



Cabinet Legislation Committee

Minute of Decision

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Climate Change Response (Emissions Trading Reform) Amendment Bill: Supplementary Order Paper

Portfolio Climate Change

On 26 May 2020, the Cabinet Legislation Committee, having been authorised by Cabinet to have Power to Act [CAB-20-MIN-0241]:

- 1 **noted** that the Climate Change Response (Emissions Trading Reform) Amendment Bill (the Bill):
 - 1.1 holds a category 2 priority on the 2020 Legislation Programme;
 - 1.2 is currently awaiting its second reading;
 - 2 **noted** that the Bill makes major reforms to the New Zealand Emissions Trading Scheme (the NZ ETS) to help Aotearoa New Zealand deliver its climate change objectives and emission reduction targets, including targets under the Climate Change Response Act 2002;
 - 3 **noted** that on 14 May 2020, the Cabinet Environment, Energy and Climate Committee took a series of decisions to amend the Bill by way of supplementary order paper (SOP) to:
 - 3.1 make the reformed NZ ETS more effective in driving emission reductions to support Aotearoa New Zealand reaching its domestic and international climate change targets;
 - 3.2 improve treatment of forestry, streamline compliance and penalty arrangements;
 - 3.3 provide better cost certainty for participants in the transition to auctioning of emission units;
 - 3.4 provide for contingency measures to ensure the NZ ETS reforms can be delivered effectively, given widespread disruptions stemming from the COVID-19 pandemic;
- [ENV-20-MIN-0017]
- 4 **noted** the SOP to the Bill attached to the submission under LEG-20-SUB-0063 gives effect to the decisions above;
 - 5 **noted** that the SOP has also been subject to further minor editorial amendments and corrections, including adjusting a cross-reference to the Paris Agreement in the purpose section of the Climate Change Response Act;

- 6 **approved** for release the SOP to the Climate Change Response (Emissions Trading Reform) Amendment Bill [PCO 20351-3/5.2] for consideration by the Committee of the whole House.

Gerrard Carter
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Chris Hipkins (Chair)
Hon Andrew Little
Hon Dr David Clark
Hon David Parker
Hon Stuart Nash
Hon Damien O'Connor
Hon Kris Faafoi
Hon Tracey Martin
Hon James Shaw
Hon Julie Ann Genter
Hon Eugenie Sage
Michael Wood, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG