Submission

By

BusinessNZ

To the

SPECIAL SELECT COMMITTEE

Reviewing the

EMISSION TRADING SCHEME

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SUBMISSION BY BUSINESS NEW ZEALAND[1] ON THE SPECIAL SELECT COMMITTEE REVIEWING THE EMISSIONS TRADING SCHEME

Business New Zealand wishes to present this submission in person to the Special Select Committee.

1. TERMS OF REFERENCE

Business New Zealand welcomes the opportunity to provide input to the special select committee process reviewing aspects of existing New Zealand climate change policies. In the first instance we wish to highlight some concerns with the Terms of Reference.

The full Terms of Reference for the Committee are as follows:

1. identify the central/benchmark projections which are being used as the motivation for international agreements to combat climate change; and consider the uncertainties and risks surrounding these projections

2. hear views from trade and diplomatic experts on the international relations aspects of this issue

3. consider the prospects for an international agreement on climate change post Kyoto 1, and the form such an agreement might take

4. require a high quality, quantified regulatory impact analysis to be produced to identify the net benefits or costs to New Zealand of any policy action, including international relations and commercial benefits and costs

5. consider the impact on the New Zealand economy and New Zealand households of any climate change policies, having regard to the weak state of the economy, the need to safeguard New Zealand's international competitiveness, the position of trade-exposed industries, and the actions of competing countries

6. examine the relative merits of a mitigation or adaptation approach to climate change for New Zealand

7. consider the case for increasing resources devoted to New Zealand-specific climate change research, examine the relative merits of an emissions trading scheme or a tax on carbon or energy as a New Zealand response to climate change
8. consider the need for any additional regulatory interventions to combat climate change if a price mechanism (an ETS or a tax) is introduced
9. consider the timing of introduction of any New Zealand measures, with particular reference to the outcome of the December 2009 Copenhagen meeting, the position of the United States, and the timetable for decisions and their implementation of the Australian government, and report to the House accordingly.

2. COMMENTS

Business New Zealand is not qualified to comment on all aspects of the terms of Reference but wishes to highlight issues that concern its members and other stakeholders

Clause 4

The Regulatory Impact Statement (RIS) accompanying the existing Emissions Trading Scheme was not considered robust nor comprehensive enough to give comfort that the benefits of the proposed policy exceeded the costs.

This clause of the TOR requires the Select Committee to require a high quality, quantified regulatory impact analysis to be produced to identify the net benefits or costs to New Zealand of any policy action, including international relations and commercial benefits and costs.

Business New Zealand had anticipated that the committee would require a RIS for all existing policy including the ETS, any alternatives under consideration by the committee and that the results of the analysis would be available ahead of the final date for submissions. This has not eventuated and as such it makes it difficult to comment on policy in a coherent way.

The lack of regulatory impact analysis impacts on the ability of the committee to carefully consider clauses 5 – 8 above while also limiting the opportunity for stakeholders to make informed decisions relevant to the costs and benefits.

Clause 5

We have addressed these issues in detail later in our submission but note that the comments were made to the Select Committee considering the Bill for the previous government. Very few if any of our concerns were addressed by the legislation or consequent technical working group process which limited commentary to specific technical issues.

Clause 6

As the impacts of climate change cannot be turned back in the immediate time frame it will be necessary for New Zealand to consider carefully the issues of adaption over the next twenty years. The emissions trading scheme is part of our long term mitigation strategy and as such it is not a question of the merits of one approach over another but how we move forward on both fronts in a rational manner.

Clause 7

This is the most complex of the nine terms of reference as it requires consideration of whether there is specific New Zealand related research that should be receiving more focus rather than internationally applicable research that New Zealand has the resources to deliver on.

In addition it requires consideration of the alternative methodologies for introducing a price on carbon into our economy but does not clarify if this should be an absolute decision or if there is a transitional path. Business New Zealand has always supported an international price on carbon set through an extremely robust and liquid emissions trading regime that includes all countries not just the developed countries currently committed to targets through Kyoto.

Clause 8

Treasury advised the previous government that the introduction of sectoral regulations, such as a restriction on thermal generation, a mandated level of biofuels or restrictions on imported vehicles, in addition to an emission trading scheme or a carbon tax would create a differential price for carbon.

