

IN C O N F I D E N C E

In Confidence

Office of the Minister of Climate Change

Cabinet Environment, Energy and Climate Committee

New Zealand Emissions Trading Scheme and Synthetic Greenhouse Gas Infringement Offence Regulations

Proposal

- 1 This paper seeks your approval to make regulations prescribing a set of infringement offences under the Climate Change Response Act 2002 (the Act). These regulations will prescribe offences relating to the New Zealand Emissions Trading Scheme (NZ ETS) and Synthetic Greenhouse Gas Levy (SGG Levy).
- 2 I also seek your approval to instruct the Parliamentary Council Office (PCO) to begin drafting these regulations.

Relation to government priorities

- 3 The proposals in this paper relate to the Government's priorities to transition to a clean, green carbon neutral New Zealand and address the climate emergency.
- 4 The Government declared a climate change emergency on 2 December 2020. The Cabinet Business Committee (CBC) agreed that climate change "demands a sufficiently ambitious, urgent, and coordinated response across government to meet the scale and complexity of the challenge" [CBC-20-MIN-0097 refers].

Executive Summary

- 5 The proposed regulations would prescribe 12 infringement offences and the associated fee and fine levels for low level non-compliance with the NZ ETS and SGG levy provisions of the Act. These will be the first infringement regulations made under the Act, which was amended to allow the making of infringement regulations in June 2020.
- 6 The regulations will complete the package of reforms to the compliance regime of the NZ ETS. It is my intention to include the drafting of these regulations with the drafting of annual updates to technical regulations for the NZ ETS and SGG Levy later in 2021 CAB-21-MIN-0129.
- 7 These regulations need to be made now so they can come into force on 1 January 2022. This is a year later than planned due to COVID-19 re-prioritisation in early 2020. The infringement regulations were originally intended to come into force alongside other changes to the NZ ETS compliance regime on 1 January 2021.

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- 8 Prescribing strict liability infringement offences for non-compliance in relation to the NZ ETS and SGG Levy, would provide enforcement agencies with the appropriate tools to sanction low level non-compliance. Currently agencies have no effective way to sanction this behaviour because the only tool they have is the ability to prosecute, and that is rarely used.
- 9 The infringement fees proposed are the maximum levels prescribed in the Act, namely \$1,000 for an individual and \$2,000 in all other cases. The corresponding fines will be set at \$3,000 for an individual and \$6,000 in all other cases¹.
- 10 The Act specifies that proceedings for infringement offences are to be governed by the Summary Proceedings Act 1957 and the Criminal Procedure Act 2011. This is consistent with the administration of infringement offence regimes across Government. The Act also specifies all necessary procedural requirements to operate an infringement regime.

Background

- 11 The Act provides for an infringement offence regime as part of a package of compliance tools (in addition to prosecution). The infringement offences will provide the remaining piece of a reformed compliance regime for the NZ ETS. The conduct that can be prescribed as infringement offences is set out in the Act and the regulations would not create new offences².
- 12 Consultation for this proposal was completed in December 2018. The proposed infringement regime was also scrutinised by Select Committee in May 2020 for the Climate Change Response (Emissions Trading Reform) Amendment Act (the Amendment Act). Regulations were unable to be progressed until after the Amendment Act came into force in June 2020, and the regulations were then reprioritised in 2020 due to COVID-19.
- 13 To make these regulations, decisions are required under section 30M(1)(a) to prescribe what conduct in the Act is an infringement offence, and under section 30M(1)(b) to prescribe the associated infringement fee and fine for each infringement offence.

Analysis

Sanctioning low level non-compliance in the NZ ETS and SGG Levy

- 14 These regulations would ensure that there is an effective and appropriate set of tools to address low level offending in the NZ ETS and SGG levy. A robust compliance regime is necessary to maintain the integrity and efficient operation of the NZ ETS. Infringement offences will complement existing awareness

¹ Infringement fees are issued by notice directly to the non-compliant participant. Infringement fines are issued by the agency filing a charging document with the Court.

² The Climate Change Response Act sets out the sections of the Act that are offences and sets out those that can be prescribed as infringement offences, these are sections 30J, 30K(1), 46, 47, 48, 129, 131, 132(1)(a), (b), and (f) to (i), 259, 260, 261(1)(a), (b), (d), and (e), and 264;

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raising activities, further educating people about their NZ ETS and SGG Levy responsibilities.

