



COVERSHEET

Minister	Hon Simon Watts	Portfolio	Energy
Title of Cabinet paper	Gas (Levy of Industry Participants) Regulations 2025	Date to be published	18 June 2025

List of documents that have been proactively released

Date	Title	Author
May 2025	Gas (Levy of Industry Participants) Regulations 2025	Office of the Minister for Energy
15 May 2025	Gas (Levy of Industry Participants) Regulations 2025 LEG-25-MIN-0087 Minute	Cabinet Office

Information redacted

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. 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

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 2025

Portfolio **Energy**

On 15 May 2025, the Cabinet Legislation Committee:

- 1 **noted** that most of the costs of the Gas Industry Company (GIC), the co-regulator for the gas industry, have been funded by an annual levy on gas industry participants since 2005 (and the remainder of costs are recovered from market fees revenue and equity reserves);
- 2 **noted** that:
 - 2.1 the Gas Act 1992 provides for GIC to make a recommendation to the Minister for Energy (the Minister) regarding levy regulations, including on levy rates;
 - 2.2 levy regulations can only apply to the financial year they are made in, meaning that it is necessary to set new levy regulations each year for GIC to recover certain costs;
- 3 **noted** that the Minister has brought these regulations directly to the Cabinet Legislation Committee under paragraph 7.95(d) of the Cabinet Manual on the basis that the regulations are routine and do not require new policy decisions;
- 4 **noted** that the Minister has received the GIC's levy recommendation for the 2025/26 financial year, which would enable it to recover up to \$3.41 million through:
 - 4.1 an annual retail levy on gas retailers of \$4.90 (excluding GST) per customer/Installation Control Point; and
 - 4.2 a wholesale levy on participants that purchase gas from producers of 1.7158 cents (excluding GST) per gigajoule purchased;
- 5 **noted** that section 43ZZD(2) of the Gas Act 1992 requires the Minister to accept 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 of the Act have been met;

- 6 **noted** that the Minister has accepted GIC's recommendation as he is satisfied that the requirements in section 43ZZD(2) of the Gas Act 1992 have been met;
- 7 **noted** that the Gas (Levy of Industry Participants) Regulations 2025 will give effect to a retail levy and a wholesale levy for the financial year from 1 July 2025, to recover up to \$3.41 million;
- 8 **noted** these regulations will also revoke the Gas (Levy of Industry Participants) Regulations 2023 as they are now spent;
- 9 **authorised** the submission to the Executive Council of the Gas (Levy of Industry Participants) Regulations 2025 [PCO 27287/3.0];
- 10 **noted** that the Gas (Levy of Industry Participants) Regulations 2025 will come into force on 1 July 2025;
- 11 **noted** that these regulations will be published in the Gazette no later than 29 May 2025 to comply with the 28-day rule.

Tom Kelly
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Chris Bishop (Chair)
Hon Louise Upston
Hon Judith Collins KC
Hon Brooke van Velden
Hon Casey Costello
Hon Nicole McKee
Hon James Meager
Stuart Smith, MP
Jamie Arbuckle, MP
Todd Stephenson, MP

Officials present from:

Officials Committee for LEG