstream business of the growing constraints and the need to change and adapt business behaviour as a result, while remaining internationally competitive. This broader framing makes a sole focus on carbon pricing no longer appropriate. Indeed such a single focus serves as a polarising distraction to a richer, more mature and bespoke business dialogue about long term business resilience, and the mitigation of and adaptation to environmental and climate risks across a wide range of policy and business measures.

In the following section of the submission we run through, fairly quickly, our responses to the main issues raised in the consultation document.

Unit supply framework

Unit Decision-making Framework

BusinessNZ:

- supports greater clarity of the extension of decision making process for setting unit supply volumes. We agree that this is about balancing predictability to business with flexibility by government (in general this is a principle that needs to be extended across just about every facet of the NZETS review);

- wants clarity over *who* the decision-maker is that the MFE refers to in the consultation document. Not only is it important to have clarity over the process of the unit supply decisions but it is also important for business to have confidence in the institutional arrangements within which the decisions are being made. This entity should be at arms-length from the policy-maker, MFE and the proposed Climate Change Commission;

- considers that in terms of factors that the decision-maker should take into account:

    a. we would suggest some meta-issues such as the state of the economy, the international competitiveness of our exporters, the efficient operation of the NZETS, the implications of factors outlined in the zero carbon bill, and a catch-all of some description (which will be necessary to avoid the risk of the consideration of something that isn't listed). We see no logical reason to have an inflation consideration; and

b. with respect to restrictions, as pointed out in BusinessNZ's zero carbon bill submission, it is important that officials do not conflate predictability with inflexibility. There will always be circumstances – some of which will not be able to be foretold – that might necessitate changes to be made to unit supply. In our view the two key elements to the exercise of flexibility are:

   - that changes should be clear and well-justified. There should be a transparent and robust (e.g. involving a cost-benefit analysis) process that outlines why the change is proposed and allowing feedback on it, especially from those who are impacted by the change. In other words, that the onus should be on retention of the status quo unless it can clearly be demonstrated that the status quo is no longer appropriate; and

   - unless there is some emergency circumstances, decisions should only apply from the commencement of the next compliance period.

Auctioning

BusinessNZ:

- supports auctioning, and was a strong supporter of its inclusion in the Climate Change Response Act several years ago. We believe that auctions are a vital tool in the overall NZETS 'armoury' especially as we do not have access to international units, in the medium term as auctions are key tool in the discovery of an economy wide marginal price of abatement that cannot be discovered via other mechanisms;

- expects, in terms of design, an auction to:

   a. be accessible to all NZETS participants;

   b. have low transaction costs;

   c. have clear rules and timetable;

   d. have transparent auction outcomes while preserving confidentiality of bidders;

e. mimic competitive market prices (and therefore mimics a non-cooperative game); and

f. be operated by the government;

- prefers Option C (ascending clock) for the reason outlined in the consultation document, being it "can play a valuable role in price discovery in the market" especially in the absence of a regulated emissions exchange and the uncertain quality of the market information that exists from other platforms (this is especially important if the objective is to establish an economy wide marginal price of abatement). We recognise that there is a trade-off in terms of cost and complexity but consider that this format will, over the medium to long term, ensure the most efficient form of price discovery;

- supports more frequent than less in terms of the running of the auctions (monthly or bi-monthly);

- supports access to all holders of accounts as the goal should be widespread participation to encourage liquidity;

- suggests that whatever format is chosen that a series of pilot or test auctions be used to socialise the tool and develop its familiarity with users before implementing it as this will allow any lessons learnt to be factored into its final design; and

- does not generally support hypothecation but does so in this case, for the following two reasons:

  a. it will give emitters a direct line of sight to the use of the auction proceeds, and so confidence that the revenue earned by the government is being put to use in addressing our climate change response; and

  b. it mitigates the risk of perverse incentives by government seeking to auction more than is efficient to do so to earn revenue for other, non-climate change reasons.