- 15 Prosecution is not an appropriate approach for low level non-compliance due to the significant costs involved and the low likelihood of meeting the public interest test. Attempts to deter low level non-compliance through educating participants on their obligations or issuing warning notices, have not been successful in reversing compliance trends.
- 16 The rates of non-compliance for forestry and non-forestry have not significantly improved since the inception of the NZ ETS. For example, in the period 2012 to 2017, 8 percent of non-forestry participants overall did not submit returns on time. Since 2008, 71 per cent of notifications for deforestation of pre-1990 forest land and 92 per cent of notifications for transfers of participation, were not completed within the required time frames.
- 17 If existing ongoing low level non-compliance is not addressed, it may impact the integrity of the NZ ETS and dissuade participants from taking the necessary care to comply with their obligations. Low level non-compliance also reduces agencies' efficiency in administering the scheme, by creating additional work to confirm and update information with participants.
- 18 The Legislation Advisory Committee (LAC) consider infringement schemes to be more appropriate for offences that do not require proof of intention. The infringement offences I propose are for administrative non-compliance errors, which would involve straightforward issues of fact for which a fixed penalty is considered an appropriate, proportionate, and effective deterrent.

Infringement regime set out in the Act

- 19 To make a functional infringement regime in relation to the Act, regulations are required to:
 - 19.1 prescribe a set of infringement offences, for conduct in the Act that can be prescribed as infringement offences (refer Table 1)
 - 19.2 set the fee for each infringement offence, up to a maximum value of \$1,000 for an individual and \$2,000 in all other cases
 - 19.3 set the fines for each infringement offence, up to a maximum value of \$3,000 for an individual and \$6,000 in all other cases.
- 20 These will be strict liability offences, which aligns with LAC guidelines for infringement offences (refer Appendix 1). This means there will be no reference to culpability references (e.g., "without reasonable cause") as recommended in the Amendment Act departmental report³.

³ Table 13, clause 46, page 113. Climate Change Response (Emissions Trading Reform) Amendment Bill 2020. Departmental report of the Ministry for the Environment and the Ministry for Primary Industries. Version 2 (update to Version 1). 3 March 2020.

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- 21 Prosecution can be taken even if conduct is or may be an infringement offence (section 30M(3)). This approach has been taken to preserve the ability in the Act to prosecute a person under the relevant sections, for more serious cases of non-compliance, such as those involving the intent to deceive to obtain benefit.

Consultation responses to proposed infringement regime, offences, fees, and fines

- 22 Consultation on these proposals was undertaken as part of a broader consultation on NZ ETS reforms in August to September of 2018, and during Select Committee for the Climate Change response (Emissions Trading Reform) Amendment Act in May 2020.
- 23 Most submissions during the 2018 consultation supported the proposal to introduce an infringement regime, preferring this to dealing with low level non-compliance through the court system (47 of 79 total submitters on this proposal). Of the submissions that commented on fines, 21 of 47 were comfortable with the proposed fine levels for the set of infringement offences and 11 were opposed, stating they were too high.
- 24 Among those opposed to the introduction of an infringement regime (11 of 18), submitters felt a strict liability design would not allow for discretion to be applied in cases of reasonable error.
- 25 Two of eleven submitters who commented on the infringement regime during Select Committee, noted that such a regime would impact smaller and Māori landowners with leased land arrangements, and were concerned whether penalties would accumulate, how they could be appealed and the need for the regime at all⁴.
- 26 No legislative changes were made in response to those concerns, as they are addressed primarily by using the Summary Proceedings Act to govern proceedings of infringement notices. There remains a need to provide appropriate tools to agencies to sanction persistent low level non-compliance, instead of via prosecution. Providing education, and support to NZ ETS participants regarding their liabilities is an important part of implementing this proposal.

Proposed new regulations to prescribe a set of infringement offences under section 30M of the Act

- 27 I propose to set infringement offences related to administrative low level non-compliance under sections 129, 131, 259 and 260 of the Act. These infringement offences are set for; failure to submit an emissions return or allocation adjustment, failure to notify the Environmental Protection Authority (EPA) of certain matters⁵, failure to keep records and provide that information

⁴ One of these submitters was an organisation that assists Māori landowners to participate in planting forestry, and the other is a Māori climate advocacy organisation.

⁵ Certain matters such as, failing to notify the EPA of carrying an activity listed in Schedule 3 of the Act.

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in accordance with the Act and failure to comply with requirements or enforcement officers (refer Table 1).

- 28 I propose to set the fee for each infringement offence at \$1,000 for an individual and \$2,000 in all other cases. I further propose to set the fines for each infringement offence at \$3,000 for an individual and \$6,000 in all other cases.
- 29 The Act already contains culpability-based penalties for failing to submit an emission return or allocation application by a due date (section 134A and 134B). This regulatory proposal prescribes an infringement offence in addition to these penalties because the enforcement agency can then enforce the infringement with no need to establish intent. The original policy design for these penalties took the infringements regime into account, so the enforcement agency could contemplate both available options.
- 30 Certain conduct that could be considered an infringement offence is not covered by this proposal because these offences rarely occur so are therefore not considered to be a priority for inclusion⁶. Future regulatory amendments could be made to address this if required.

Table 1. Proposed infringement offences, fees and fines related to NZ ETS and SGG Levy low level non-compliance.

Act section	Proposed infringement offence	Infringement fee	Infringement fine
s129(1)(a)	A person is a participant in any year and fails to comply with the section 62(a) requirement to collect the prescribed data or other prescribed information (which data or information must, if required by regulations made under the Act, be verified by a person or organisation recognised by the EPA under section 92).	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s129(1)(a)⁷	A person is a participant in any year and fails to comply with the section 62(c) requirement to, if required by regulations made under the Act, have the calculations verified by a person or organisation recognised by the EPA under section 92.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s129(1)(a)	A person is a participant in any year and fails to comply with the section 62(d) requirement to keep, in the prescribed format (if any), records of the data or information and calculations.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s129(1)(b)(i)	A person fails to notify the EPA under section 56 that the person is carrying out an activity listed in Schedule 3.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s129(1)(b)(ii)	A person fails to submit an emissions return when required to do so under section 65, 118, 189, 191, or 193.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case

⁶ Conduct such as signing a false declaration with respect to regulations made under various sections (s 30J).

⁷ No infringement offence is proposed for a failure to comply with section 62(b) (which requires the calculation of emissions and removals). This is because any failure to comply with section 62(b) will trigger an amendment or assessment under sections 120 or 121 and the penalty process under section 134.

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Act section	Proposed infringement offence	Infringement fee	Infringement fine
s129(1)(b)(iia)	A person fails to comply with the requirements relating to the calculation of, application for, or notification of an annual allocation adjustment or closing allocation adjustment under section 83 or 84, including where required to comply with section 84(1)(a) to (c) by the EPA under section 84(2)(c).	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s129(1)(b)(iii)	A person fails to keep records as required under section 67 or 86D; or by a pre-1990 forest land allocation plan.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s129(1)(b)(iv)	A person fails to notify the EPA of a matter that is required to be notified under section 112.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s129(1)(b)(v)	A person fails to notify the EPA, within the time required, of a matter required to be notified under section 84(2)(b) or 192(3).	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s131(1)(a) s260(1)(a)	A person fails to provide information to the EPA or an enforcement officer when required to do so under sections 94 or 253.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s131(1)(b) s260(1)(b)	A person fails to appear before the EPA or an enforcement officer, or fails to produce any document or documents, when required to do so under sections 95 or 254.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case
s259	A person who is an importer fails to comply with section 248(1) requirements to collect prescribed data or other prescribed information, keep records of the data or information in the prescribed format (if any), and keeps sufficient data to enable the EPA to verify, in relation to any levy year, the quantity of leviable goods of each class imported and the total amount of levy paid on those goods.	\$1,000 individual \$2,000 in any other case	\$3,000 individual \$6,000 in any other case

Timing and three-month stand down

- 31 The Act requires infringement offence regulations come into force 3 months after the date of their notification in the Gazette, or any later date specified in the regulations.
- 32 These regulations are intended to come into effect on 1 January 2022.

