

Chair  
Cabinet Legislation Committee

## **ROAD USER CHARGES (EXEMPTION PERIOD FOR LIGHT ELECTRIC RUC VEHICLES) ORDER 2016**

### **Proposal**

1. I propose that the Cabinet Legislation Committee authorise the submission of the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2016 (the proposed Order) to Executive Council.

### **Policy background**

2. Transport accounts for around 17 percent of New Zealand's greenhouse gas emissions. It was the second largest consumer of energy in 2014 and more than 99 percent of transport energy is oil-based. Projections indicate that by 2020, transport emissions will be 58 percent above 1990 levels.
3. Electric vehicles (EVs) are part of a response that looks to adopt new technologies as a means to transition to a low carbon economy without compromising individual mobility or economic growth. EVs are a technology that is well suited to New Zealand. They represent an opportunity to leverage New Zealand's abundance of renewable electricity to reduce transport emissions.
4. On 16 April 2012, Cabinet agreed that light electric road user charges (RUC) vehicles be exempt from paying RUC until 30 June 2020 (CAB Min (12) 12/6A refers).
5. On 21 March 2016, as part of the EVs package, Cabinet agreed to rescind the decision referred to in paragraph 4 and instead extend RUC exemption for light electric RUC vehicles until they comprise two percent of the light vehicle fleet, which is expected to occur by December 2021. The appropriateness of this date, relative to the target of two percent of the fleet, is to be reviewed in 2019 (CAB-16-MIN-0108.01 refers).
6. In accordance with Cabinet's decision, the proposed Order will amend the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2012 and extend the RUC exemption period for light electric RUC vehicles from 30 June 2020 to 31 December 2021.

### **Certification by Parliamentary Counsel**

7. The proposed Order has been certified by Parliamentary Counsel as being in order for submission to Cabinet.

## Regulatory Impact Analysis

8. A regulatory impact analysis was prepared in accordance with the necessary requirements and submitted at the time that Cabinet's approval of the policy related to the proposed Order was sought.

## Timing and 28 day rule

9. The proposed Order is timed to come into force on 22 September 2016. No waiver of the 28 day rule is sought.

## Compliance

10. The proposed Order complies with the *Legislation Advisory Committee Guidelines: Guidelines on Process and Content of Legislation*, a publication by the Legislation Advisory Committee.
11. The proposed Order raises no issues with respect to the principles of the Treaty of Waitangi, the principles and guidelines set out in the Privacy Act 1933, or international standards and obligations. It is also consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

## Publicity

12. The proposed Order will be notified in the *Gazette* and the Ministry of Transport will arrange appropriate publicity about the extension of the RUC exemption.

## Consultation

13. The following government agencies were consulted on the policy related to the proposed Order – the Energy Efficiency and Conservation Authority, Inland Revenue Department, Ministry of Business, Innovation and Employment, Ministry for the Environment, Ministry of Foreign Affairs and Trade, NZ Transport Agency and the Treasury. The NZ Transport Agency was consulted on the content of the proposed Order.
14. The Department of Prime Minister and Cabinet has been informed.

## Recommendations

15. The Minister of Transport recommends that the Committee:
  1. **note** that on 21 March 2016, Cabinet agreed to extend the road user charges exemption for light electric road user charges vehicles until they comprise two percent of the light vehicle fleet, which is expected to occur by December 2021
  2. **authorise** the submission to the Executive Council of the Road User Charges (Exemption Period for Light Electric RUC Vehicles) Order 2016.

Hon Simon Bridges  
**Minister of Transport**

Dated: \_\_\_\_\_

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