



TE TAI ŌHANGA
THE TREASURY

Reference: 20230206

29 May 2023



Dear

Thank you for your Official Information Act request, received on 1 May 2023. You requested the following:

Please provide a copy of any reports presented and advice given about the Road User Charges reduction scheme, including around extensions of the scheme.

Information being released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	26 January 2023	Extract Email - RE_FED_RUC_TUC_PT Cabinet paper	Release in full (except ph numbers)
2.	3 February 2023	Extract Email - RE_Returns that have funded FED_RUC_PT	Release in full (except ph numbers)

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- contact details of officials, under section 9(2)(g)(ii) – to maintain the effective conduct of public affairs through protecting Ministers, members of government organisations, officers and employees from improper pressure or harassment, and
- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing, social engineering and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury's website.

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<https://treasury.govt.nz>

Information publicly available

The following information is also covered by your request and is or will soon be publicly available on the Treasury website:

Item	Date	Document Description	Website Address
3.	10 March 2022	Aide Memoire T2022/544: Advice on FED and RUC	https://www.transport.govt.nz/assets/Uploads/TrancheONE_9-Treasury-Aide-Memoire-Advice-on-FED-and-RUC.pdf
4.	8 July 2022	T2022/1509 – TR: Fuel Excise Duty/Road User Charges - Exit Strategy Advice	<i>Will soon be publicly available</i> https://www.treasury.govt.nz/publications/other-official-information/responses-official-information-act-requests
5.	27 January 2023	Aide Memoire T2023/76: Further Fuel Price Reduction Extensions	https://www.treasury.govt.nz/publications/other-official-information/responses-official-information-act-requests

Accordingly, I have refused your request for the documents listed in the above table under section 18(d) of the Official Information Act:

- the information requested is or will soon be publicly available.

Some relevant information has been removed from documents listed in the above table and should continue to be withheld under the Official Information Act, on the grounds described in the documents.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

David Taylor
Manager, National Infrastructure Unit (NIU)

From: [Olivia Maxwell \[TSY\]](#)
To: [^Parliament: Amanda Wilson](#); [Gabrielle Barratt \[TSY\]](#)
Cc: [Mark Hodge \[TSY\]](#); [David Taylor \[TSY\]](#); [Simon Duncan \[TSY\]](#)
Subject: RE: FED/RUC/TUC/PT Cabinet paper
Date: Thursday, 26 January 2023 12:14:00 pm

Hi Amanda, Gabbi,

Just following up on our discussions this morning, I've pulled together a high-level table of costs for the various FED/RUC options, to give you a sense of scale / assist with any discussions you may be having. Amanda, as requested, I will work with MOT to refine this so that it reflects actual expenditure trends as closely as possible.

I understand from Gabbi that the '\$300m OBEGAL underspends' that was mentioned was likely referring to the \$328m p.a. of remaining OBU underspends. I gather these were being scoped into available funding for B23 so, although they could potentially be repurposed in name towards a FED/RUC decision, that would obviously have flow-on impacts for Budget.

Cheers,
Olivia

	Estimated costs from 31 January onwards	Notes
FED		
Status quo: 2 month phase down ending 31 March (12.5 cpl steps on 28 Feb and 31 March)	\$120m	Actual estimated cost \$95m plus a \$25m uplift for uncertainty related to reductions ending, as per January JM paper. Any funding not required would be returned to the centre at the end of the financial year.
5 month phase down to 30 June (12.5 cpl reduction)	\$210m	The above plus 3 extra months at ~\$30m per month
Full reduction to 30 June (25 cpl)	\$300m	5 months at ~\$60m per month
Full reduction to 31 December (25cpl)	\$550m	11 months at ~\$60m per month
RUC		
Status quo: reductions end 31 January	\$0m	
5 month phase down to 30 June (i.e. reintroduce reductions, but at half the rate, equivalent to 12.5 cpl)	\$140m	5 months at ~\$28m per month There would likely be a short period with no reductions in February due to implementation timing.
Full reduction to 30 June (equivalent to 25 cpl)	\$285m	5 months at ~\$57m per month There would likely be a short period with no reductions in February due to implementation timing.

Full reduction to 31 December (equivalent to 25 cpl)	\$625	11 months at ~\$57m per month There would likely be a short period with no reductions in February due to implementation timing.
CONTINGENCY		
Contingency funding provided in case of revenue loss exceeding expectations (e.g. due to RUC pre-purchasing)	\$140m	As per January JM paper. Risk that the NLTF would have to absorb any shortfall in revenue if contingency is not provided. Any excess not required would be returned to the centre at the end of the financial year
PT		
Status quo: reductions end 31 March, then Community Connect (\$3m total mobility funding provided for 31 March to 30 June)	\$28m	2 months at ~\$12m per month, plus ~\$4m for total mobility from April to June
Full reduction to 30 June, then Community Connect	\$60m	5 months at ~\$12m per month Potential savings of around \$2m per month due to the delayed start of Community Connect could be returned to partially offset this cost.
Full reduction to 31 December, then Community Connect	\$132m	11 months at ~\$12m per month Potential savings of around \$2m per month due to the delayed start of Community Connect could be returned to partially offset this cost.
TUC		
Status quo: reductions end 31 January	\$0m	
5 month phase down to 30 June (i.e. reductions continue but at half the rate)	\$3m	5 months at ~\$2.5m per month
Full reduction to 30 June	\$5m	5 months at ~\$1 m per month
Full reduction to 31 December	\$11m	11 months at ~\$1m per month
POSSIBLE TOTALS		
Status Quo: FED and PT phase down to March 31, RUC and TUC end on 31 January, plus contingency funding	\$288m	

