



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Energy and Resources
Title of Cabinet paper	Gas (Levy of Industry Participants) Regulations 2020	Date to be published	8 June 2020

List of documents that have been proactively released

Date	Title	Author
8 June 2020	<i>Cabinet Paper: Gas (Levy of Industry Participants) Regulations 2020</i>	Office of the Minister of Energy and Resources
8 June 2020	<i>Cabinet minute: LEG-20-MIN-0049</i>	Cabinet Legislation Committee

Information redacted

YES / NO

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Cabinet Legislation Committee

Minute of Decision

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Gas (Levy of Industry Participants) Regulations 2020

Portfolio **Energy and Resources**

On 12 May 2020, the Cabinet Legislation Committee:

- 1 **noted** that the Gas Industry Company is the approved gas industry ‘co-regulator’ under the Gas Act 1992, and it is mostly funded by a levy on industry participants;
- 2 **noted** that the Gas Act provides for the Gas Industry Company to make a recommendation to the Minister of Energy and Resources regarding levy regulations, including on levy rates, and that they can only apply to the financial year they are made in;
- 3 **noted** that the Minister of Energy and Resources has received the Gas Industry Company’s recommendation for levy regulations for the 2020/21 financial year;
- 4 **noted** that the Gas Industry Company’s levy recommendation for the 2020/21 financial year will enable it to recover up to \$3.45 million for the financial year beginning 1 July 2020 through:
 - 2.1. an annual retail levy on gas retailers of \$5.16 (excluding GST) per customer; and
 - 2.2. a wholesale levy on participants that purchase gas from producers of 1.1164 cents (excluding GST) per gigajoule (GJ) purchased;
- 5 **noted** that section 43ZZD of the Gas Act requires the Minister of Energy and Resources to accept the Gas Industry Company’s recommendation to make levy regulations if the Minister is satisfied that:
 - 5.1 the levy rate or amount is reasonable, having regard to the industry body statement of intent, the latest industry body annual report, and any Government Policy Statement objectives and outcomes;
 - 5.2 the industry body has consulted with industry participants on the levy rate or amount; and
 - 5.3 the requirements of sections 43ZZB to 43ZZE have been met;
- 6 **noted** that the Minister of Energy and Resources accepts the Gas Industry Company’s recommendation as she considers that it satisfactorily meets the requirements;

- 7 **noted** that the Gas (Levy of Industry Participants) Regulations 2020 give effect to recover up to \$3.45 million through a retail levy and a wholesale levy for the financial year from 1 July 2020;
- 8 **noted** the Regulations also revoke the Gas (Levy of Industry Participants) Regulations 2018 as they are now spent;
- 9 **authorised** the submission to the Executive Council of the Gas (Levy of Industry Participants) Regulations 2020 [PCO 22899/4.0];
- 10 **noted** that the Regulations come into force on 1 July 2020.

Gerrard Carter
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Dr Megan Woods
Hon Chris Hipkins (Chair)
Hon Andrew Little
Hon Carmel Sepuloni
Hon Stuart Nash
Hon Damien O'Connor
Hon Tracey Martin
Hon Julie Ann Genter
Hon Eugenie Sage

Officials present from:

Officials Committee for LEG