Implementation*Procedures and administration for infringement regimes*

- 33 Infringement offence procedures are governed by the Summary Proceedings Act 1957 and Criminal Procedure Act 2011. The Act also sets out enabling provisions for the administration and implementation of infringement offences in part 2 *Institutional arrangements*, subpart 3. The provisions include; appointment of enforcement officers, when a notice may be issued, revoked

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and the required contents, how the notice must be served, how fees can be paid and reminder notice requirements⁸.

- 34 Infringement fees are issued by notice directly to the non-compliant participant. The Summary Proceedings Act sets out the generic process by which a person may pay or challenge an infringement notice. It provides the process for agencies to enter instalment arrangements, bring a person before court, and have an unpaid infringement fee converted to a fine plus the associated court costs.
- 35 Infringement fines exist to address more serious, but still low level, non-compliance. Fines are issued through the Court by an enforcement agency filing a charging document under section 14 of the Criminal Procedure Act 2011. The use of the judicial process ensures that judicial oversight is provided in seeking a higher penalty for behaviour which is considered more serious, for example, offending which is repetitive.
- 36 Operational guidance developed by the EPA will ensure that there is consistency between enforcement officers and agencies in how infringement notices and penalties will be issued. The EPA also retains the discretion regarding whether to issue an infringement notice.

Prescribing fees and fine levels

- 37 Officials recommend that the maximum level for fees and fines that is already set in the Act be used as a single level for infringement offence fees and fines. Fees and fines are set at this level due to the gravity of the offence committed. The inconvenience of paying this fee reflects the value assigned to properly complying with statutory obligations and is expected to encourage participants to comply without needing to be prompted.
- 38 I agree that one fee and fine level is sufficient and the level of the fee and fine is commensurate with the low level, but serious nature of the non-compliance intended to be sanctioned by the infringement regime.

Other operational matters

- 39 The EPA is responsible for the implementation, operation, and enforcement of the infringement offences. Internal policies of enforcement agencies will manage the operation of the regime, including decisions to prosecute. Roles and functions relating to forestry will be delegated to Ministry for Primary Industries (MPI) and Te Uru Rākau (TUR) where appropriate, in line with delegations that are currently in place.
- 40 The relevant systems and processes to support enforcement agency use of the infringement offences, are expected to be operational on the day infringement offences are planned to come into force, on 1 January 2022. The EPA has

⁸ See Climate Change Response Act 2002, sections 30P-30V.

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begun work planning and developing an infringement offence system in preparation for implementing the NZ ETS & SGG levy infringement offences.

Monitoring and evaluation

- 41 Assessments of the regime will be conducted by Ministry for the Environment (MfE) as part of its responsibility for the NZ ETS legislation. A review of the infringement scheme's functioning will be conducted after its second year of operation, or in the instance where a significant proportion of infringement fees are appealed.
- 42 The EPA should maintain and submit an annual set of statistics on their use of infringement notices as required by the Secretary for Justice. This requirement supports monitoring of the wider infringement system.

Financial Implications

- 43 The proposals in this paper to establish new regulations, have no additional financial implications beyond existing departmental funding and baselines for enforcement agencies.
- 44 The revenue gathered from the infringement offence regime will be returned to the Crown and will not be held by the enforcement agencies. This avoids the perception that agencies may be incentivised to issue more fees and fines than necessary to ensure compliance.
- 45 Initially officials anticipate there could be a moderate number of infringement notices issued (refer Impact Statement: NZ ETS Compliance and Penalties-Infringement Offences, Appendix 1, Table 1). However, this number is expected to reduce over time as compliance rates improve. In mandatory reporting years for forestry participants certain types of infringement notices may be issued in a higher volume due to the large number of those participants in the NZ ETS.
- 46 Officials do not expect significant infringement related activity for the Courts. Costs will be met within existing baselines, and should volumes increase markedly, the Ministry of Justice (MoJ) may make appropriate budgetary arrangements.

Legislative Implications

- 47 Regulatory changes will be required to implement the proposals. Drafting approval for these regulations is included in this proposal. New regulations are proposed under section 30M of the Climate Change Response Act 2002, entitled *Climate Change (Infringement Offences) Regulations 2021*.
- 48 The Parliamentary Council Office (PCO) has advised that drafting needs to start no later than June 2021. This is to provide sufficient time for confirmation of the drafted regulations, gazettal and observation of the legislated 3 months stand down period. The regulations are proposed to come into force on 1 January 2022.

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Te Tiriti o Waitangi Implications

- 49 Māori have a significant stake in climate change action, and a significant interest in the NZ ETS. I am satisfied under section 3A of the Act, that iwi and Māori interested in infringement regulations have had the opportunity to provide feedback on proposals at hui and through detailed submissions during consultation in 2018 and during Select Committee consideration of the Amendment Act. Their views are recorded in the consultation documents outlined in the consultation section.
- 50 There are no direct Te Tiriti o Waitangi implications of this proposal. Some iwi are affected by NZ ETS obligations through receipt of land and forests within Treaty Settlements that incur an NZ ETS obligation. This includes land held in Māori trust or in title arrangements with a multitude of customary owners. Effects of transmission of interest in post-1989 forest land are outlined in section 192 of the Act, and this proposal does not change where existing obligations fall in respect of transmitted interests.

Impact Analysis**Regulatory Impact Statement**

- 51 The Regulatory Impact Analysis Team at the Treasury has determined that the regulatory proposals in this paper are exempt from the requirement to provide a Regulatory Impact Statement on the basis that the substantive issues have been addressed by previous impact analysis and consultation in 2018 as part of the Emissions Trading Reform Bill work programme [refer CAB-18-MIN-0606.01 (item 53 & 54)]. The Regulatory Impact Assessment is available at: <https://www.treasury.govt.nz/publications/risa/regulatory-impact-assessment-impact-statement-nz-ets-compliance-and-penalties-infringement-offences>
- 52 A Quality Assurance Panel with representatives from the Ministry for the Environment and the Treasury Regulatory Quality Team has reviewed the Regulatory Impact Assessment (RIA) "Impact Statement: New Zealand Emissions Trading Scheme Compliance and Penalties – Infringement Offences" produced by the Ministry for the Environment and dated November 2018. The panel considers that it meets the Quality Assurance criteria.

Climate Implications of Policy Assessment

- 53 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as there is no direct impact on emissions. This proposal supports the integrity of the NZ ETS with the aim of ensuring that participants meet their obligations in the scheme. This ensures the NZ ETS can play an effective role in helping New Zealand to meet its emission reduction targets.

Population Implications

- 54 No population impacts have been identified for this regulatory proposal.

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Human Rights

- 55 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation*Previous consultation*

- 56 The main consultation on proposed new infringement regime and regulations occurred from 13 August 2018 to 21 September 2018. Māori and Iwi focused engagement also occurred during this time, with an engagement hui of iwi leaders taking place in Wellington in September 2018. A summary of submissions was published April 2019⁹. Despite subsequent changes to the Act, this consultation remains applicable to this proposal [refer CAB-18-Min-0606.01].
- 57 Subsequent consultation on the infringement regime occurred through the Select Committee for the Climate Change Response (Emissions Trading Reform) Amendment Act, with submissions due 17 January 2020. The departmental report (published 7 May 2020¹⁰) contains the summary of submissions and associated analysis for the infringement regime.

Agency consultation

- 58 The following agencies were consulted; the Environmental Protection Authority, Ministry for Primary Industries, Te Uru Rākau, Ministry of Justice, Te Puni Kōkiri, Te Arawhiti, Department of Prime Minister and Cabinet, the Treasury and Customs NZ.

Consultation with the Minister of Justice

- 59 Under the Act, section 30M (2) requires that I consult with the Minister of Justice on the making of regulations for infringement offences. I am satisfied on the basis of this consultation with the Minister of Justice, that the infringement offences proposed are appropriate to be an infringement offence.
- 60 Infringement offences, fees and fines that would be prescribed in regulations have been vetted by the Ministry of Justice. The Ministry found the rationale for creating the infringement offences and the behaviour trying to be addressed to be clear, and the proposed fees and fines for the infringement offences are set out appropriately.

Communications

- 61 Prior to the regulations being Gazetted (planned for September 2021), participants, stakeholders and interested iwi and Māori will be informed of the

⁹ Ministry for the Environment. 2019. Improvements to the New Zealand Emissions Trading Scheme: Summary of Consultation Responses. Wellington: Ministry for the Environment.

