

In Confidence

Office of the Minister for Climate Change
Chair, Cabinet Environment, Energy and Climate Committee

NZ ETS Tranche Two: Improving compliance and penalties

Proposal

1. This paper proposes changes to the New Zealand Emissions Trading Scheme (NZ ETS) compliance regime. It forms part of the tranche two amendments to the Climate Change Response Act 2002 (CCRA).
2. I propose to restructure the compliance mechanisms for failing to surrender or repay units into:
 - A 'surrender/repayment penalty' – which applies where participants have failed to surrender or repay¹ units by the due date
 - A 'reporting penalty' – which applies where the enforcement agency (the Environmental Protection Authority, or 'EPA') has had to make an assessment² of a person's emissions
3. I also propose to allow for greater public disclosure of non-compliance to further strengthen the integrity of the NZ ETS.

Executive summary

4. The Government is reforming the NZ ETS to ensure the scheme is effective in assisting to meet emission reduction targets and in supporting the transition to a low-emission and climate-resilient New Zealand. This requires amending the CCRA to provide:
 - 4.1. certainty to the market of the long-term credibility and effectiveness of the NZ ETS by signalling the trajectory of our transition to a low-emissions economy
 - 4.2. flexibility for the government to manage the NZ ETS in changing circumstances.
5. I am in the process of bringing the tranche two amendments to Cabinet via a series of separate papers [CAB-19-MIN-0089 refers]. These decisions will combine with tranche one to form a single bill amending the CCRA, to be introduced to the House in mid-2019 and to enter into force in 2020.
6. It is critical to the integrity of the NZ ETS that participants comply with their obligations. The current compliance regime is not effective because the penalty

¹ Surrender or repay is referred to as 'pay' throughout the paper.

² Assessment refers to both amendments to emission returns and assessments if a participant fails to submit an emissions return under sections 120 and 121 of the CCRA.

does not adequately incentivise compliance, it puts an unnecessary burden on enforcement agencies and creates uncertainty for regulated parties.

7. I am seeking decisions to improve the compliance regime which applies when people incorrectly report their emissions (including where they do not report them), or fail to surrender or repay units by the due date. Currently these activities are given the same penalty, even though they reflect different levels of responsibility by the offender.
8. The approach to compliance in the NZ ETS was deliberately designed to reflect New Zealand's tax system. The proposals in this paper continue this alignment due to the similarities between the two systems. The proposed changes will enhance the current compliance approach and help future proof the NZ ETS.
9. The current compliance mechanisms will be restructured into two parts:
 - i. A 'surrender/repayment penalty' – which applies where participants have failed to surrender or repay units by the due date
 - ii. A 'reporting penalty' – which applies where the enforcement agency (the EPA) has had to make an assessment of a person's emissions
10. To further incentivise compliance, I also seek agreement to require the EPA to publish certain cases of non-compliance.

Background

Reform of the NZ ETS is underway

11. As part of the Government's programme of action on climate change, the NZ ETS is being reformed through amending the CCRA. The reforms will provide us with an effective tool to assist New Zealand in meeting emission reduction targets, increasing removals, and transitioning to a low-emission future.
12. Decisions about the design and operation should be considered in light of their impact on New Zealand's ability to access international units with environmental integrity in the future. Cabinet has agreed to retain the option to use international carbon markets after 2020 [CAB-18-MIN-0248 refers]. The proposed changes to the CCRA will reduce barriers to creating such links.
13. Proposals to amend the CCRA are being progressed in two tranches, which will form a single amendment bill, to be introduced to the House in mid-2019 and to enter into force in 2020:
 - 13.1. Tranche one was agreed by Cabinet in December 2018 [CAB-18-MIN-0606.01 refers] and the Parliamentary Counsel Office (PCO) has commenced drafting.
 - 13.2. I am currently seeking tranche two decisions through a series of papers I am bringing to Cabinet in March and April 2019 (forestry papers are being co-led with Hon Shane Jones, Minister of Forestry).

Compliance is essential to the integrity of the NZ ETS

14. It is critical to the integrity of the NZ ETS that entities comply with their obligations. Accurate and timely reporting and accounting of emissions and removal activities

is essential to safeguard the integrity of the NZ ETS, and to support New Zealand to achieve its emission reduction targets.

