



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Energy and Resources
Title of Cabinet paper	Gas (Levy of Industry Participants) Regulations 2021	Date to be published	6 July 2021

List of documents that have been proactively released

Date	Title	Author
May 2021	Cabinet paper: Gas (Levy of Industry Participants) Regulations 2021	Office of the Minister of Energy and Resources
20 May 2021	Cabinet minute: LEG-21-MIN-0070	Cabinet Office

Information redacted

YES / NO [select one]

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Cabinet Legislation Committee

Minute of Decision

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Gas (Levy of Industry Participants) Regulations 2021

Portfolio **Energy and Resources**

On 20 May 2021, 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 gas industry participants;
- 2 **noted** that the Gas Act 1992 provides for the Gas Industry Company to make a recommendation to the Minister of Energy and Resources (the Minister) 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 has received the Gas Industry Company’s recommendation for levy regulations for the 2021/22 financial year;
- 4 **noted** the Gas Industry Company’s levy recommendation for the 2021/22 financial year will enable it to recover up to \$3.47 million for the financial year beginning 1 July 2021 through:
 - 4.1 an annual retail levy on gas retailers of \$5.28 (excluding GST) per customer/ICP;
 - 4.2 a wholesale levy on participants that purchase gas from producers of 1.1445 cents (excluding GST) per gigajoule (GJ) purchased;
- 5 **noted** that section 43ZZD of the Gas Act 1992 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;
 - 5.3 the requirements of sections 43ZZB to 43ZZE have been met;
- 6 **noted** that the Minister intends to accept the Gas Industry Company’s recommendation as they consider it satisfactorily meets these requirements;

- 7 **noted** that the Gas (Levy of Industry Participants) Regulations 2021 will give effect to recover up to \$3.47 million through a retail levy and a wholesale levy for the financial year from 1 July 2021;
- 8 **noted** these regulations will also revoke the Gas (Levy of Industry Participants) Regulations 2019 as they are now spent;
- 9 **authorised** the submission to the Executive Council of the Gas (Levy of Industry Participants) Regulations 2021 [PCO 23710/3.0];
- 10 **noted** that these regulations will be published in the Gazette no later than 2 June 2021 to comply with the 28-day rule;
- 11 **noted** that the Gas (Levy of Industry Participants) Regulations 2021 will come into force on 1 July 2021.

Rebecca Davies
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Megan Woods
Hon Carmel Sepuloni
Hon Andrew Little
Hon Poto Williams
Hon Kris Faafoi
Hon Jan Tinetti
Hon Michael Wood (Deputy Chair)
Hon Ayesha Verrall
Hon Meka Whaitiri
Kieran McAnulty, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG