



Cabinet

Minute of Decision

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Setting Road User Charges for 2019/20 to Fund the Government Policy Statement on Land Transport 2018

Portfolio **Transport**

On 15 April 2019, following reference from Cabinet Economic Development Committee (DEV), Cabinet:

- 1 **noted** that in June 2018, Cabinet:
 - 1.1 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);
 - 1.2 noted that the Minister of Transport will report back to DEV seeking approval for increases in RUC rates for 2019 and 2020;

[CAB-18-MIN-0115]
- 2 **agreed** that the RUC rates be increased for the vehicle types and the amounts set out in Appendix One to the paper under CAB-19-SUB-0173, with effect from 1 July 2019;
- 3 **noted** that:
 - 3.1 to enable increased rates of RUC, amendments will be required to the Road User Charges (Rates) Regulations 2015;
 - 3.2 the Minister of Transport will submit the required amendment regulations to the Cabinet Legislation Committee (LEG) for approval on 30 April 2019;
- 4 **invited** the Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above proposals;
- 5 **noted** that the Minister of Transport will report back to DEV to seek approval for increases in RUC rates for 2020;
- 6 **noted** that the Minister of Transport will also submit the required paper to increase petrol excise duty to LEG for approval on 30 April 2019;

- 7 **noted** that the Minister of Transport will report back to DEV in due course with further advice on the methodology used to determine that RUC rates reflect revenue needs and the wear and tear that different vehicle types have on the road [DEV-19-MIN-0075].

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Transport