

KAPUNI PETROLEUM BILL

EXPLANATORY NOTE

Clause 1 relates to the Short Title.

Clause 2 defines various terms used in the Bill.

Clause 3 establishes, as part of the Trust Account within the Public Account, a separate account to be known as the Kapuni Petroleum Account.

Clause 4 empowers the Minister of Industries and Commerce, by notice in the *Gazette*, to require wholesalers of motor spirits to pay into the Kapuni Petroleum Account such amount of money per gallon of motor spirits sold as may be specified in the notice.

Clause 5 provides for the payment from the Kapuni Petroleum Account to Shell BP Todd Oil Services Limited of such sums of money as are so payable pursuant to any agreement entered into by the Crown, before or after the passing of the Bill, relating to the production of condensate from the Kapuni petroleum field and its delivery to the Marsden Point oil refinery.

Clause 6 provides for the payment from the Kapuni Petroleum Account of such sums of money as are payable to purchasers of Kapuni condensate for refining at Marsden Point pursuant to any agreement entered into by the Crown, before or after the passing of the Bill, relating to the payment of compensation for extra expenses incurred in purchasing Kapuni condensate instead of imported petroleum.

Clause 7 amends section 5 of the Motor Spirits (Regulation of Prices) Act 1933, which sets out the matters to be taken into consideration in fixing the prices of motor spirits.

The amendment provides for the amount from time to time payable by wholesalers of motor spirits under *clause 4* of this Bill to be taken into consideration in fixing the prices of motor spirits.

Hon. Mr Shelton

KAPUNI PETROLEUM

ANALYSIS

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A BILL INTITULED

An Act to provide for payments to the Kapuni consortium, and to purchasers of Kapuni condensate

5 BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. Short Title—This Act may be cited as the Kapuni Petroleum Act 1970.

10 **2. Interpretation**—In this Act, unless the context otherwise requires,—

“Account” means the Kapuni Petroleum Account established by section 3 of this Act:

15 “Condensate” means a mixture of hydrocarbons, recovered from separators or stabilisers, which has a vapour pressure of not more than 10 pounds per square inch gauge when measured according to the American

- Society for Testing and Materials Method D 323
(The Reid Vapour Pressure Test Method):
- “Consortium” means Shell BP and Todd Oil Services Limited as agent for Shell (Petroleum Mining) Company Limited, BP (Oil Exploration) Company of New Zealand Limited, and Todd Petroleum Mining Company Limited: 5
- “Minister” means the Minister of Industries and Commerce:
- “Motor spirits” has the same meaning as in the Motor Spirits (Regulation of Prices) Act 1933: 10
- “Petroleum” has the same meaning as in the Petroleum Act 1937:
- “Wholesaler” has the same meaning as in the Motor Spirits (Regulation of Prices) Act 1933. 15

3. Kapuni Petroleum Account established—There is hereby established, as part of the Trust Account within the Public Account, a separate account to be known as the Kapuni Petroleum Account.

- 4. Payments by wholesalers of motor spirits into Account**— 20
- (1) The Minister may from time to time, by notice in the *Gazette*, require wholesalers to pay into the Account such amount of money per gallon of motor spirits sold by wholesalers as may be specified in the notice.
- (2) The payment of any money by a wholesaler under subsection (1) of this section shall be made at such times and in such manner as the Minister may from time to time determine by writing under his hand delivered to the wholesaler. 25

5. Payment of money to Kapuni consortium—(1) Without further appropriation than this section, there shall be paid to the consortium from the Account such sums of money as are payable to the consortium pursuant to any agreement entered into by the Crown, whether before or after the passing of this Act, relating to the production of condensate from the Kapuni petroleum field and its delivery to the Marsden Point oil refinery. 30 35

(2) The payment of any money under this section shall be made at such times and in such manner as may from time to time be fixed by the Minister. 40

6. Payments to purchasers of condensate—(1) Without further appropriation than this section, there shall be paid from the Account such sums of money as are payable to any person who purchases condensate extracted from the Kapuni petroleum field for refining at the Marsden Point oil refinery pursuant to any agreement entered into by the Crown, whether before or after the passing of this Act, relating to the payment of compensation for extra expenses incurred in purchasing such condensate instead of purchasing imported petroleum.

(2) The payment of any money under this section shall be made at such times and in such manner as may from time to time be fixed by the Minister.

(3) Payments may be made under this section in respect of condensate purchased, in accordance with this section, before the passing of this Act.

7. Motor Spirits (Regulation of Prices) Act 1933 amended—Section 5 of the Motor Spirits (Regulation of Prices) Act 1933 is hereby amended by inserting in subsection (1), after the word “including” where it first occurs, the words “the amount from time to time payable by wholesalers under section 4 of the Kapuni Petroleum Act 1970,”.