¹⁰ Climate Change Response (Emissions Trading Reform) Amendment Bill 2019. Departmental report of the Ministry for the Environment and the Ministry for Primary Industries. Version 2 (update to Version 1). 3 March 2020.

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progress and introduction of infringement offence regulations. NZ ETS related changes need to be managed carefully to avoid any inconsistencies or cause confusion to participants about compliance liabilities.

- 62 The EPA is well placed to make direct contact with participants and will be responsible for ongoing communications and education related to infringement offences. The EPA will coordinate with MPI and TUR with respect to forestry participants. MfE will provide communications to wider stakeholders and interested parties.

Proactive Release

- 63 I propose to release this paper and attached Regulatory Impact Statements on the Ministry for the Environment's website, subject to redactions as appropriate equivalent to those under the Official Information Act 1982.

Recommendations

The Minister of Climate Change recommends that the Committee:

- 1 **note** that in December 2018, Cabinet agreed to establish the ability in primary legislation to make regulations for infringement offences under the Climate Change Response Act 2002 [CAB-18-MIN-0606.01] and regulations are required to:
 - 1.1 prescribe infringement offences, for those offences under the Act that can be specified as infringement offences (section 30M (1)(a)(ii))
 - 1.2 set the fee for each infringement offence, up to a maximum value of \$1,000 for an individual and \$2,000 in all other cases
 - 1.3 set the fines for each infringement offence, up to a maximum value of \$3,000 for an individual and \$6,000 in all other cases;
- 2 **note** that the progress of making regulations for infringement offences under the Act has been delayed due to work programme reprioritisation in early 2020 and that changes to NZ ETS penalties came into force on 1 January 2021;
- 3 **note** these infringement regulations are proposed to come into force on 1 January 2022;
- 4 **note** that infringement offences are to be prescribed as strict liability offences and must omit culpability references;
- 5 **note** during consultation most submitters supported the introduction of an infringement regime and the proposed set of infringement offences fees, and fines;
- 6 **agree** to create the proposed infringement offences related to administrative non-compliance, under sections 129, 131, 259 and 260 of the Act, relating to the NZ ETS and SGG Levy, as set out in detail in Table 1;

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- 7 **agree** that the infringement fee and fine level for an infringement offence should be related to the maximum level available for that offence:
- 7.1 for infringement fees, \$1,000 for an individual and \$2,000 in all other cases
- 7.2 for infringement fines \$3,000 for an individual and \$6,000 in all other cases;
- 8 **note** the infringement offences will be governed by the Summary Proceedings Act 1957 and Criminal Procedures Act 2011;
- 9 **note** the Ministry for the Environment with assistance from the Environmental Protection Authority, will review the infringement scheme's functioning after its second year of operation, or in the instance where a significant proportion of infringement fees are appealed;
- 10 **note** the Environmental Protection Authority is the primary agency responsible for enforcement and operation of the overall compliance regime for the NZ ETS and SGG Levy;
- 11 **note** the Environmental Protection Authority can delegate responsibilities for administering penalties and compliance to the Ministry for Primary Industries;
- 12 **note** proposals in this paper to establish new regulations, have no additional financial implications beyond existing departmental funding and baselines for enforcement agencies;
- 13 **note** the Environmental Protection Authority as the enforcing agency should maintain and submit an annual set of statistics on their use of infringement notices as required by the Secretary for Justice;
- 14 **note** that the introduction of the proposed infringement regime is expected to result in a slight increase in Crown revenue through the Environmental Protection Authority (the primary issuer of notices), and costs for Courts will be met from existing baselines;
- 15 **authorise** the Minister of Climate Change to further clarify and develop policy matters relating to the amendments proposed above, in a way not inconsistent with Cabinet's decisions;
- 16 **authorise** the Minister of Climate Change to issue drafting instructions to the Parliamentary Council Office to give effect to the above decisions;

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- 17 **note** that any changes will be reported to the Cabinet Legislation Committee when seeking approval for the regulations to be signed by the Governor-General by Order in Council;

Authorised for lodgement

Hon James Shaw

Minister of Climate Change

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