Price Ceiling

BusinessNZ:

- requests that *any* shift in the price cap:

  a. not be implemented before the earliest of either the commencement of:

     - the 2020 compliance year;

OR

- the auctioning mechanism;

b. be implemented with extreme caution. In the absence of an alternate supply of units such as international units or auctions, the price will (all things being equal) automatically gravitate towards the level of the cap (as we have recently observed). This will lead to the inevitable calls for the price cap to be lifted, for unit supply to tighten as a result, and the price to adjust upwards to the cap.[4] In the absence of alternative supply, this cycle would simply be repeated once the cap is lifted;

c. must not be implemented during a compliance year. The current uncertainty around the removal of the price cap within a compliance year has caused real and costly implications for those who need to make good on their contractual obligations. A retrospective (relative to fixed contracted positions) has the following implications:

  - a change would defeat the purpose of the NZETS price signal. The NZETS cost is meant to influence consumer behavioural change – but if consumers do not bear the cost because of it's retrospective effect, it will not influence their behaviour for the relevant period and effectively be a retrospective tax on NZETS participants; and

  - a retrospective increase in compliance costs without the ability to signal in advance to the end user to alter their behaviour change would be inefficient and an increase in cost for no justified outcome;

– strongly maintains that there is no place in the NZETS for a price floor, and the mere fact of the consideration of the mechanisms in discussion document (such as annually set NZU limits etc) simply reinforces the need not to have a floor. For more details on BusinessNZ's view on price floors see BusinessNZ's submission to the Productivity Commission;[5]

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4 Many of the calls to lift the price cap are based on the dubious claim of an arbitrage opportunity that would impose a fiscal cost on to the government. There is only a cost to the government if it needs to pay more than the price cap level to make good on the carbon reductions. BusinessNZ does not believe this to be the case rendering the so-called arbitrage opportunity non-existent.

5 BusinessNZ submission to the Productivity Commission entitled 'Low emissions economy', dated 2 July 2018, pages 4-5.

- supports the introduction of the cost containment reserve (CCR) as an alternative to the fixed price option. We consider a CCR as a more sophisticated means of addressing the risk to the overall economy that the current price cap is intended to address, but one that enables a better balancing of the risks to the government and business. However, this agreement is conditional on the detail of:

    a. the volume of units available;

    b. the level of the trigger; and

    c. the mechanism to be used to trigger the CCR;

    as these are all important factors in the overall design of a CCR;

- supports a combination of the use of a mandated formula *and* discretion in the management over time of the number of units and price level in the CCR. As noted above it is important not to conflate predictability with rigidity and inflexibility as there will always be circumstances – some of which will not be able to be foretold – that might necessitate changes to be made to the price ceiling. However, having said that, in order to provide system stability and predictability, the general principle should be to not change the level of the price cap unless the market fundamentals warrant it. The issue with the suggested formulae (page 35) is that they will be biased towards lifting the cap every year, or worse, give unpredictable results, thereby creating the undesirable incentive structure alluded to above, undermining the credibility of the scheme and resulting in adverse economic risks.[6] In our submission to the Productivity Commission[7] we suggested use of a trade-weighted carbon price calculated based on the carbon prices in the economies of our trade competitors, such as China, the USA and Australia. This method has the advantage of serving to calibrate our action to that being taken by others;

- notes, by way of reference, the recently released report by Sense Partners, who state:

    > "New Zealand emission prices are at the upper end of the distribution of the prices, and this result is unsurprising. It repeats a result that is consistently found in international comparisons and analyses of mitigation costs. Mitigation in New Zealand is comparatively expensive.[8]

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6 BusinessNZ cannot, for example, understand the relationship between the inflation rate and the price of emission units, other than as a generic inflator to progressively push the price of units upwards.

7 BusinessNZ submission to the Productivity Commission, *op.cit.* page 5.

8 Report prepared for the Ministry for the Environment by Sense Partners entitled 'Countervailing Forces Climate Targets and Implications for Competitiveness, Leakage and Innovation', page 50.

- observes that with respect to what actions to take should the price cap be struck the action taken needs to be commensurate with the reason for this occurring. In principle, therefore, we are open to any appropriate action, subject to a:

  a. test of some kind first being met. For example, we would not expect any action to be initiated unless the price ceiling was struck as measured by some metric, such as *x days over the course of x months* or some similar approach. This is important to effectively 'wash-out' any temporary market anomalies; and

  b. tactical, targeted and transparent review being launched. It is likely, as a result of the implementation of the measures outlined in the consultation document that some sort of market investigations/compliance team will need to be established (presumably housed in the decision-making body referred to above) to monitor the effective and efficient operation of the market in real time. We would expect the purpose of compliance monitoring to support and educate market participants to understand their obligations under the Act, and regulations. Such monitoring would enable the team to:

     - respond quickly to changing market circumstances;
     - assess market anomalies in a cost-effective manner;
     - target its resources at risk areas; and
     - strengthen its relationship with the market participants.

     In the case of a breach of the price ceiling:

     - it could be expected that this team would launch a tactical, targeted review to determine the immediate causes (much like a market investigation in the electricity market), and this review would point to the causes of the breach and recommend an appropriate course of action. While timeliness would be important in this process (it would be important to complete these tactical reviews within a short period of time), so too would be transparency of the process and outcomes with the market participants, especially exporters in this particular case; and
     - interim measures would need to be implemented to ensure the efficient functioning of the market. We would

suggest that the government release additional units into the market backed by its purchases of international units; and

- agrees that linking to other markets (as well as any number of other fundamental changes in market circumstances such as access to international markets [for more on this point see below]) would likely have implications for the price ceiling settings.

International Units

BusinessNZ:

- supports scheme linking and access to international units. We have, on numerous occasions, been on record stating that without linking there is little point to having an NZETS. Linking allows:

  a. the discovery of the international price of emissions;

  b. sends an efficient signal to New Zealand businesses regarding whether they should emit or abate; and

  c. facilitates the development of a deep and liquid emissions market;

  These things cannot be achieved with a domestic-only tax with trading attributes (essentially what we have at the moment);

- thinks that (while being broadly supportive of quantitative limits) focusing on determining what limit to place on units that do not yet exist is a waste of time and resources (for more on qualitative limits see below). At the moment, we essentially have a 100% limit on international units and we believe that effort is better spent on developing and implementing the substantial range of other measures outlined in this consultation document. Once international units are available, it should be a fairly straight-forward exercise to adjust the other settings;

- considers that the mode of purchase of international units outlined in the consultation document is not an 'either/or' (this is also acknowledged in the consultation document where it states "In practice these options could operate alongside each other."). There would appear to be no good reason why *both* government and business could not purchase (and in the case of business, surrender) international units once they are available, and retaining this optionality would appear – on the face of it at least – to be an appropriate course of action. In any case, it is likely that government will want to have access to international units should it be required to make good on its international target (where meeting the target isn't possible due to all sectors not being included in the NZETS) or for any other reason. The government should not be required to auction the units it purchases, though it may wish to do so. If it does, a volume limit would be appropriate within the overall scheme design parameters;

- suggests that while the government may have strategic, and operational reasons for purchasing international units, governments are not generally known for the quality of their purchasing decisions. If the units are being purchased for subsequent auctioning, the government is taking on substantial price risk that is likely to be better managed by business. Business by its very nature is a risk management mechanism, and has complex risk management tools available to it, and is therefore better placed to mitigate this risk;

- notes that not only are international units not yet available, nor will be for some time, there is significant uncertainty surrounding their use, even if it is agreed that business should be able to purchase them directly. The consultation document states that:

  > "The Government has signalled that international carbon markets may be used after 2020 if:
  >
  > - the units are genuine and have environmental integrity;
  > - progress towards a net zero target is maintained;
  > - it makes economic sense to do so; and
  > - it can be done in a way that maintains incentives for domestic abatement."[9]

  Business will not be willing to purchase units if there is any doubt about their ability to subsequently surrender them (regardless of a quantitative limit). It would appear that to dispel this uncertainty, the government would need to pre-identify which units businesses could surrender post-purchase, and publish this list (by way of a 'white list'). BusinessNZ would suggest that getting this process underway should be a higher priority than identifying the limit on use of international units (as without 'approved' units determining a limit on their use becomes a somewhat academic exercise);

- thinks that should a limit be set that it would be appropriate to be managed by the decision-maker via the decision-making process; and

[9] Ministry for the Environment consultation document entitled 'Improvements to the New Zealand Emissions Trading Scheme', dated August 2018, page 38.

- does not believe that there is any justification for varying the percentage of allowable international units by participant type, based on:

    a. equity reasons (some do not have surrender obligations and therefore it is unclear how any such restriction could be applied equitably across businesses); and

    b. need (as stated on page 28 of the consultation document) as if it is the government's intention to keep prices in the NZETS in line with international emissions prices, then the arbitrage risk (being the risk such a solution is presumably the response to) would be minimised and its implementation would simply result in over-designing the NZETS.

Industrial allocation

BusinessNZ:

- supports, in principle, the introduction of the phase-out of the allocation of free units to business where it is clear that the international competitiveness of our energy-intensive, trade-exposed businesses is not jeopardised by the asymmetric application of carbon pricing across jurisdictions;

- notes that although for some industries production efficiency improvements may have been possible since the allocative dataset was collated, the commencement level of assistance at 90 percent is below the 100 percent level seen in other schemes;

- remains clear, and firm about the risk of investment, then carbon leakage to the New Zealand economy, especially at a time of growing global, and domestic economic fragility. With respect to carbon leakage we again refer to the Sense Partners report where they state:

    > "The analysis suggests New Zealand firms have faced effective costs of emissions that are not very high by international standards but have been high compared with those of our major trading partners in the Asia Pacific region."[10]

    As such, we remain to be convinced that EU or WCI phase out rates are appropriate comparators, or relevant given the differences in output mix between New Zealand and those jurisdictions;

- notes that the options set out in question 14 are not mutually exclusive. Given the differences in circumstances across businesses, for some an upfront decision to commence phase-out where the risk of

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10 Sense Partners report, *op,cit,* page 1.

carbon leakage does not exist, might be appropriate. For others, it will be appropriate to wait until the development of a test or condition. The application of these approaches will need to be sequenced, and in terms of sequencing there will be mix of those whose allocations are not reduced and those whose allocations are reduced;

- suggests that further to the sequencing, alongside these initial decisions, officials should develop a test. In terms of the test, others such as ExportNZ and NZ Steel, have previously suggested the adoption by New Zealand of the methodology used by Australia in its Carbon Pollution Reduction Scheme ('CPRS'). Under that scheme, it was proposed if the Australian Productivity Commission found that less than 70% of international sectoral competitors faced comparable carbon costs to those faced by their Australian energy-intensive trade-exposed counterparts, it could recommend that the annual 1.3% reduction in permit allocation cease, so that the permit allocation rate would be frozen at a floor of 90 percent of eligible emissions for highly emissions-intensive industries, and 60 percent for moderately emissions-intensive industries. We believe that this approach has substantial merit and should be considered for adoption here in New Zealand (New Zealand did, after all, adopt much of the other elements of the ill-fated CPRS);

- considers that the test be developed and applied from 2025. This may result in some combination of phase-out:

    a. halting or *not* commencing (as the test shows that the risk of carbon leakage, having thought not to be present, exists or still exists); or

    b. commencing (as the test shows that the risk has ameliorated);

- recommends that if the government wishes to proceed with a general allocation phase-out from 2021 instead of this recommended two-stage approach regardless of the risks of investment, then carbon leakage, that it recommences the phase-down at the currently legislated level of 0.01 per year. If the government does this then we would still recommend the application of the test for the period after 2025 with decisions being taken to continue or to halt the phase-out. The test should then be applied again by 2030 for the period thereafter;

