



## 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 2019	<b>Date to be published</b>	9 July 2019

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
09/07/19	Cabinet paper: Gas (Levy of Industry Participants) Regulations 2019	Office of the Minister of Energy and Resources
09/07/19	<i>Cabinet minute</i> : DEV-19-MIN-0125	Cabinet Economic Development Committee

### Information redacted

**YES / NO**

Any information redacted in this document is redacted in accordance with MBIE'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.



# Cabinet Economic Development Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Gas (Levy of Industry Participants) Regulations 2019

Portfolio                      Energy and Resources

On 22 May 2019, the Cabinet Economic Development Committee:

#### Background

- 1 **noted** that the Gas Industry Company is the approved gas industry ‘co-regulator’ under the Gas Act 1992, and that its work programme is mostly funded by a levy on industry participants;
- 2 **noted** that:
  - 2.1 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;
  - 2.2 the levy regulations can only apply to the financial year in which they are made;

#### 2019/20 levy

- 3 **noted** that the Minister of Energy and Resources has received the Gas Industry Company’s recommendation for levy regulations for the 2019/20 financial year;
- 4 **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:
  - 4.1 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;
  - 4.2 the industry body has consulted with industry participants on the levy rate or amount;
  - 4.3 the requirements of sections 43ZZB to 43ZZE have been met;
- 5 **noted** the advice of the Minister of Energy and Resources that the Minister is satisfied that these requirements have been met, and that the Minister has accepted the recommendation that levy regulations be made;

- 6 **noted** that the Gas (Levy of Industry Participants) Regulations 2019 will enable the Gas Industry Company to recover up to \$3.77 million for the financial year beginning 1 July 2019 through:
- 6.1 a retail levy of \$6.12 (excluding GST) on gas retailers for each installation control point for which they are responsible, to be paid in monthly instalments; and
  - 6.2 a wholesale levy of 1.1279 cents (excluding GST) per gigajoule on gas industry participants that purchase gas from a gas producer, to be paid monthly based on gas purchases up to and including the last day of the previous month;
- 7 **noted** that the Regulations will revoke the Gas (Levy of Industry Participants) Regulations 2017, as they are now spent;

### **Gas (Levy of Industry Participants) Regulations 2019**

- 8 **noted** that the Gas (Levy of Industry Participants) Regulations 2019 will come into force on 1 July 2019;
- 9 **authorised** the submission to Executive Council of the Gas (Levy of Industry Participants) Regulations 2019 [PCO 22138/2.0].

Janine Harvey  
Committee Secretary

---

**Present:**

Hon Grant Robertson (Chair)  
Hon Phil Twyford  
Hon Dr Megan Woods  
Hon Nanaia Mahuta  
Hon Stuart Nash  
Hon Iain Lees-Galloway  
Hon Jenny Salesa  
Hon Kris Faafoi  
Hon James Shaw  
Hon Julie Anne Genter

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV

**Hard-copy distribution:**

Minister of Energy and Resources