

House of Representatives

Supplementary Order Paper

Tuesday, 6 November 2012

Climate Change Response (Emissions Trading and Other Matters) Amendment Bill

Proposed amendments

Moana Mackey, in Committee, to move the following amendments:

Clause 42(2):

In *section 89(1)(k)*, after “or (iii)” (line 21 on page 28), insert “; and”.

After *section 89(1)(k)* (after line 21 on page 28), insert:

- “(l) an estimate of the average cost passed on to consumers per unit surrendered for each industry.”

Clause 71:

In *clause 71*, after *subclause (2)* (after line 11 on page 37), insert:

- (3) In section 168(1)(o), after “effect”, insert “; and”.
- (4) In section 168(1), after paragraph (o), insert:
- “(p) requiring companies to provide information for the calculation of the total sum of money paid by the EPA in accordance with section **178A(2)(b)(ii) or (iii)** and authorising the EPA to issue guidelines or standards by notice in the *Gazette* in relation to the data or information prescribed under those regulations, and providing that compliance with the guidelines or standards is to be treated as compliance with the relevant requirements in the regulations.”

Explanatory note

This Supplementary Order Paper amends the Climate Change Response (Emissions Trading and Other Matters) Amendment Bill.

The Government has promised several times to reduce the costs to consumers and households of the Emissions Trading Scheme. However there is no evidence that the benefits of the low carbon price and Government subsidies and exemptions are being passed on to consumers.

There is significant concern that, even with prices for New Zealand units being at around \$2 and international units at \$1.30 at the time of passing this Bill, prices from industries affected by the ETS have not lowered to account for the collapse in price of carbon emissions.

This amendment provides a way to alert consumers to the use of unfair pass on costs by creating a requirement for the EPA to publish for each industry an estimate of the pass on costs of the ETS. The Government and consumers will then be able to compare industries to be aware of where pass on costs may be higher than is justified.

Clause 42 amends *section 89*, which outlines the annual reporting obligations of the EPA. To report on the average cost passed on by industry is added as a reporting requirement for the EPA.

The amendment to *clause 71* provides the ability for regulations and standards to be created to allow the EPA to collect the necessary information to make the estimates required.
