

In Confidence

Office of the Minister of Transport

Cabinet Legislation Committee

Road User Charges - Extension of EV exemption and other amendments

Proposal

- 1 This paper seeks authorisation for submission to the Executive Council of the –
 - 1.1 Road User Charges (Exemption Period for Light Electric RUC Vehicles) Amendment Order 2021
 - 1.2 Road User Charges Amendment Regulations 2021
 - 1.3 Road User Charges (Rates) Amendment Regulations 2021.

Policy

- 2 The Order and the Regulations implement decisions [ENV-21-MIN-0036 refers] made by Cabinet on 5 July 2021 to amend the –
 - 2.1 Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2012 by Order in Council to extend the exemption of light electric vehicles from paying road user charges from 31 December 2021 until 31 March 2024
 - 2.2 Road User Charges Regulations 2012 to include new RUC H Vehicle type (H80) – being a type 6 truck and a 5 axle trailer over 53 tonne up to 55 tonne – to formalise a temporary categorisation already in place
 - 2.3 Road User Charges (Rates) Regulations 2015 to provide a RUC rate of \$841.00 per 1,000km for a RUC vehicle type H80 to formalise a temporary rate already in use.

Legislative Implications

- 3 The Road User Charges (Exemption Period for Light Electric RUC Vehicles) Amendment Order 2021 will be made under section 37 of the Road User Charges Act 2012 (the RUC Act) and will amend the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2012 to extend the exemption of light electric vehicles from paying road user charges to 31 March 2024.
- 4 The Road User Charges Amendment Regulations 2021 will be made under section 89 of the RUC Act and will amend the Road User Charges Regulations 2012 to include the new RUC H80 vehicle type, currently specified by the RUC collector by *Gazette* notice under section 90A of the RUC Act.
- 5 Road User Charges (Rates) Amendment Regulations 2021 will be made under section 85 of the RUC Act and will amend the Road User Charges (Rates) Regulations 2015 to set a RUC rate of \$841.00 per 1,000km for a RUC vehicle type H80, currently specified by the RUC collector by *Gazette* notice under section 90A of the RUC Act.

Timing and the 28-day rule

- 6 Section 85 of the Road User Charges Act 2012 prescribes a 42-day period between notifying the new RUC rates in the *New Zealand Gazette* and those rates commencing. The Road User Charges (Rates) Amendment Regulations 2021 and the Road User Charges Amendment Regulations 2021 therefore have a proposed in-force date of 10 December 2021.
- 7 Subject to Cabinet approval of the regulations, the RUC (Rates) Amendment Regulations and the RUC Amendment Regulations will be notified in the *New Zealand Gazette* on Thursday 7 October 2021. This will ensure the 42-day requirement is met.
- 8 The Road User Charges (Exemption Period for Light Electric RUC Vehicles) Amendment Order 2021 has a proposed in force date of the same as the Regulations - 10 December 2021.
- 9 No waiver of the 28-day rule is sought.

Compliance

- 10 The Order and the Regulations comply with each of the following:
 - 1.1. the principles of the Treaty of Waitangi;
 - 1.2. the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
 - 1.3. the principles and guidelines set out in the Privacy Act 2020;
 - 1.4. relevant international standards and obligations;
 - 1.5. Legislation Guidelines (2018 edition).

Regulations Review Committee

- 11 There are no grounds for the Regulations Review Committee to draw the Order or either of the Regulations to the attention of the House of Representatives under Standing Order 237.

Certification by Parliamentary Counsel

- 12 The Parliamentary Counsel Office has certified the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Amendment Order 2021, the Road User Charges Amendment Regulations 2021 and the Road User Charges (Rates) Amendment Regulations 2021 as being in order for submission to Cabinet.

Impact Analysis

- 13 An impact analysis was prepared by the Ministry of Transport in accordance with the necessary requirements and was submitted at the time Cabinet policy approval was sought.

Publicity

- 14 The Order and the Regulations will be notified in the *New Zealand Gazette*. The New Zealand Transport Agency will arrange for the publicity of the resulting changes. The Ministry of Transport will also publish relevant information on its website.

Proactive Release

- 15 I intend to proactively release this paper subject to appropriate redactions consistent with the Official Information Act 1982.

Consultation

- 16 The following agencies were consulted on this proposal: The Ministry for Business, Innovation and Employment, the Ministry for the Environment, the Treasury, Parliamentary Counsel Office, Waka Kotahi NZ Transport Agency, and the Energy Efficiency and Conservation Authority. The Department of the Prime Minister and Cabinet was also informed.

Recommendations

The Minister for Transport recommends that the Committee:

- 1 **note** that on 1 July 2021, the Cabinet Environment Committee agreed [ENV-21-MIN-0036] to amend the:
- 1.1 Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2012 by Order in Council to extend the light EV RUC exemption until 31 March 2024
 - 1.2 Road User Charges Regulations 2012 to include new RUC H Vehicle type (H80) – being a type 6 truck and a 5 axle trailer over 53 tonne up to 55 tonne
 - 1.3 Road User Charges (Rates) Regulations 2015 to provide a RUC rate of \$841.00 per 1,000km for a RUC vehicle type H80;
- 2 **note** that the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Amendment Order 2021 will give effect to the decision in paragraph 1.1 above;
- 3 **note** that the Road User Charges Amendment Regulations 2021 will give effect to the decision in paragraph 1.2 above;
- 4 **note** that the Road User Charges (Rates) Amendment Regulations 2021 will give effect to the decision in paragraph 1.3 above;
- 5 **authorise** the submission to the Executive Council of the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Amendment Order 2021, the Road User Charges Amendment Regulations 2021, and the Road User Charges (Rates) Amendment Regulations 2021;
- 6 **note** that the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Amendment Order 2021 the Road User Charges Amendment Regulations 2021, and the Road User Charges (Rates) Amendment Regulations 2021 come into force on 10 December 2021.

Authorised for lodgement

Hon Michael Wood
Minister of Transport