At this point Business New Zealand would advocate caution when considering additional measures to drive mitigation in parallel with an ETS.

Clause 9

Until such time as it is amended the existing ETS legislation sets the timeline for New Zealand to introduce a price on carbon. This is by far the most controversial part of climate change policy and is predicted to add the most cost to our economy. There will be no indication of the likely direction to be taken by the rest of the world and should a new international agreement be possible the terms and conditions will not be known until December 2009 or later. By the time the select committee has considered and reported back, the timeline for our productive sector will have run out and all that will remain is the final implementation phase on 1st January 2010.

It has been clearly demonstrated by a number of independent economic consultants that the New Zealand ETS is the most comprehensive (covering all sectors and all gases) and punitive (100% exposure for the energy sectors and limited protection for our export industries) to be introduced in the developed world.

3. THE EMISSION TRADING SCHEME

3.1. Business New Zealand welcomes the opportunity to comment on the Emissions Trading Scheme passed into law under the previous government

3.2. Climate change is recognised by governments in developed and developing nations as one of the most serious threats to future generations. However, the Kyoto Protocol CP1 only involves 30% of global emissions and the target is to reduce those emissions to 5% below 1990 levels. Even if this target was achieved, and that seems unlikely, it would have no impact on climate change.

3.3. Because climate change is a global issue, it requires a global solution. Isolated efforts by individual countries are unlikely to achieve the required levels of reduction in greenhouse gas emissions. Until the United States and developing countries make a firm commitment to reduce their emissions, there is little possibility of achieving the target set by the Intergovernmental Panel on Climate Change (IPCC). This does not mean New Zealand should do nothing, but that we should be aware that our efforts alone will not save the world.

3.4. It is generally accepted that a major initiative to help reduce greenhouse gas emissions is to place a price on carbon. For this to operate effectively a common global price of carbon is needed, however this is not currently achievable because all countries in the world are not prepared to accept the constraints of Kyoto.

3.5. For any emissions trading scheme to work we anticipate the international price for carbon would require to be slightly higher than the lowest cost to abate one tonne of greenhouse gas. At this time, there is no international price for carbon and the level of Clean Development Mechanism (CDM) credits is insufficient to meet the needs of Annex One countries.

3.6. The New Zealand emissions trading scheme is comprehensive and includes all greenhouse gases and all sectors of the economy by 1st January 2013. There is no other country in the world attempting this level of coverage in this time frame.

3.7. Business New Zealand supports emissions trading as the most cost effective way of establishing an international price for carbon and thereby reducing emission levels. However, we believe that being the first to introduce a comprehensive emissions trading scheme will put our economy at significant risk and could result in the loss of tens of thousands of jobs. This is considered to be more of an issue as most countries move to stimulate and protect their economies in the face of an international economic crisis. We would not therefore recommend the introduction of an emissions trading scheme before 2013 and only then if our trading partners went down the same path.

3.8. When launching the framework document in September 2007 the previous government assured consumers and businesses that the international price for carbon would be in the region of NZ$15/tonne and that the economic impact of introducing the scheme ahead of our trading partners would therefore be insignificant. The EUETS price for carbon is currently in the region of N$48.00 and the secondary market price for CER's is around NZ$38.00, however analysts are predicting that the EUETS price will drop to NZ$22.00 and the CER price to NZ$19.00.This is indicative once again of the over allocation occurring in the EUETS coupled with the economic turn down.

3.9. In recent months a number of international studies have been carried out, indicating the cost to abate one tonne of greenhouse gas, between now and 2020, is likely to be between NZ$112 and NZ$170 if a 20% reduction in 1990 levels is to be achieved.

3.10. It is noted that this level of reduction is at the low end of what is required to avoid serious harm to our global climate.

3.11. Economic studies carried out in New Zealand confirmed that even if carbon was priced at NZ$300/tonne, we would be unable to achieve the aspirational target proposed by the previous government for 2025.[2]

4. DESIGN OBJECTIVE

The following design objectives were features in the original Bill.

That the New Zealand Emissions Trading Scheme support and encourage global efforts to reduce greenhouse gas emissions by:

- *reducing New Zealand's net emissions below business-as-usual levels; and*
- *complying with our international obligations, including our Kyoto Protocol obligations;*

While maintaining economic flexibility, equity and environmental integrity at least cost in the long term.