Full reduction to 30 June, plus contingency funding	\$790m	
Full reduction to 31 December, including RUC contingency	\$1458m	
5 month phase down to 30 June (FED to 12.5 cpl from 28 Feb onwards, TUC and RUC reductions at half rate from 31 Jan onwards, 5 month extension to PT then community connect), including contingency funding	\$553m	
Or various mix-and-match combos of the above options		Depending on Ministers' preferences

Olivia Maxwell (she/her) | Kaitātari - Analyst, National Infrastructure Unit | Te Tai Ōhanga – The Treasury

Email: olivia.maxwell@treasury.govt.nz Phone: s9(2)(g)(ii)

From: [Olivia Maxwell \[TSY\]](#)
 To: [Parliament: Amanda Wilson](#)
 Cc: [Yao YU \[TSY\]](#); [Gabrielle Barratt \[TSY\]](#); [Parliament: Jordan Ward](#); [Mark Hodge \[TSY\]](#)
 Subject: RE: Returns that have funded FED/RUC/PT
 Date: Friday, 3 February 2023 10:04:00 am
 Attachments: [image002.png](#)

Hi Amanda,

Please see the table below – hopefully this covers everything you need, but if not, let me know

Cheers,
 Olivia

	FED (\$m)	RUC (\$m)	PT (\$m)	TUC (\$m)	TOTAL Appropriated (\$m)	Cab refs	Funding source
Initial 3 month reduction announced 14 March 2022		350.0	40.0	1.5	391.5	CAB-22-MIN-0073 Minute (Decision on FED/RUC/PT) OC220192 (Funding appropriated for FED/RUC/PT) CAB-22-MIN-0113 (Decision on TUC)	<ul style="list-style-type: none"> Managed outside of allowances, Covid Response and Recovery Fund (CRRF) was reduced by a corresponding amount.
First extension: 2 months to 16 Aug (FED), 21 Sept (RUC), 30 Aug (PT)		235.0	27.1	1.0*	262.1	CAB-22-MIN-0130 (CoL Minute – decision on FED/RUC) CAB-22-MIN-0129 (Budget Minute – decision on PT) CAB-22-MIN-0219.01 (Decision on TUC)	<ul style="list-style-type: none"> FED/RUC was funded from remaining funds following the closure of the CRRF PT was charged against the Climate Emergency Response Fund *TUC was to be met from within existing appropriated funding
Second extension: 5 (ish) months to 31 January 2023	334.00	255.00	64.13	5.0	658.13	CAB-22-MIN-0263 (Decision on FED/RUC/PT/TUC)	<ul style="list-style-type: none"> Managed outside of allowances; but with a 'broadly neutral impact over the forecast period due to declined In-Principle Expense Transfers of unspent CRRF funding from the 21/22 year (primarily the Small Business Cashflow Scheme and COVID-19 Support payments)
<i>Superseded extension 2 months to 31 March for PT 2 months for FED to 28 Feb (full rates) then 31 March (half rates)</i>	120.0	140.0 contingency	28.0 including 4.0 for total mobility	0.0	288.0	<i>CAB-22MIN-0554 (Superseded decision on FED/RUC/PT/TUC) OC221110 (Funding would have been appropriated for FED/PT/Total Mobility and RUC contingency)</i>	<ul style="list-style-type: none"> <i>Would have been managed outside of allowances but with a 'broadly neutral impact over the forecast period due to CRRF underspends in the 22/23 financial year which were returned through the 2022 October Baseline Update</i>
Third extension: 5 months to 30 June 2023		718.00			718.00	CAB-23-MIN-0009 (Decision on FED/RUC/PT/TUC)	<ul style="list-style-type: none"> Managed outside of allowances; but with a 'broadly neutral impact over the forecast period due to CRRF underspends in the 22/23 financial year which were returned through the 2022 October Baseline Update
Total to date:					2,029.73		

Olivia Maxwell (she/her) | Kaitiaki - Analyst, National Infrastructure Unit | Te Tai Ōhanga – The Treasury

Email olivia.maxwell@treasury.govt.nz Phone **S9(2)(g)(ii)**

From: Amanda Wilson <Amanda.Wilson@parliament.govt.nz>

Sent: Thursday 2 February 2023 4 31 pm

To: Mark Hodge [TSY] <Mark.Hodge@treasury.govt.nz>; Olivia Maxwell [TSY] <Olivia.Maxwell@treasury.govt.nz>

Cc: Yao YU [TSY] <yao.yu@treasury.govt.nz>; Gabrielle Barratt [TSY] <Gabrielle.Barratt@treasury.govt.nz>; Parliament Jordan Ward <Jordan.Ward@parliament.govt.nz>

Subject: RE: Returns that have funded FED/RUC/PT

Hey all

We are fielding a number of questions about how much the FED/RUC/TUC/PT decisions have cost and where the money has come from.

Can you please assist with filling in the below table. Hopefully a relatively straight forward exercise. We would appreciate a response by 11am tomorrow please let me know if this is not possible.

Period	Cost (appropriated?)	Funded from
Initial scheme [period March 2022 – July 2022?]	\$350m	Reduction in size of CRRF
First extension [period XXX – 31 January 2023]	\$658m	CRRF underspends for FY2021/22 picked up through June 2022 IPECT process <ul style="list-style-type: none"> SBCS - \$425M COVID-19 Support payments - \$227m Other declined transfers - \$23.562m
Second extension (period XXX – XXX)	n.a. – superseded by subsequent extension	
Third extension [period 1 February 2023 – 30 June 2023]	\$718m	OBU 2022 returns (from CRRF underspends and education forecasting change)
	Total appropriated cost ???	

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