



Cabinet Legislation Committee

Minute of Decision

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Land Transport Management (Regional Fuel Tax) Amendment Bill: Approval for Introduction

Portfolio Transport

On 22 March 2018, the Cabinet Legislation Committee, having been authorised by Cabinet to have Power to Act [CAB-18-MIN-0099]:

- 1 **noted** that in December 2017, the Cabinet Business Committee (CBC) invited the Minister of Transport to issue drafting instructions for legislation to enable any regional or unitary council to propose a regional fuel tax for its region, with the Minister of Finance and Minister of Transport (Joint Ministers) to be given broad discretion to accept or reject proposals [CBC-17-MIN-0088];
- 2 **noted** that the Land Transport Management (Regional Fuel Tax) Amendment Bill (the Bill) holds a category 2 priority (must be passed in the year) on the 2018 Legislation Programme;
- 3 **noted** that it is desirable for the Bill to be in force by 1 July 2018 and the Minister of Transport will seek approval from the House of Representatives for a shortened select committee process to achieve this;
- 4 **noted** that the Bill will provide a process for establishing a regional fuel tax that is intended to provide an additional way for regions to fund transport infrastructure programmes that would otherwise be delayed or not funded;
- 5 **noted** that:
 - 5.1 CBC previously agreed that legislation include a mandatory review before the end of the ten year period to determine whether it should expire or be renewed [CBC-17-MIN-0088];
 - 5.2 officials have since advised that this will impose unnecessary costs onto councils which intend for the scheme to end on the expiry date;
- 6 **agreed** that the Bill require regional councils to review a regional fuel tax scheme for its region before preparing a proposal:
 - 6.1 to replace a regional fuel tax scheme;
 - 6.2 to vary the regional fuel tax scheme to change its end date to a date later than 10 years after its original start date;

- 7 **agreed** that the following offences and penalties be included in the Bill:
- 7.1 to make it an offence when a person knowingly or recklessly:
 - 7.1.1 refuses or fails to file a monthly return;
 - 7.1.2 refuses or fails to provide information requested by the New Zealand Transport Agency relevant to the administration or enforcement of regional fuel tax;
 - 7.1.3 provides information that is false or misleading to the New Zealand Transport Agency;
 - 7.1.4 produces false records or information;
 - 7.1.5 refuses or fails to pay any regional fuel tax payable by the person;
 - 7.1.6 evades the payment of any regional fuel tax;
 - 7.1.7 refuses or fails to keep accounts or records required to be kept;
 - 7.1.8 makes a false or misleading statement in an application for a regional fuel tax rebate;
 - 7.2 that a person who commits an offence in accordance with paragraph 5.1:
 - 7.2.1 is liable on conviction to a fine not exceeding \$15,000 or in the case of body corporate to a fine not exceeding \$75,000;
 - 7.2.2 that despite section 25(2)(b) of the Criminal Procedure Act 2011, a charging document may be laid at any time within 3 years after the date on which the offence was committed;
- 8 **approved** the Land Transport Management (Regional Fuel Tax) Amendment Bill [PCO 20824/6.16] for introduction, subject to the final approval of government caucuses and sufficient support in the House of Representatives;
- 9 **agreed** that the Bill be introduced in the week of 26 March 2018;
- 10 **agreed** that the government propose that the Bill be:
- 10.1 referred to the Transport and Infrastructure Committee for consideration
 - 10.2 enacted on the day after the date of Royal assent.

Vivien Meek
Committee Secretary

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IN CONFIDENCE

LEG-18-MIN-0031

Present:

Rt Hon Winston Peters
Hon Phil Twyford
Hon David Parker (Chair)
Hon Stuart Nash
Hon Tracey Martin
Hon Peeni Henare
Hon Eugenie Sage
Hon Ruth Dyson (Chief Whip)

Hard-copy distribution:

Minister of Transport

Officials present from:

Department of the Prime Minister and Cabinet
Parliamentary Counsel Office

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