

18 May 2023

Legislative statement: Energy (Fuels, Levies, and References) Amendment Bill First Reading

Presented to the House of Representatives under Standing Order 272

Overview

The Energy (Fuels, Levies, and References) Amendment Bill (**the Bill**) proposes to amend the Energy (Fuels, Levies, and References) Act (**the Act**) 1989 to:

- Change the statutory purpose of the petroleum or engine fuel monitoring (**PEFM**) levy so that it can be used to fund initiatives for improving resilience of fuel supplies in New Zealand, such as government procurement of reserve diesel stock to be held onshore.

The following is a brief outline of the policy matters covered by this Bill.

The Bill enables the PEFM levy to recover the costs of onshore fuel resilience initiatives from the start of the 2023/24 financial year.

The Bill proposes to amend section 14 of the Act so that the PEFM levy can be used for the purpose of “meeting the reasonable costs and expenses of the Crown in promoting resilience of engine fuel supplies in New Zealand”, among other existing purposes.

This will ensure that levy funding will be available for rolling out the fuel resilience measures from the start of the 2023/24 financial year.

These measures include:

- government procurement of services relating to storage and management of reserve fuel stocks to be held onshore
- government administration relating to the implementation of the minimum fuel stockholding obligation, and other tools and programmes for improving monitoring of fuel resilience
- fuel emergency planning and management activities
- facilities that would be useful for mitigating the impacts of local fuel disruptions or distributing fuels in an emergency.