



## COVERSHEET

<b>Minister</b>	Hon Dr Megan Woods	<b>Portfolio</b>	Energy and Resources
<b>Title of Cabinet paper</b>	Gas (Levy of Industry Participants) Regulations 2023	<b>Date to be published</b>	26 June 2023

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
May 2023	<i>Gas (Levy of Industry Participants) Regulations 2023</i>	Office of the Minister of Energy and Resources
18 May 2023	<i>LEG-23-MIN-0061 Minute</i>	Cabinet Office
12 April 2023	<i>Stage 2 Cost Recovery Impact Statement: Setting the Gas (Levy of Industry Participants) Regulations 2023</i>	MBIE

### Information redacted

**YES / NO**

Any information redacted in this document is redacted in accordance with MBIE's and MFAT's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



# Cabinet Legislation Committee

## Minute of Decision

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### Gas (Levy of Industry Participants) Regulations 2023

**Portfolio**                      **Energy and Resources**

On 18 May 2023, the Cabinet Legislation Committee:

- 1        **noted** that the Gas Industry Company (GIC), the co-regulator for the gas industry, is mostly funded by a levy on gas industry participants that have been in place since 2007;
- 2        **noted** that the Gas Act 1992 (the Act) provides for GIC 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 (the Minister) considers that this decision meets the requirements of paragraph 7.91(d) of the Cabinet Manual that the regulations are routine and can go directly to the Cabinet Legislation Committee;
- 4        **noted** that the Minister has received the GIC's levy recommendation for the 2023/24 financial year, which would enable it to recover up to \$4.46 million through:
  - 4.1        an annual retail levy on gas retailers of \$6.54 (excluding GST) per customer/Installation Control Points;
  - 4.2        a wholesale levy on participants that purchase gas from producers of 1.4326 cents (excluding GST) per gigajoule purchased;
- 5        **noted** that section 43ZZD of the Act requires the Minister of Energy and Resources to accept the GIC'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 has accepted the GIC's recommendation as they are satisfied that the requirements in section 43ZZD of the Act have been met;

- 7 **noted** that the Gas (Levy of Industry Participants) Regulations 2023 (the Regulations) give effect to a retail levy and a wholesale levy for the financial year from 1 July 2023, to recover up to \$4.46 million;
- 8 **noted** these regulations also revoke the Gas (Levy of Industry Participants) Regulations 2021 as they are now spent;
- 9 **authorised** the submission to the Executive Council of the Gas (Levy of Industry Participants) Regulations 2023 [PCO 25479/4.0];
- 10 **noted** that the Gas (Levy of Industry Participants) Regulations 2023 come into force on 1 July 2023;
- 11 **noted** that these regulations will be published in the *Gazette* no later than 1 June 2023 to comply with the 28-day rule.

Rebecca Davies  
Committee Secretary

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**Present:**

Hon Dr Megan Woods  
Hon Kiri Allan  
Hon Andrew Little (Chair)  
Hon David Parker  
Hon Kieran McAnulty  
Hon Barbara Edmonds  
Hon Willow-Jean Prime  
Hon Dr Duncan Webb  
Hon Rachel Brooking  
Hon Jo Luxton  
Tangi Utikere, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for LEG