



Gas (Levy of Industry Participants) Regulations 2024

Cindy Kiro, Governor-General

Order in Council

At Wellington this 13th day of May 2024

Present:

Her Excellency the Governor-General in Council

These regulations are made under section 43ZZE of the Gas Act 1992 on the advice and with the consent of the Executive Council and on the recommendation of the Minister for Energy (made in accordance with section 43ZZD of that Act).

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Regulations

1 Title

These regulations are the Gas (Levy of Industry Participants) Regulations 2024.

2 Commencement

These regulations come into force on 1 July 2024.

3 Application

- (1) These regulations apply to the 2024/25 financial year.
- (2) These regulations provide for a levy to meet the estimated costs referred to in section 43ZZC of the Act.

4 Interpretation

- (1) In these regulations, unless the context otherwise requires,—

2024/25 financial year means the year beginning on 1 July 2024 and ending with 30 June 2025

Act means the Gas Act 1992

GIC means Gas Industry Company Limited, which is the body that is approved as the industry body for the purposes of Part 4A of the Act by the Gas (Approval of Industry Body) Order 2004

GST means goods and services tax within the meaning of the Goods and Services Tax Act 1985.
- (2) Any term not defined in subclause (1) but defined in section 2(1) or 43D of the Act has the meaning set out in that section.

Wholesale gas levy

5 Liability to pay wholesale gas levy

- (1) Every person that is an industry participant on the first day of any month during the 2024/25 financial year must pay a wholesale gas levy to GIC for that month, calculated in accordance with subclause (2).
- (2) The levy rate is 1.5952 cents per gigajoule of gas purchased during the previous month by the industry participant from gas producers.

- (3) However, an industry participant is not liable to pay a wholesale gas levy on any gas that it has purchased from a gas producer that has purchased the gas from another gas producer.

6 When wholesale gas levy is due

The wholesale gas levy for a month is due and payable on the 20th day of that month.

7 Obligation to supply and keep information relating to wholesale gas levy payment

- (1) In order to ensure that the amount of levy paid is correct, the following obligations to supply information apply:
- (a) every industry participant that is liable to pay a wholesale gas levy for a month must supply a written return to GIC, stating the total number of gigajoules of gas that the industry participant purchased during the previous month from—
 - (i) each gas producer; and
 - (ii) those gas producers, as described in regulation 5(3), that have purchased the gas from other gas producers:
 - (b) every gas producer that has sold gas must supply a written return to GIC, stating the total number of gigajoules of gas sold to each of its customers during the previous month.
- (2) An industry participant—
- (a) required to make a return under subclause (1)(a) must supply the return no later than the due date for payment of the levy for that month or a later date agreed by GIC;
 - (b) required to make a return under subclause (1)(b) must supply the return no later than the end of the month in which the levy is due or a later date agreed by GIC.
- (3) An industry participant must keep, until 30 June 2026, all of the information that is necessary for the purpose of establishing the correct amount of the levy payable.
- (4) An industry participant must supply any information to GIC—
- (a) that the industry participant is required to keep under subclause (3); and
 - (b) that GIC requests it to supply on or before 30 June 2026.

Retail gas levy

8 Liability to pay retail gas levy

- (1) Every gas retailer that is an industry participant on the last day of any month in the period June 2024 to May 2025 (inclusive) (**date A**) must pay to GIC a

retail gas levy for the month that begins on the first day of the following month calculated in accordance with subclause (2).

- (2) The levy rate is 54.42 cents per month for each ICP for which the registry, as at date A, shows—
 - (a) that the gas retailer is the responsible retailer; and
 - (b) the status ACTIVE-CONTRACTED.
- (3) In this regulation, **ICP** and **registry** have the same meanings as in rule 5.2 of the Gas (Switching Arrangements) Rules 2008 (made under sections 43G, 43Q, and 43S of the Act).

9 When retail gas levy is due

The retail gas levy for a month is due and payable on the 20th day of that month.

General provisions

10 Confirmation of whether industry participant liable to pay levy

- (1) GIC may, by notice in writing, require any industry participant to state whether the industry participant is liable to pay a levy prescribed by these regulations.
- (2) The statement by the industry participant must be in writing and be certified as required by regulation 11.

11 Obligation to certify returns and statements correct

An industry participant must ensure that any returns or statements that it supplies under these regulations are certified as correct by a director of the industry participant or by any other person who is authorised by the industry participant to certify the correctness of the returns or statements.

12 Confidentiality

GIC must ensure that any return, statement, or other information supplied under these regulations (or any other regulations made under section 43ZZE of the Act) is used only for the purposes of collecting the levies prescribed by these regulations (or those other regulations), except to the extent that—

- (a) the person that supplied the return, statement, or information consents otherwise; or
- (b) GIC is required by law to disclose the return, statement, or information.

13 Levies exclusive of GST

- (1) The levies are exclusive of any GST.
- (2) If any GST is payable on the amount of any levy, the industry participant liable to pay the levy must pay the amount of GST to GIC together with its payment of the levy amount.

14 Revocation

The Gas (Levy of Industry Participants) Regulations 2022 (SL 2022/138) are revoked.

Rachel Hayward,
Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations but is intended to indicate their general effect.

These regulations, which come into force on 1 July 2024, impose levies on gas industry participants for the 2024/25 financial year. The levies fund the costs of Gas Industry Company Limited (**GIC**) in performing functions and duties and exercising powers, including the cost of collecting the levies. GIC is the approved industry body under the Gas Act 1992.

The 2024/25 levies are the following:

- a wholesale gas levy of 1.5952 cents for every gigajoule of gas purchased from gas producers, calculated monthly on the basis of the buyer's purchases made in the previous month and payable monthly. The levy is not payable on gas purchased from gas producers that have purchased the gas from other gas producers. This year's wholesale levy rate is an increase from the rate of 1.4326 cents per gigajoule that applied in the 2023/24 financial year:
- a retail gas levy of 54.42 cents per month (which is the annual levy rate of \$6.53 divided by 12) for each installation control point for which the retailer has a contract to supply gas (as recorded in the registry under the Gas (Switching Arrangements) Rules 2008) as at the last day of the previous month. This year's retail levy rate is a decrease from the rate of 54.50 cents per month that applied in the 2023/24 financial year.

The levies are exclusive of goods and services tax.

The regulations require various industry participants to supply specified information to GIC each month.

The regulations also require industry participants to keep, until 30 June 2026, all of the information that is necessary for the purpose of establishing the correct amount of the wholesale levy payable, and to supply that information to GIC on request. This obligation extends to industry participants that are not liable to pay a levy.

Regulatory impact statement

The Ministry of Business, Innovation, and Employment produced a regulatory impact statement on 15 April 2024 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at—

- <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-generation-and-markets/gas-market/gas-regulatory-framework/>
- <https://treasury.govt.nz/publications/informationreleases/ris>

Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*: 16 May 2024.

These regulations are administered by the Ministry of Business, Innovation, and Employment.