



Cabinet Economic Development Committee

Minute of Decision

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Setting Road User Charges for 2020/21 to Fund the Government Policy Statement on Land Transport 2018

Portfolio Transport

On 11 March 2020, the Cabinet Economic Development Committee (DEV):

- 1 **noted** that:
 - 1.1 in June 2018, Cabinet agreed to a 3.5 cents per litre increase in petrol excise duty in 2018, 2019 and 2020, with an equivalent increase in road user charges (RUC) [CAB-18-MIN-0115];
 - 1.2 an increase in petrol excise duty from 1 July 2020 has already been legislated [LEG-19-MIN-0052];
- 2 **agreed** that all rates of RUC be increased by 5.3 percent (subject to rounding), as set out in Appendix A to the paper under DEV-20-SUB-0031, with effect from 1 July 2020;
- 3 **agreed** that the RUC rates currently set out in Parts 1 and 2 of the Specification of Road User Charges 2019 issued by Waka Kotahi New Zealand Transport Agency be incorporated into the principal regulations (the Road User Charges (Rates) Regulations 2015);
- 4 **agreed** that the rate in Schedule 5 of the Road User Charges (Rates) Regulations 2015, for each additional 1,000 kg more than 20,000 kg on a Type 1 (two-axle single tyre) vehicle, be corrected to the rate that would have applied had the 2018 rate been increased by 5.55 percent, and the 5.3 percent increase proposed for 2020 be applied, both with effect from 1 July 2020;
- 5 **noted** that to enable increased rates of RUC, amendments will be required to the Road User Charges (Rates) Regulations 2015;
- 6 **invited** the Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;
- 7 **noted** that the Minister of Transport proposes to submit the required regulations to the Cabinet Legislation Committee for approval on 28 April 2020;

8 **noted** that:

- 8.1 on 10 April 2019, DEV invited the Minister of Transport to report back in due course with further advice on the methodology used to determine that RUC rates reflect revenue needs and the wear and tear impact that different vehicle types have on the road [DEV-19-MIN-0075];
- 8.2 Appendix B to the paper under DEV-20-SUB-0031 sets out a response to the above request.

Janine Harvey
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Phil Twyford
Hon Dr Megan Woods (Chair)
Hon Chris Hipkins
Hon David Parker
Hon Nanaia Mahuta
Hon Iain Lees-Galloway
Hon Damien O'Connor
Hon Willie Jackson
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister of Transport