

SUBMISSION TO: Commerce Select Committee

REGARDING: **Energy (Fuels, Levies and References)
Amendment Bill**

DATE: 16 April 2014

ADDRESS: Clerk of the Committee
Select Committee Office
Commerce Select Committee
Parliament Buildings
WELLINGTON

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Introduction

1. This submission is from the New Zealand Automobile Association (NZAA). We do not wish to appear before the Committee to speak to our submission.
2. The NZAA is an incorporated society with over 1.4 million Members. It represents the interests of consumers who collectively pay over \$2 billion in taxes each year through fuel excise duties, road user charges, registration fees, ACC levies, and GST. The NZAA's advocacy and policy work mainly focuses on protecting the freedom of choice and rights of motorists, keeping the cost of motoring fair and reasonable, and enhancing the safety of all road users.

Purpose

3. The NZAA supports the overall purpose of the Bill to fairly provide for the costs of meeting New Zealand's oil stockholding obligations as a member of the International Energy Agency.
4. Our comments on the relevant proposed amendments follow.

Part 1: Amendments to Part 3 (levies)

Section 9

5. The NZAA proposes that s33(3) should be explicit that the Minister must *publicly* consult, or otherwise list the key affected persons or organisations that the Minister must consult with before making regulations prescribing levy rates.
6. Because the levies are prescribed by Order in Council, the NZAA does not consider s33(3) is sufficiently clear that certain affected parties must be consulted before the levy is set. Although estimates are that the levy will be small, based on forecast IEA ticket contract costs, because the Act does not set the amount or duration of levy, we suggest the proposed levy must be widely consulted with affected parties such as fuel companies and road user groups including the NZAA and Road Transport Forum.

Part 2: Amendments to Part 4

Section 10

7. The NZAA suggests that the Act should prescribe the types of petroleum or engine fuels for which the levy is payable, rather than have these specified by an Order in Council.

8. In the interests of equity, all fuels including LPG, biofuels, jet fuel and fuel oil, should be subject to the petroleum or engine fuel monitoring levy (PEFML), as all fuel users will benefit from the 90-day stockholding the levy facilitates. The NZAA understands that the Ministry of Business, Innovation & Employment is investigating options for including jet fuel and fuel oil in the PEFML, and all eligible fuels should be explicitly listed in the Act.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mike Noon', written in a cursive style.

Mike Noon
General Manager Motoring Affairs