

21 September 2022

Hon David Parker, Attorney-General

Consistency with the New Zealand Bill of Rights Act 1990: Climate Change Response (Extension of Penalty Transition for Forestry Activities with Low Volume Emissions Liabilities) Amendment Bill

1. We have considered whether the Climate Change Response (Extension of Penalty Transition for Forestry Activities with Low Volume Emissions Liabilities) 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 in relation to the latest version of the Bill (PCO 24438/1.2). We will provide you with further advice if the final version includes amendments that affect the conclusions in this advice.
3. The Bill amends the Climate Change Response Act 2002 (CCRA) to extend the period for which a transitional arrangement applies by two years. This is for the benefit of small forestry participants (defined as those with net liabilities less than 25,000 units per year).
4. In 2020, a revised penalties and compliance regime for the New Zealand Emissions Trading Scheme was introduced. This regime put a more stringent penalty in place for forestry participants who fail to surrender or repay units when required to do so under the CCRA. If applied generally to *all* forestry participants, this new more stringent penalty would put small forestry participants at risk of serious financial hardship. To address this risk, a transitional provision was inserted into the CCRA that delayed the application of the new penalty to small forestry participants until 1 January 2023. The Bill extends this delay out to 1 January 2025 so that alternative penalty options for small forestry participants can be put in place before the transitional arrangement expires.
5. 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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