15. The NZ ETS was strongly modelled on New Zealand's tax regime due to similarities between the two systems, including the self-reporting nature of the scheme and the range of participants within both systems.

16. The NZ ETS legislation includes a mixture of criminal and civil penalties for non-compliance.

Criminal offences apply when people fail, among other things, to collect information, register in the NZ ETS, or submit an emissions return. For criminal offences, different penalties apply depending on whether the offence is assessed to have occurred without reasonable excuse, knowingly or with intent to deceive.

A **civil penalty** of \$30 per unit applies when a person fails to surrender or repay³ units (known as the 'excess emissions penalty'), they must also pay any outstanding units. This applies where a person is late to pay units, or where they have a liability as a result of an assessment of their emissions by the EPA.

17. Civil penalties are imposed by the EPA, with some forestry administration functions delegated to the Ministry for Primary Industries (MPI). Criminal offences are brought by enforcement agencies for consideration by the Court.

The review found the current compliance regime is not fit-for-purpose

18. The compliance regime was identified as an area for improvement during the 2015/2016 NZ ETS review. The Government has consulted on options to improve the compliance regime (August-September 2018) and has started to make improvements.

19. As part of tranche one, Cabinet agreed to introduce infringement offences for low-level criminal offences [CAB-18-MIN-0606.01 refers]. I now seek to address further compliance issues in relation to the current excess emissions penalty.

There are several problems with the excess emissions penalty

20. The current excess emissions penalty is \$30 per outstanding unit. It applies:

- i. where a person has failed to repay or surrender units by the due date
- ii. where an enforcement agency has been required to do an assessment of a person's emissions, which results in a liability (i.e. the result of the assessment is that the person is required to pay more units than reported).

21. There is limited evidence of deliberate non-compliance in the scheme, with only four cases where people have failed to pay units by the due date. However, there have been hundreds of cases where enforcement agencies have had to amend emission returns, often due to small calculation errors and many have not faced a penalty.

22. There are four aspects of the current excess emissions penalty creating problems:

The \$30 penalty value

³ Surrender or repay units is referred to as 'paying' throughout the paper.

- The static \$30 value is no longer suitable to deter non-compliance. The \$30 rate was selected because it was approximately double the expected cost of carbon over the first commitment period of the Kyoto Protocol. It was noted at the time that the \$30 penalty rate might need to increase if emissions prices rose. The carbon price in New Zealand is currently around \$25, and is expected to rise further in future.
- s 9(2)(j) [REDACTED] To facilitate linking to other reputable schemes, New Zealand's penalty regime needs to be of similar stringency. s 9(2)(j) [REDACTED]

Significant discretion to reduce the penalty

- There is significant discretion available to enforcement agencies to reduce the penalty (up to 100 per cent), imposing a high administrative burden.
- The process is challenging to apply consistently. This results in unpredictable outcomes, uncertainty for NZ ETS participants, and potentially reduces overall confidence in the compliance regime.

Same application for different behaviours

- The excess emissions penalty is applied the same to errors in reporting and failure to pay units, despite a difference in the severity of these behaviours.

Unclear treatment of reporting errors

- It is unclear whether inaccurate reporting may be currently captured by criminal sanctions in the CCRA, creating uncertainty for the regulators and regulated parties.

Analysis

Restructuring the compliance mechanisms into two separate penalties

23. In order to address the problems with the current excess emissions penalty, I propose to restructure the relevant offences and penalties into two separate penalties. The penalties would apply in addition to 'making good' on the underlying obligation.
24. The new approach will continue to be modelled on the high-level approach taken in the tax system, however the changes will address the problems with the current regime and ensure that the compliance regime is future proofed.
25. I also propose to allow for greater public disclosure of non-compliance to further strengthen the integrity of the NZ ETS and its compliance regime.

s 9(2)(j) [REDACTED]

i. Surrender/Repayment Penalty

26. The new surrender/repayment penalty will apply only where a person fails to pay units by a due date. In this case, the person would be required to pay a penalty equivalent to three times the current market price of carbon for each outstanding unit.
27. This proposal will remove enforcement agencies' discretion to reduce penalties, so it will be administratively simple to enforce and will give certainty to participants of the outcome. The severity of the penalty reflects the fiscal risk that is created when a person fails to pay units to the Crown.
28. Basing the penalty on the market price will also ensure that the penalty reflects changes in the carbon price. This is particularly important given that the carbon price is expected to continue rising. The market-based penalty will be based on the average New Zealand Unit (NZU) price for the year. It will be set in regulations and updated annually.
29. Setting a penalty which is three times the price of carbon will more closely align the NZ ETS compliance regime with that of several international carbon markets.

s 9(2)(i)

I note that the EU ETS has a fixed penalty that is in excess of four times the current price of carbon (100 Euros per unit).