5. MAJOR DESIGN FEATURES

5.1. A number of world leading design features are included in the emissions trading scheme. While business agrees that in a truly international trading scheme most of these features will deliver the desired results, there is serious concern that the economic cost of being a leader has not been properly analysed.

5.2. The Government's obligation in the first Kyoto commitment period is to reduce our internal emissions to our 1990 levels or to use the mechanisms available under Kyoto to secure carbon credits to offset the excess emissions quantity. On this basis, Treasury is charged with determining our level of liability using the Ministry for Economic Development, Ministry of the Environment and Ministry of Agriculture and Forestry estimates of the level of emissions each year from January 1, 2008 through to December 31, 2012 relative to our 1990 levels. Based on an independent valuation of the cost of available carbon credits the total liability is determined. In November 2008 Treasury estimated the liability at just under NZ$640 million[3]. The introduction of the proposed emissions trading scheme will progressively transfer this liability, and any future liability, to

[2] New Zealand Business Roundtable and Petroleum Exploration and Production Association of NZ: *'Carbon Mitigation Scenarios'* – February 2008
[3] Calculation of the provision for the Kyoto liability

consumers. Initially due to the staged nature of the scheme, the taxpayer will be liable for some of the burden.

5.3. The first sector to assume its share of the Kyoto liability will be the stationary energy and industrial process sector. This also includes all supplies of gas and coal. Although the government liability under Kyoto is only for the difference between our current and our 1990 levels, the emission trading scheme makes each sector liable for the international cost of every unit of their emissions.

The burden on the economy is therefore far greater than that imposed by Kyoto. The scheme includes an allocation of carbon credits for a limited quantity of the emissions from specific processes that are considered to be subject to competition from suppliers of goods in countries that have not introduced a price for carbon. There will however still be a level of exposure for these processes and a price penalty for any growth in emissions resulting from a growth in production. However, the methodology proposed to protect these processes will only provide partial protection for a limited time as these allocations will be phased out completely by 2030 regardless of any lack of change to the competitive situation over that period.

5.4. Business NZ believes that all sectors of business will be adversely affected as carbon is priced into the New Zealand economy ahead of other countries, as every input into business will be affected by increased energy costs.

5.5. On the basis of minimising administration costs to government and transaction costs to participants, the point of obligation for emissions is set as far upstream as possible. For example, in the liquid fuels sector, the five main oil companies will become the points of obligation with responsibility to surrender carbon credits for every tonne of greenhouse gases resulting from the use of liquid fuels. Currently there are few exceptions to this, although some consideration is still being given to allowing individual farmers to assume the obligation for emissions from stock and fertilizer.

5.6. Unless there is significant advantage to becoming a point of obligation it is unlikely that even our large businesses will actively participate in the scheme, except for their industrial emissions. However, most businesses that receive protection in the form of allocated New Zealand carbon credits for their processes will have to engage in carbon credit trading to ensure they maximise the level of financial protection on offer. To date, all credits issued by government under the now defunct Project to Reduce Emissions Scheme have been sold off-shore. For this to occur, New Zealand units are converted into Kyoto 'Assigned Amount Units' (AAU's) which can be traded internationally. This means a significant number of the AAU's issued to the government will find their way off-shore. We are already in a deficit position, given that our current emissions levels exceed our 1990 levels, and this will simply exacerbate the situation.

5.7. Our electricity market is based on a generator pool where the marginal or last generator dispatched sets the spot price for electricity. In the short term (until new low emission intensive generation is built that is cheaper than existing more carbon intensive thermal generation) the introduction of a price for carbon will see every unit of electricity attracting that spot price.

Where small and medium sized businesses are unable to pass on the increased costs resulting from the obligations of the NZETS on the suppliers of energy, they will be exposed to unfair competition from similar businesses located in countries with no obligation or an internalised price for carbon.

5.8. The lack of provision to protect new entrants and to protect growth in existing business will be detrimental to the New Zealand economy as a whole. Trading schemes in other countries, in particular the EUETS, have new entrant allowances and accommodate growth in existing businesses. The aspirational goal of a low carbon economy (and in some cases carbon neutrality) for New Zealand will prove extremely difficult to achieve while retaining growth in GDP. In particular the fact that 50% of our greenhouse gas emissions are generated by the agricultural sector – an export sector making a significant contribution to our GDP, with virtually no way to reduce its emissions levels in the medium term – will make it impossible to achieve a low carbon economy any time soon.