  The advantage of this approach is that:

    a. the direction trajectory is clear (downwards, albeit potentially interspersed with hiatuses);

    b. the assessments of carbon leakage will be less speculative and instead will track action taken by other relevant parties';

c. it allows for the implementation of bespoke allocation phase-down rates, as these are likely to be required in New Zealand; and

d. it depoliticises the allocation decision-making process, thereby making it more durable;

- notes that the consultation document implies that the development of such a test might be difficult, but we suggest that any difficultly would be ameliorated with the time provided to develop it (through to 2025) as well as the presence of additional information that is expected to come to hand from other jurisdictions in this time. It is also worthwhile developing it given the magnitude and concentration of the risk that we are trying to mitigate; and

- considers that changes to the levels of industrial allocations can, in the absence of commensurate actions being taken by our trade-competitors, have a material impact on investment plans and strategic business decisions. Carbon cost exposure is a material input in business modelling of economic viability. Reductions in the allocations ahead of trade-competitors represent a withdrawal of revenue which could otherwise be applied to improvements in emissions.

Other (operational) issues

BusinessNZ:

- notes the potential issues outlined on page 49 of the consultation document, and the potential futures which might give rise to market misconduct. We understand that there is no evidence of the seven areas listed as having occurred, and while we acknowledge that they are all *potential* future risks, we find it difficult to evaluate the types of interventions listed on page 50 (as in the absence of evidence these are all potential solutions looking for potential problems). Consistent with our views above about market compliance, some of these issues might best be put on the work-programme of the decision-making entity;

- does not support the publication of individual emissions data as it is unclear how this data would inform the efficiency of the price discovery process;

- only considers that non-compliance that results in criminal prosecution should be published;

- supports the introduction of strict liability infringement notices as preferable to the increased use of criminal offences for low-level offending;

- considers that $30 – in addition to the make-good provision – is sufficiently high to deter non-compliance for the most serious of breaches. Further consideration should also be given to the discretionary elements of the regime, especially when such large sums of money are involved; and

- agrees with the proposal to use approved units to repay any overdue unit obligation for a previous reporting period.

Summary

The fact that New Zealand has an operational scheme has provided its businesses and consumers some clarity about its immediate effects. But continued careful judgement is required about where the costs and benefits of the scheme will fall and what their impact will be. For some businesses, new market opportunities have emerged or beckon. However, for many businesses, concerns remain about the impact of climate change policies on their incentives to invest and grow and the opportunities foregone.

On-going vigilance is required against basing policy on over-optimistic assumptions of international action in order to ensure that changes do not place a burden on business that is disproportionate to the costs faced by our trading partners.

BusinessNZ congratulates MFE for its deliberate and sequenced approach to the consideration of what are some fairly complex design features. The right issues have been laid out. We, in turn, believe that our recommendations are a pragmatic response to the enormous difficultly inherent in the trade-off between tackling the issue of carbon market uncertainty while preserving the effectiveness of the approach set out in the NZETS. The recommendations preserve New Zealand as a good place to invest and combined with other policies, New Zealand's commitment remains credible. Key to many of our proposed solutions is the establishment of clear, robust processes which, if implemented well, will allow the discovery of efficient outcomes.

With the passage of time, what has become increasingly clear is that while the NZETS will do the heavy lifting, it is not the only tool to address climate change. It simply cannot be called this if half of our greenhouse gases remain outside it. So calibration is important. We would expect, as a matter of course, that as officials move from high-level design into operational detail, and that as decisions are taken on other climate change ecosystem element, such as the nature and form of the target, the institutional arrangements and the decision-making powers, that more clarity on how the various officials anticipate that the various pieces of the puzzle will fit together in a coherent and rational way will be provided. This is critical to facilitating a rich and informed conversation between business and government on how we proceed to decarbonise our economy in the most effective and efficient way.

BusinessNZ looks forward to working closely with officials and Ministers as the proposals set out in the consultation document are given more scrutiny.

Yours sincerely

John A Carnegie
Executive Director, Infrastructure and Resources
BusinessNZ

APPENDIX ONE: ABOUT BUSINESSNZ

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).