30. Officials also considered a unit penalty (a requirement to pay three units for every outstanding unit) rather than a cash penalty. This is similar to the penalty in the WCI. A unit penalty was not preferred for the NZ ETS as, while the volume of non-compliance would be small, it would reduce the availability of units for other market participants that are compliant. A unit penalty could also result in different participants facing different costs due to their ability to access units (e.g. some companies have greater capability to access the market).
31. My preferred approach is a three times cash penalty. However, it is important to note that discussions are progressing with promising linking partners and it is unclear whether this penalty may be a barrier to linking. Therefore, at this time I recommend we agree in principle to a three times cash penalty. I will report back on this issue by August 2019.

ii. Reporting Penalty

32. The new reporting penalty would cover situations where enforcement agencies are required to make an assessment for a person. This could be either due to an error in a report or non-reporting.
33. Some form of reporting penalty will apply regardless of the outcome of the assessment (i.e. there would be a penalty irrespective of whether the Crown or the person owes units). This expands the current application of the excess emissions penalty to cover all omissions and errors in reporting.
34. I propose four bands of penalty that will be linked to a participant's behaviour (Table 1). The penalty will be the size of the error multiplied by the current market price of carbon multiplied by the penalty band.

35. The maximum penalty following an assessment that results in the Crown owing units, or no liability, will be \$1,000.
36. No penalty will apply if the person is found to have taken reasonable care. A 50 percent reduction to the penalty will also apply where a participant voluntarily discloses their non-compliance, unless the error was knowingly made.
37. These penalty reduction bands are based on the categories of behaviour and percentage amounts used by the New Zealand Customs Service, and a simplified version of those used by the Inland Revenue Department. Using these bands reduces the administrative and cost burden to regulators and provides clarity to participants about the expected consequences of non-compliance.
38. Examples of what constitutes the behaviour categories for the penalty bands will be made publicly available online in operational guidelines. This will include what constitutes a voluntary disclosure.

Table 1: Penalty bands

Behaviour category	Penalty per unit (percentage of market price)
Reasonable care taken	0%
Not taking reasonable care	20%
Gross carelessness	40%
Knowingly made	100%
Assessment resulting in Crown owing units	N/A - maximum of \$1,000

39. The penalty level will be based on the average carbon price over the preceding twelve months, with the formula for calculating the average carbon price set in regulations. Penalties will attach to the lesser of the size of the error, or the total emissions/removals/allocation that should have been stated, measured in tonnes of carbon dioxide equivalent.
40. As per the current approach, the proposed penalties would be imposed by the EPA rather than through the Courts. This also aligns with the tax and customs penalty regimes implemented under the Tax Administration Act 1994 and the Customs and Excise Act 2018.
41. I also propose to remove criminal offences for reporting errors, except where the offence has been committed with intent to deceive and for the purpose of either obtaining any material benefit or avoiding any material detriment.⁵ In this more serious case the EPA would have to choose whether to prosecute or penalise the person.
42. My officials also considered other options for improving the current excess emissions penalty, including a fixed penalty amount. I am not proposing this approach as, although it would be behaviour-based, it does not take into account the size of the error. The size of the error needs to be considered where there is a liability to the Crown because it can create a fiscal risk.

⁵ As provided for in section 133 of the CCRA.

Operational fixes have also been identified which will improve the compliance regime

43. I am also seeking agreement to a number of additional changes to aid effective implementation and to provide greater certainty for participants. These are:

- i. reducing the bar on enforcement action from one year to 90 days after a non-compliant party fails to meet their payment obligations
- ii. introducing an explicit ability for the enforcement agency to enter into payment plans for the payment of penalties
- iii. waiving the payment deadline while the EPA is amending an emissions return
- iv. the reporting penalty will apply 10 working days after the EPA notifies a person they have missed the deadline for annual emissions returns (this will allow 10 working days for the person to submit a return).