6. COMMENTS

- Design falls short of objectives
- The scheme is designed to minimise government's liability during Kyoto CP1
- Insufficient analysis of economic costs
- Short timeframe poses risk to economy

6.1. **Design falls short of objectives:** Comparing the design features with the design objective it would appear that the emissions trading scheme falls short in a number of important areas and significant change will be needed in order to deliver on the original design objective. It is extremely unlikely that an emissions trading scheme that does not reflect a truly international price for the abatement of green house gases will deliver a reduction in net emissions below business as usual.

6.2. **The scheme is designed to minimise government's liability during Kyoto CP1.** In so doing, we calculate it will impose an additional cost in excess of NZ$4 billion onto the economy while maintaining government's liability at less than NZ$1 billion. As the phase out of protection commences in 2013 it becomes a revenue gathering mechanism which, by 2020, will be delivering NZ$1 billion p.a. into the government coffers. There is no indication in the legislation of how this surplus will be recycled into the economy as was the case with the proposed carbon tax. It is hard to see under the circumstances how this will maintain economic flexibility, equity and environmental integrity at least cost in the long term in accordance with the design objective.

Neither will the scheme as designed maintain economic flexibility at least cost in the long term when it adheres rigidly to 100% liability for all current and future emissions from fossil fuel yet only offers protection to at risk businesses at somewhere less than 90% of their 2005 emission levels phasing out to zero by 2030.

6.3. **Insufficient analysis of economic costs:** The economic analysis undertaken by the designers of the scheme failed to quantify the significant adjustment costs that will occur in specific sectors of the economy. Instead, equilibrium models have been relied on to demonstrate little economic impact to New Zealand Inc over time. The modelling undertaken by Infometrics confirmed a minimal impact on GDP but in so doing it assumed a 40% reduction in the level of our dairy industry. It is difficult to comprehend that such a massive reduction in one of our fastest growing exports sectors would not have significant economic impact in the long term. Infometrics also predicted that with a NZ$25/tonne price on carbon, 52,000 jobs will be lost as a result of introducing the NZETS. The higher the price of carbon, the greater the number of job losses.

6.4. **Short timeframe poses risk to economy:** As stated in the introduction, Business New Zealand supports the use of market mechanisms and believes that a properly designed emissions trading scheme would deliver on the design objective. However, we have continually expressed concern that the previous government was attempting to introduce a highly complex and as yet untested scheme in an extremely short timeframe dictated more by political necessity than economic rationale. When challenged on the design details and economic impact, the response was to attack business as naysayers who simply did not want to act on global climate change. Nothing could be further from the truth. The problem is that all our major industrial companies have international owners and the deals they are being offered by our trading partners to encourage their businesses to remain and grow are such that we are likely to see no further investment in New Zealand.

If the real outcome of the NZETS is to reduce our dairy industry by 40% and force large businesses to move the bulk of their production off-shore, we will be failing to deliver on our international obligations and in particular our Kyoto obligations.

7. RECOMMENDATIONS

Summary of Business NZ’s recommendations should the committee decide to recommend that the Emissions trading scheme proceed as currently planned:

- Separate our immediate liability under Kyoto CP1 from our long term climate change policy.
- Ensure sufficient carbon credits are allocated to ensure 100 per cent protection in initial years.
- Introduction of the NZETS should not impose any more cost on the economy than that estimated by Treasury.
- Use a progressive obligation methodology in the liquid fossil fuel sector to ensure the sectoral liability matches the government’s Kyoto liability.
- Separate identification and protection for liquid fossil fuels used for heat generation and propelling machinery.
- Keep administration costs for the NZETS minimal
- Introduce a one-way trade system with a safety valve to minimise overall cost to the economy.
- Put the implementation timetable on hold to allow more careful consideration to New Zealand’s required response to climate change.

7.1. Separate our immediate liability under Kyoto CP1 from our long term climate change policy

The current legislation for an emission trading scheme is intended to deal with our short term liability while at the same time setting our path for the future. In so doing we have introduced a leading edge emission trading scheme that as yet is not replicated in any other country and in the short term will not be able to link with any other scheme thereby exposing our economy to the highest price of carbon. While it may be argued that our emission trading scheme should be the model for all other countries this is unlikely to be reality in the foreseeable future.

