



# Cabinet Environment, Energy and Climate Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Approval to Consult on Amendments to the Exclusive Economic Zone and Continental Shelf (Fees and Charges) Regulations 2013

Portfolio                      Environment

On 23 November 2022, the Cabinet Environment, Energy and Climate Committee:

- 1        **noted** that the Exclusive Economic Zone and Continental Shelf (Fees and Charges) Regulations 2013 (the Regulations) set out a cost-recovery framework for the Environmental Protection Authority (EPA) to recover costs of undertaking certain functions and services under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act);
- 2        **noted** that the EPA is required to recover the costs not provided for by Crown appropriations, and to recover costs from those who benefit from them;
- 3        **noted** that the rates prescribed by the Regulations have not been updated since 2013, and are not sufficient to cover all relevant direct and indirect costs;
- 4        **noted** that maintaining the current charge-out rates would result in Crown funding meant for other purposes being used to pay for functions and services that should be paid for by organisations conducting activities in the Exclusive Economic Zone;
- 5        **noted** that the discussion document, attached as Appendix 1 to the paper under ENV-22-SUB-0055, outlines options for updating the Regulations through amendments to the charge-out rates and staff categories, and includes a recommended approach to:
  - 5.1      continue with a 'variable' charge model which is based on who is performing a function and who benefits from the function;
  - 5.2      update charge-out rates in the Regulations to better cover all relevant direct and indirect costs;
  - 5.3      update the staff categories in the Regulations to reflect current EPA staff positions;
- 6        **agreed** to consult on the amendments to the Regulations;
- 7        **approved** the release of the discussion document, *Proposed changes to the Exclusive Economic Zone and Continental Shelf (Fees and Charges) Regulations 2013*, attached as Appendix 1 to the paper under ENV-22-SUB-0055;

- 8 **noted** the proposed charge-out rates are between 47 and 82 percent higher than current rates;
- 9 **noted** that the expected increase in annual EPA revenue from the proposals is between \$0.292 million and \$0.377 million and the financial impact of the proposals will predominantly fall on the five main existing consent holders in the Exclusive Economic Zone;
- 10 **noted** that section 32 of the EEZ Act requires the Minister for the Environment to notify the public, iwi authorities, regional councils, and persons likely to be affected by proposed changes to the Regulations, and to establish a process that allows them adequate time and opportunity to comment;
- 11 **invited** the Minister for the Environment to report back on the outcome of consultation and any finalised proposed changes to the Regulations in early 2023, in time for the changes to be applied from the 2023/24 financial year;
- 12 **authorised** the Minister for the Environment to make minor or technical changes to the discussion document prior to release.

Rebecca Davies  
Committee Secretary

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**Present:**

Hon Grant Robertson  
Hon Kelvin Davis  
Hon David Parker (Chair)  
Hon Damien O'Connor  
Hon Dr Ayesha Verrall  
Hon Phil Twyford  
Rino Tirikatene, MP

**Officials present from:**

Office of the Prime Minister  
Department of the Prime Minister and Cabinet  
Officials Committee for ENV