Publishing cases of non-compliance

44. I also propose to publish, at least annually and as soon as practicable beginning in 2021, individual cases of non-compliance. There will be mandatory publication of more serious individual non-compliance (i.e. gross carelessness, knowingly made or failure to surrender/repay units by the due date)

45. Published individual cases of non-compliance would include the name of the account and details of the penalty including the type, amount, date it was due and date it was paid.

46. Currently, information on compliance with NZ ETS obligations is released only at an aggregated level (i.e. the EPA does not currently publish information regarding non-compliance at the account holder or participant level). Outside of prosecutions, the CCRA contains provisions to protect confidentiality of this information.

47. I am proposing to publish non-compliance to help build an expectation that compliance is the norm and non-compliance is irregular. It will also influence social expectations on participants and allocation recipients to meet their NZ ETS obligations, and provide an opportunity for public scrutiny of the scheme. This will complement other decisions I am seeking in tranche two which relate to publishing individual emissions and removals data.

48. Greater disclosure of compliance is consistent with other enforcement regimes in New Zealand and overseas emissions trading schemes. The Commerce Commission and the Overseas Investment Office publish cases of non-compliance, and WorkSafe has the ability to publish non-compliance if it is in the public interest. The EU ETS publishes names of operators that do not surrender allowances in due time and California publishes the compliance status of participants.

Consultation

Public consultation

49. Public consultation in 2018 on *Improvements to the NZ ETS* sought feedback on whether to change the excess emissions penalty. Submitters were unsure whether

the current penalty approach needed to change, although slightly more submitters supported a change. Several of the submitters who supported changing the penalty commented that the \$30 level was no longer appropriate in view of rising carbon prices.


50. A significant majority supported a proportional approach to penalty setting, with discretion to ensure that the highest penalty would apply to intentional misconduct. This was considered to be more consistent with other penalty regimes, such as the Inland Revenue's tax regime. Many submitters wanted to be able to access clear, published guidelines on how discretion would be exercised, as this would contribute to predictability in how decisions are made.
51. Submitters were also asked their view on publishing cases of non-compliance. A majority of submitters (57 percent) supported publication, with 26 percent preferring non publication.

Agency consultation

52. This paper was prepared by the Ministry for the Environment. The Treasury, the EPA, the Ministry of Foreign Affairs and Trade, MPI, the Department of Conservation, the Ministry of Business, Innovation and Employment and the Ministry of Transport were consulted in the preparation of this paper. Where feedback was received it is reflected in this paper. The Department of Prime Minister and Cabinet and Te Puni Kōkiri were informed.
53. The Ministry of Justice (MoJ) was consulted in developing this proposal. MoJ considers that regimes in which determinations of guilt are made by non-judicial bodies are highly irregular and should be strongly discouraged. Judicial oversight provides protection against possible abuses, or the appearance of abuses, of regulators' powers. It is MoJ's view that the taxation model is an exception, which may be justified due to the hugely technical nature of the regime and the overwhelming public interest in universal compliance. MoJ notes that the existing emissions penalty regime provides for the penalty to be imposed by the enforcement agencies; however, it is MoJ's role to assess whether the current proposal meets best practice as provided, for example, in the Legislation Design and Advisory Committee (LDAC) guidelines and principles like the rule of law.
54. MoJ believes it hugely important that the regulator, enforcer, and adjudicator are distinct from one another. Proper thought must be given at each stage of enforcement as to how to proceed. When these decisions are taken by the same body, there is a substantial risk that these decisions can be 'collapsed' into one choice to (or not to) proceed. Judicial oversight protects against the regulator determining and handing down penalties unchecked without adequate appeal or review processes. Regimes in which the regulator determines penalties can also create a perception that the regulator uses penalties to gather revenue.
55. MoJ does not agree that the proposal will remove agencies' discretion to reduce penalties and be administratively simple, not that it will afford certainty to participants. It is proposed that MPI and the EPA will determine the 'mental state' of the participant and award a penalty accordingly. This places significant discretion, and a substantial burden, in the hands of the regulators. Determinations as to intention are highly subjective and should be appropriately left to a judge.

