



Cabinet Economic Development Committee

Minute of Decision

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Mid-Point Review of the Oil Pollution Levy: Policy Approval and Order in Council

Portfolio Transport

On 12 June 2019, the Cabinet Economic Development Committee (DEV):

- 1 **noted** that the Oil Pollution Levy funds New Zealand's oil spill preparedness and response functions;
- 2 **noted** that the Oil Pollution Levy was last reviewed in 2015/16, based on requirements in the New Zealand Marine Oil Spill Readiness and Response Strategy and the Capability Plan for Marine Oil Spill Readiness and Response 2016/17–2018/19;
- 3 **noted** that there is currently a shortfall in the revenue being generated through the 2015/16 Oil Pollution Levy because of delays in the 2015/16 Oil Pollution Levy being brought into effect;
- 4 **noted** that on 31 October 2018, DEV agreed to the release of a consultation document on the mid-point review of the Oil Pollution Levy and response capabilities [DEV-18-MIN-0245];
- 5 **noted** that three options were presented in the consultation document, two of which proposed to ensure sufficient revenue is collected to meet the obligations set out in the Capability Plan to address equipment obsolescence and to improve capability to respond to offshore marine oil spills;
- 6 **agreed** to progress Option Two, namely to adjust the Oil Pollution Levy rates to maintain target revenue and reflect revised risk shares and activity levels;

Legislative implications

- 7 **noted** that for timing reasons, drafting instructions have been issued to the Parliamentary Counsel Office for amendments to the Maritime Transport (Oil Pollution Levies) Order 2016 to give effect to paragraph six above with effect from 1 July 2019, with any necessary consequential or savings provisions;
- 8 **noted** that the Maritime Transport (Oil Pollution Levies) Order 2016 will need to be amended to reflect the adjusted Oil Pollution Levy rates to collect the original expected revenue for years four to six, as agreed in the 2015/16 Oil Pollution Levy review and to reflect changes in the sector risk shares and changes in expected activity level (Option Two);

- 9 **noted** that the Maritime Transport (Oil Pollution Levies) Amendment Order 2019 will give effect to the decisions referred to in paragraphs 6 and 7 above;
- 10 **authorised** the submission to the Executive Council of the Maritime Transport (Oil Pollution Levies) Amendment Order 2019 [PCO 22020/7.1];
- 11 **agreed** to a waiver of the 28-day rule, so that the Maritime Transport (Oil Pollution Levies) Amendment Order 2019 can come into force on 1 July 2019, ten days after being notified in the *New Zealand Gazette*.

Janine Harvey
Committee Secretary

Present:

Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Dr Megan Woods
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Shane Jones
Hon Kris Faafoi
Hon Willie Jackson
Hon James Shaw
Hon Eugenie Sage

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Minister of Transport

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

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