



13 July 2022

OC220555

**Hon Michael Wood**  
**Minister of Transport**

**Action required by:**  
Thursday, 14 July 2022

**Hon Grant Robertson**  
**Minister of Finance**

## **TAKING ACTION ON FUEL PRICES - INSTRUMENTS EXTENDING THE TEMPORARY MEASURES UNTIL 31 JANUARY 2023**

### **Purpose**

We seek your approval to submit the following instruments (the proposed instruments) to a special sitting of the Executive Council on 18 July 2022 –

- Excise and Excise-equivalent Duties Table (Temporary Reduction of Motor Spirits Duty) Amendment Order 2022 Amendment Order (No 2) 2022
- Land Transport Management (Apportionment and Refund of Excise Duty and Excise-equivalent Duty) Amendment Regulations 2022 Amendment Regulations (No 2) 2022
- Road User Charges (Temporary RUC Reduction Scheme Extension) Amendment Order 2022.

There is no Cabinet Legislation Committee meeting over the July recess. In the absence of any meeting, Cabinet has authorised the Minister of Transport and Minister of Finance to consider and approve the submission of the proposed legislative instruments to the Executive Council. This briefing provides you with advice to help you make the decision on the submission of the instruments in accordance with the authorisation.

### **Key points**

- On 4 July 2022, Cabinet [CAB-22-MIN-0263 refers] –
  - agreed to further extend the temporary reduction to petrol excise and road user charges until 31 January 2023;
  - authorised the Minister of Finance and the Minister of Transport to authorise the submission of the instruments implementing those further extensions to the Executive Council on or before 21 July 2022, without further reference to Cabinet;
  - agreed to waive the 28-day rule so that the instruments can come into force prior to 15 August 2022.

**Recommendations**

We recommend you:	<b>Minister of Transport</b>	<b>Minister of Finance</b>
<p>1 <b>authorise</b> the submission to the Executive Council of the Excise and Excise-equivalent Duties Table (Temporary Reduction of Motor Spirits Duty) Amendment Order 2022 Amendment Order (No 2) 2022, the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Amendment Regulations 2022 Amendment Regulations (No 2) 2022, and the Road User Charges (Temporary RUC Reduction Scheme Extension) Amendment Order 2022</p>	Yes / No	Yes / No
<p>2 <b>note</b> that the Excise and Excise-equivalent Duties Table (Temporary Reduction of Motor Spirits Duty) Amendment Order 2022 Amendment Order (No 2) 2022, the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Amendment Regulations 2022 Amendment Regulations (No 2) 2022, and the Road User Charges (Temporary RUC Reduction Scheme Extension) Amendment Order 2022 will come into force on 22 July 2022, Cabinet having agreed to waive the 28-day rule</p>	Yes / No	Yes / No
<p>3 <b>[Minister of Transport only] agree</b> to sign the advice sheets recommending that the Governor-General sign the Excise and Excise-equivalent Duties Table (Temporary Reduction of Motor Spirits Duty) Amendment Order 2022 Amendment Order (No 2) 2022, the Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Amendment Regulations 2022 Amendment Regulations (No 2) 2022, and the Road User Charges (Temporary RUC Reduction Scheme Extension) Amendment Order 2022</p>	Yes / No	
<p>4 <b>lodge</b> the signed advice sheets with Cabinet Office by 15 July 2022.</p>	Yes / No	Yes / No




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Marian Willberg  
**Manager, Demand Management and Revenue**

...12/07/2022....

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Hon Michael Wood  
**Minister of Transport**

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Hon Grant Robertson  
**Minister of Finance**

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**Minister's office to complete:**

Approved

Declined

Seen by Minister

Not seen by Minister

Overtaken by events

**Comments**

**Contacts**

Name	Telephone	First contact
Marian Willberg, Manager, Demand Management and Revenue	s 9(2)(a)	✓
Chris Roblett, Rōia Mātāmua   Principal Solicitor		

## **TAKING ACTION ON FUEL PRICES- INSTRUMENTS EXTENDING THE TEMPORARY MEASURES UNTIL 31 JANUARY 2023**

### **Purpose**

- 1 Cabinet has authorised the Minister of Transport and Minister of Finance to approve the submission of legislative instruments to the Executive Council. A special meeting of the Executive Council is occurring at 2pm on 18 July 2022 (by Zoom).
- 2 This paper substitutes for a Cabinet paper and provides information on:
  - whether the instruments properly implement the policy decision
  - general compliance with the requirements for secondary legislation.
- 3 This briefing provides you with the necessary information that would normally be provided to the Cabinet Legislation Committee.