56. Officials from the EPA, MPI and the Ministry for the Environment have taken into account MoJ's feedback, and on balance still recommend the proposed approach. The design of the NZ ETS compliance regime was deliberately modelled on the tax system, and the proposed approach would continue to align the NZ ETS penalty regime with the tax system.
57. Officials consider it is appropriate to align with the tax system because of the scale, complexity, and self-reporting nature of the NZ ETS, and the high public interest in accuracy. Timely enforcement is required because there is a fiscal risk to the Crown if participants fail to accurately report and pay units.
58. MoJ's feedback has been considered in the design elements of the administrative penalties approach to address a number of concerns. The intention to publish operational guidelines has been included to increase the transparency and predictability of penalties for participants. Also, consequential amendments to existing sections of the CCRA will ensure that existing review and appeal provisions apply to these penalties.

Financial implications

59. Penalties are a debt due to the Crown, and any increase in the penalty will increase revenue for the Crown. Revenue from the changes to the penalty cannot be reliably forecast as non-compliance cannot be predicted.
60. The proposals in this paper are expected to be similar to the cost of administering the current excess emissions penalty, with efficiency gains enabling regulators to prioritise high risk compliance issues. In the short term, regulators will be required to update policies and existing systems to implement the proposed changes to the compliance regime alongside other NZ ETS changes.
61. I am not seeking any additional funding in this paper. Additional funding may be required to operationalise the proposals in this paper once they are implemented, which will be from 2020 onwards. Additional funding, if required, will be sought through further implementation decisions or through Budget.
62. s 9(2)(f)(iv)


Legislative implications

63. The policy decisions from this paper will require legislative amendments to the CCRA.
64. The amendments were given a category 2 priority on the 2019 Legislation Programme (meaning the bill must be passed by the end of 2019). The PCO has already commenced drafting tranche one amendments.

Regulatory impact analysis

65. The Regulatory Impact Analysis requirements apply to the proposals in this paper. A Regulatory Impact Statements has been prepared and is attached to this paper.
66. 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) “NZ ETS tranche two: improving compliance and penalties” produced by the Ministry for the Environment and dated March 2019.
67. The panel considers that the RIA **meets** the Quality Assurance criteria.

Human rights

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

Crown-Māori Partnership

69. Māori have a significant stake in climate change action, and a significant interest in the NZ ETS. Māori have a large economy and asset base sitting largely in the primary industries, as well as Treaty-based rights and interests in natural resource use and management. It will be critical when implementing the proposals to continue to adhere to Treaty of Waitangi principles as provided by section 3A of the CCRA.
70. A Māori Leaders’ Forum was held in Wellington on 17 September 2018 as part of consultation on improvements to the NZ ETS. The Ministry for the Environment plans to further engage with iwi/Māori on a range of environmental issues through a series of hui in April. This will include discussions on the NZ ETS and seek views on how we can best support iwi/Māori ahead of consultation on regulations anticipated for the second half of this year.

International obligations

71. The proposed amendments are consistent with New Zealand’s obligations under the Paris Agreement and other international commitments.

Gender implications

72. There are no gender implications for the proposed amendments.

Disability perspective

73. There are no disability implications arising from this paper.

Publicity

74. Announcements about the NZ ETS need to be managed carefully to avoid any inconsistencies and market risks, including sudden rises of NZU prices in the NZ ETS. In addition, information should not be disseminated in a way that advantages some markets participants over others and compromises NZ ETS investments.

75. I intend to make public announcements on the proposed amendments to the CCRA and the amendment bill. It is expected that these announcements will form part of a wider climate change communications plan.

Proactive release

76. I propose to proactively release this paper on the Ministry for the Environment's website in whole, subject to redactions as appropriate equivalent to those under the Official Information Act 1982, once public announcements have been made.

Recommendations

The Minister for Climate Change recommends that the Committee:

1. **note** the New Zealand Emissions Trading Scheme (NZ ETS) is the Government's key tool to assist New Zealand to meet its climate change targets:
 - 1.1. the Government is reforming the NZ ETS to ensure it can support the transition to a low-emissions and climate resilient New Zealand
 - 1.2. this requires amendments to the Climate Change Response Act 2002 (CCRA)
2. **note** these amendments are being developed in tranches;
 - 2.1. in December 2018 Cabinet agreed to tranche one of amendments to the CCRA and drafting has commenced [CAB-18-MIN-0606.01]
 - 2.2. tranche two comprises of a series of papers with discrete proposals which will be considered by Cabinet over March to May 2019
 - 2.3. tranches one and two will result in a single bill amending the CCRA to be introduced to the House in mid-2019, and to enter into force in 2020
3. **note** accurate reporting and accounting of emissions is essential to safeguard the integrity of the NZ ETS
4. **note** the 2015/2016 review of the NZ ETS identified the compliance regime as an area for improvement and Cabinet agreed to the first improvements by introducing infringement offences for low-level criminal offences [CAB-18-MIN-0606.01 refers]
5. **note** further improvements are required to the compliance regime in relation to the excess emissions penalty because it is not sufficient to deter non-compliance, creates a significant administrative burden and creates uncertainty for participants
6. **note** the ability to enforce compliance in the NZ ETS is a key consideration for our most promising international linking partners
7. **agree** to restructure the relevant offences and penalties into two separate penalties
 - 7.1. a surrender/repayment penalty; and
 - 7.2. a reporting penalty
8. **agree** there will still be a requirement to make good on the outstanding obligation

Surrender/repayment penalty

9. **agree** the surrender/repayment penalty will apply only when a person fails to surrender or repay units by a due date
10. **agree in principle**, subject to confirmation that this will not create a barrier for linking with international carbon markets, that the surrender/repayment penalty will be three times the current carbon price, and will be updated annually in regulations
11. s 9(2)(j)

Reporting penalty

12. **agree** that the reporting penalty will cover all default assessments and amendments to emissions returns made by enforcement agencies where a person has made an error, expanding the coverage of the current penalty
13. **agree** that the reporting penalty will reflect the current carbon price, as updated annually in regulations, and that it will be able to be reduced depending on participants' behaviour
14. **agree** that the level of the reporting penalty will be applied as a percentage of the error, based on the persons' behaviour:
 - 14.1. 0 percent where reasonable care was taken; or
 - 14.2. 20 percent where the person has not taken reasonable care; or
 - 14.3. 40 percent where the person has been grossly careless; or
 - 14.4. 100 percent where the person has knowingly made an error
15. **agree** that, despite recommendations 13 and 14, the maximum penalty for a reporting error will be based on the lesser, in tonnes of emissions, of:
 - 15.1. the difference between the incorrectly documented figure and the correct figure; or
 - 15.2. the total emissions, removals, or allocation that should have been correctly documented (as relevant)
16. **agree** the level of the reporting penalty can be reduced by 50 percent if the non-compliance is voluntarily disclosed (except where the error was knowingly made)
17. **agree** that, despite recommendations 13 to 16, the reporting penalty following an assessment or amendment where the Crown owes further units, or no units are owed, will have a maximum penalty of \$1,000
18. **note** the enforcement agencies will publish examples of what constitutes each type of behaviour, including what constitutes a voluntary disclosure

Other changes

19. **agree** to remove similar offences for reporting errors, except where the offence has been committed with the intent to deceive and for the purpose of either obtaining any material benefit or avoiding any material detriment (in this case the

Environmental Protection Authority (EPA) could either prosecute or penalise the person)

20. **agree** to the following additional operational changes to aid effective implementation of the new compliance regime:
 - 20.1. reduce the one year time bar on enforcement to allow the EPA to take enforcement action from 90 days after a non-compliant party failing to meet their payment obligations
 - 20.2. introduce an explicit ability for the EPA to enter into payment plans for the payment of penalties
 - 20.3. waive the payment deadline while the EPA is amending an emissions return
 - 20.4. the reporting penalty apply 10 working days after the EPA notifies a person they have missed the deadline for annual emissions returns
21. **agree** to require the EPA to publish, at least annually and as soon as practicable beginning in 2021, individual cases of non-compliance occurring from 1 January 2021 where the non-compliance was grossly careless, knowingly made or the result of failure to surrender/repay units by a due date
22. **agree** publication of non-compliance will include the name of the account and details of the penalty including the type, amount, date it was due and date it was paid
23. **authorise** the Minister for Climate Change, in consultation with the Minister of Forestry as appropriate, to further clarify policy decisions relating to the amendments proposed in this paper, in a way not inconsistent with Cabinet's decisions
24. **invite** the Minister for Climate Change to issue drafting instructions to the Parliamentary Counsel Office based on the "in principle" and agreed decisions in this paper

Authorised for lodgement.

Hon James Shaw

Minister for Climate Change