It makes more sense to adopt a simple mechanism that ensures that all emissions carry a price of carbon but that the total cost from now until December 2012 is no greater than our total liability under Kyoto CP1. This could be achieved in a variety of ways including one way trading with a price cap or a low level tax.

Adopting this approach will allow adequate time to develop the design of an emission trading scheme that could in the long term be the international benchmark and therefore have a real change of being adopted by our trading partners. However should it be decided that the ETS should proceed as planned then the following issues will need to be addressed.

7.2. **Ensure sufficient carbon credits are allocated to ensure 100 per cent protection in initial years.**
While it is important for New Zealand to position alongside its main trading partners there is no justification for imposing costs on our manufacturing and production sectors when no other country is imposing such costs on theirs. This issue can be handled by ensuring that sufficient carbon credits are allocated to ensure 100% protection in the initial years. To achieve this the proposed allocation of credits up to 90% of 2005 emission levels would require to be amended to provide full protection against all increased costs including liquid fossil fuels.

7.3. **Introduction of the NZETS should not impose any more cost on the economy than that estimated by Treasury.**
The cost to the economy is calculated regularly by Treasury and currently sits at around NZ$640 million. The introduction of the NZETS should not impose any more cost on the economy than that estimated by Treasury. To achieve that the proposed NZETS should initially only allow credits to be purchased off-shore and there should be a safety valve capping the cost of credits at the price calculated by Treasury.

7.4. **Use a progressive obligation methodology in the liquid fossil fuel sector to ensure the sectoral liability matched the government's Kyoto liability.**
While it is understood that where a supplier can pass on costs to consumers there is no justification for allocating carbon credits, the cost difference between the government's Kyoto liability and the cost to consumers in the liquid fossil fuel sector will be disproportionate. It would seem appropriate in the liquid fossil fuel sector to use a progressive obligation methodology to ensure the sectoral liability matched the government's Kyoto liability.

It should be remembered that in all other countries where an ETS is in place, at this time that is only the European Union, the scheme is limited to CO_2 and less than 30% of emitting entities are required to participate. Liquid fossil fuels are not included in the ETS. In Australia where the design of an ETS is in its formative stages the stated intent is to include liquid fossil fuels but to reduce existing fuel taxes by a corresponding amount to retain neutrality.

7.5. **Separate identification and protection for liquid fossil fuels used for heat generation and propelling machinery.**

It has been assumed that all liquid fossil fuels are used for transport. Liquid fossil fuels used for heat generation or for propelling machinery as part of a process should be identified separately and protection provided where required. This was partially addressed by the previous government by recognising the fishing industry required protecting from unfair competition but the allocation was a token gesture at best.

7.6. **Keep administration costs for the NZETS minimal.**

Administration costs for the NZETS should be minimal as it is a self reporting electronic system. It has been proposed however, that to minimise administrative costs for government, the point of obligation should be as far up the supply chain as possible. The only exception in the liquid fossil fuel sector is airlines that may opt to become the point of obligation rather than an oil company. This ignores the other very large users of liquid fossil fuels like fishing and mining companies and it is difficult to see why they should not be allowed to opt in should they choose to. It really depends on what the NZETS is designed to achieve. If it is intended to result in a reduction in emissions then the point of obligation should be the party with the greatest incentive to reduce consumption. It is unlikely that the fuel supply company would meet those criteria.

7.7. **Introduce a one-way trade system with a safety valve to minimise overall cost to the economy**.

The proposed method of protection offered to businesses who are trade exposed as a result of the introduction of a price for carbon is to issue them with carbon credits equivalent to 90% of their 2005 emission levels for all industrial process emissions, electricity and direct fuel use with the exception of liquid fossil fuels. These companies will need to engage traders to operate on their behalf or establish in-house trading expertise in order to maximise the value of the carbon credits that are issued. As outlined earlier, if the NZETS was a one way trade system with a safety valve the process would be greatly simplified and overall cost to the economy would be minimised.

7.8. **Put the implementation timetable on hold to allow more careful consideration to New Zealand's required response to climate change.**
There are concerns at the extent to which regulation will be required to enable implementation of the emission trading scheme. The Legislation Advisory Committee recommend that as much detail as possible is included in the legislation and as little as possible in regulation. The haste with which this legislation was introduced precluded this approach being adopted and we therefore recommend that implementation be put on hold to allow more detail to be incorporated following detailed consultation.

8. ALTERNATIVE APPROACHES

8.1. The NZETS is not a cap and trade scheme in the true sense as it relies on a global cap under which it can trade. This allows a country and a business, which is increasing its levels of emissions, to meet its obligations by purchasing carbon credits from a country or a business that has reduced its emissions below the level of its assigned amount. The assigned amounts set the global cap and it is that cap which must be reduced if the most serious consequences of climate change are to be avoided. It is inappropriate therefore to consider that in some way the scheme will cap our emissions. It will not, it will simply cost more to maintain business as usual levels of emissions over time.

If we genuinely wish to reduce our emission levels we will need to engage with the business and agricultural sectors to agree some targets that are acceptable and achievable.

8.2. Business New Zealand has always advocated that an emissions trading scheme is the most effective way of establishing an international price for carbon as it is transparent and accessible to all affected parties. However we have continually cautioned that New Zealand should not be implementing an emission trading scheme ahead of its trading partners and in particular should seek some alignment with Australia for the long term.

Business New Zealand has also advocated that any liability in Kyoto CP1 should be met from the consolidated fund as the decision to commit to Kyoto was made by the government of the day on behalf of the taxpayers who were set to benefit by a NZ$500 million windfall.

The alternative is to introduce a low level tax/levy on every unit of emissions. That is and all gases all sectors tax/levy set to meet the Kyoto CP1 liability. While this has never been Business New Zealand policy in the past it seems like a sensible option in the current economic environment and would remove carbon price risk for businesses

8.3. Where a supplier can pass the cost of carbon on to consumers, such as with liquid fossil fuels, we would suggest either the adoption of a progressive obligation which will only pass on the liability faced by government under the Kyoto Protocol or as indicated above an interim, low level carbon tax at point of consumption. This would also apply to other fossil fuels.

8.4. The progressive approach would also minimise any price impact flowing through the electricity market and offering businesses adequate protection would be less of a problem. As with fuels it would also be possible to introduce a transparent carbon levy on all units of electricity at the point of consumption in a similar way to the Electricity Commission levy

SUMMARY

With only four years left of CP1 there has to be a real question about introducing the emission trading scheme currently set in legislation.

During CP1 New Zealand has an obligation to either reduce its emission levels to meet its target or purchase approved carbon credits to cover the excess.

Rather than placing the burden on taxpayers or seriously jeopardising our economy by forcing the introduction of a punitive emission trading scheme it may be more sensible to introduce a low-level, all gases all sectors green tax as outline above to raise the funds necessary to allow the government to purchase adequate carbon credits as and when they are required.

This tax or levy would be an interim measure to ensure that all emitters were meeting the cost of any international liability. It would continue in force until such time as there was an international emissions trading regime with common rules and a centrally set price for carbon.

In addition the introduction of complementary measures and voluntary emission reduction programmes would ensure our emissions in CP1 were minimised and our productive sectors were seen to be working to reduce their emissions.

If New Zealand wants to be a world leader in climate change it should refine the design of the emission trading scheme so that it can be adopted by all parties to any future international agreement to reduce emissions. As it is currently there are as many versions of an emission trading scheme as there are signatories to Kyoto. Any international agreement that adopted a consistent approach to emission trading and a central price setting mechanism for carbon would allow participating countries to ensure protection for their productive sectors from competitors in non-signatory countries. This would remove many of the problems being faced by the current signatories to Kyoto, including New Zealand.

APPENDIX 1

BACKGROUND INFORMATION ON BUSINESS NEW ZEALAND

Business New Zealand is New Zealand's largest business advocacy organisation.

Through its four founding member organisations – EMA Northern, EMA Central, Canterbury Employers' Chamber of Commerce and the Otago-Southland Employers' Association – 70 affiliated trade and industry associations and 33 major companies, Business NZ represents 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 on behalf of enterprise, Business NZ contributes to Governmental and tripartite working parties and international bodies including the International Labour Organisation, the International Organisation of Employers and the Business and Industry Advisory Council to the Organisation for Economic Cooperation and Development.