### **Policy**

- 4 On 4 July 2022, Cabinet agreed to extend the reductions to petrol excise duty and road user charges until 31 January 2023 [CAB-22-MIN-0263 refers]. The extension, despite the implementation of targeted government support (namely, the Cost of Living Payment), is to provide some additional short-term assistance, primarily to households, facing increased road transport costs due to the increases in the price of fuel (both petrol and diesel).
- 5 Orders and Regulations have been drafted to give effect to this decision. The proposed instruments extend the reduction to petrol excise duty and road user charges until the close of 31 January 2023. The key instruments:
  - 5.1 will commence on 22 July 2022, this means the reductions will continue without interruption
  - 5.2 provide that the last day of the reductions is 31 January 2023, and the full rates of petrol excise duty and road user charges will resume at the start of 1 February 2023.
- 6 We agree the proposed instruments properly implement the policy decision.

### **Timing and the 28-day rule**

- 7 The proposed instruments have been drafted to come into force on 22 July 2022.
- 8 On 4 July 2022 Cabinet agreed to waive the 28-day rule so that the proposed instruments can come into force before 15 August 2022 on the grounds that the proposed instruments confer only benefits to the public, noting that early commencement is necessary to avoid unfair commercial advantage (for example, refunds being received at the non-reduced rate) or the purpose of the regulations being defeated [CAB-22-MIN0263 refers].

## Compliance

- 9 The proposed instruments comply with each of the following:
- the principles of the Treaty of Waitangi;
  - the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
  - the principles and guidelines set out in the Privacy Act 2020;
  - relevant international standards and obligations;
  - the Legislation Guidelines (2021 edition), maintained by the Legislation Design and Advisory Committee.

## Regulations Review Committee

- 10 We have not identified any grounds for the Regulations Review Committee to draw the proposed instruments to the attention of the House of Representatives under Standing Order 327.

## Certification

- 11 The draft Land Transport Management (Apportionment and Refund of Excise Duty and Excise-Equivalent Duty) Amendment Regulations 2022 Amendment Regulations (No 2) 2022 and the draft Road User Charges (Temporary RUC Reduction Scheme Extension) Amendment Order 2022 were certified by the Parliamentary Counsel Office (PCO) as being in order for submission to the Executive Council.
- 12 The draft Excise and Excise-equivalent Duties Table (Temporary Reduction of Motor Spirits Duty) Amendment Order 2022 Amendment Order (No 2) 2022 has been certified by the New Zealand Customs Service's Chief Legal Counsel - Corporate, as being in order for submission to the Executive Council.

## Impact Analysis

- 13 The Ministry of Transport has agreed with the Treasury's regulatory impact assessment team to undertake a post-implementation assessment, as such no regulatory impact statement is available at this time.

## Publicity

- 14 An announcement on this extension will be made at a time agreed with the Office of the Prime Minister but **before 21 July 2022** when notices in the New Zealand Gazette are due to be published. The New Zealand Customs Service will also issue notices to excise payers on the extension after the Ministers' announcement. The Ministry of Transport and Waka Kotahi the NZ Transport Agency websites will also be updated in due course.

### **Proactive Release**

- 15 We intend to proactively release this paper subject to appropriate redactions under the Official Information Act 1982.

### **Consultation**

- 16 Consultation has occurred with the Treasury, New Zealand Customs Service, the Ministry of Business Innovation and Employment (Energy Markets) and the Parliamentary Counsel Office. The Office of the Prime Minister and Cabinet has been informed. The Minister of Transport has also consulted the Minister of Customs, who agrees to the presentation of this paper to the Executive Council.