

27 April 2016

Hon Christopher Finlayson QC, Attorney-General

Consistency with the New Zealand Bill of Rights Act 1990: Climate Change Response (Removal of Transitional Measure) Amendment Bill

1. We have considered whether the Climate Change Response (Removal of Transitional Measure) Amendment Bill ('the Bill') is consistent with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990 ('the Bill of Rights Act').
2. We have not yet received a final version of the Bill. This advice has been prepared with the latest version of the Bill (PCO 19761/4.2). We will provide you with further advice if the final version of the Bill includes amendments that affect the conclusions in this advice.
3. The Bill amends the Climate Change Response Act 2002. It modifies the emissions trading scheme ('ETS') to improve New Zealand's ability to fulfil its international obligations and reduce net emissions.
4. The Bill does this by phasing in full surrender ETS obligations (one emissions unit for every tonne of emissions) for non-forestry sector participants in the scheme. Those participants currently enjoy a reduced obligation to surrender one emissions unit for every two tonnes of emissions. Over three years, the Bill will proportionately increase the surrender obligations of non-forestry participants so that from 1 January 2019 one emissions unit must be surrendered for each tonne of emissions.
5. Consistent with the phase in of full surrender obligations, the Bill will proportionately increase over three years the entitlement to receive units for certain removal activities and to receive an allocation of units for eligible industrial activities.
6. The Bill also proportionately increases the synthetic greenhouse gas levy so that from 1 January 2019 the levy will apply in full.
7. We have concluded that the Bill appears to be consistent with the rights and freedoms affirmed in the Bill of Rights Act.



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