

# IN CONFIDENCE

## **Energy (Fuels, Levies, and References) Biofuel Obligation Repeal Bill**

Government Bill

### **Explanatory note**

#### **General policy statement**

The Government's policy is to review the emissions trading scheme in the Climate Change Response Act 2002 and associated supporting arrangements and to repeal Part 3A of the Energy (Fuels, Levies, and References) Act 1989 (which compels the supply of biofuels into the fuel system in New Zealand in substitution for fossil fuels).

This Bill repeals Part 3A. Repealing Part 3A will remove the obligation to supply biofuels in substitution for fossil fuels at a time of international concern about mandatory obligations, research demonstrating varying greenhouse gas emission benefits, and warnings about biofuels' effect on food supply and biodiversity. Importantly, repeal of Part 3A does not limit the power to impose environmental or sustainability standards and specifications with which biofuels supplied in New Zealand must comply.

#### **Clause by clause analysis**

*Clause 1* is the Title clause.

*Clause 2* provides that the Bill comes into force on the day after the date on which the Bill receives the Royal assent.

*Clause 3* provides that the Bill amends the Energy (Fuels, Levies, and References) Act 1989.

*Part 1* repeals Part 3A of the Energy (Fuels, Levies, and References) Act 1989, which contains the biofuel obligation.

*Part 2* makes consequential amendments as a result of that repeal.

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*Hon Gerry Brownlee*

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References) Biofuel Obligation  
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**The Parliament of New Zealand enacts as follows:**

- 1 Title**  
This Act is the Energy (Fuels, Levies, and References) Biofuel Obligation Repeal Act 2008.
- 2 Commencement**  
This Act comes into force on the day after the date on which it receives the Royal assent.
- 3 Principal Act amended**  
This Act amends the Energy (Fuels, Levies, and References) Act 1989.

**Part 1  
Repeal of biofuel obligation**

- 4 Part 3A repealed**  
Part 3A is repealed.

**Part 2  
Consequential amendments to principal  
Act**

- 5 Regulations**
  - (1) Section 35(1)(ea) is amended by omitting “section 34O and”.
  - (2) Section 35(1) is amended by repealing paragraphs (eb) to (ef).
  - (3) Section 35(1A) is repealed.
  - (4) Section 35(2) is amended by omitting “or an Order in Council made under section 34F, 34G, or 34I”.
- 6 Keeping of records**  
Section 35B(2) is amended by repealing paragraphs (a) to (c).

- 7 Power to inspect property, obtain information, and enter land to conduct compliance check**
- (1) The definition of **compliance check** in section 35C(1) is amended by—
    - (a) repealing paragraphs (a) and (b); and
    - (b) omitting from paragraph (f) “34V or”.
  - (2) The definition of **person liable to be checked** in section 35C(1) is amended by repealing paragraphs (a) to (c).
- 8 Power of Minister to require information**
- (1) Section 36(1) is amended by repealing paragraphs (b), (d), and (e).
  - (2) Section 36(1A) is amended by omitting “(1)(d)” and substituting “(1)(f)”.
  - (3) Section 36(1B) is amended by repealing paragraphs (a) to (c).
- 9 Offences**
- Section 37(2) is amended by omitting “Part 3A,”.
- 10 Issue of search warrants**
- Section 37A(1) is amended by repealing paragraph (b).
- 11 Form and content of search warrant**
- Section 37C(c)(ii) is amended by omitting “the breach of section 34L or 34N(2) or”.
- 12 Disposal of things seized**
- Section 37J(1) is amended by omitting “or a civil penalty”.
- 13 Court order to be suspended on conviction or on order of civil penalty**
- (1) The heading to section 37K is amended by omitting “**or on order of civil penalty**”.
  - (2) Section 37K(1) is amended by omitting “or ordered to pay a civil penalty”.

**14 Schedule 5 repealed**

Schedule 5 is repealed.

**15 Order revoked**

The Biofuel Obligation (Exempt Persons and Energy Content Values) Order 2008 (SR 2008/336) is revoked.