

PETROLEUM DEMAND RESTRAINT BILL

EXPLANATORY NOTE

THIS Bill authorises the making of regulations for the purpose of restraining the demand for petroleum products in New Zealand.

Regulations made under the Act are required to be laid before Parliament within 16 sitting days after the date of the making thereof and will expire unless confirmed by an Act passed during the session in which they are laid before Parliament.

Hon. Mr Birch

PETROLEUM DEMAND RESTRAINT

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A BILL INTITULED

An Act to make provision for the imposition of measures restraining the demand for petroleum products

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 Petroleum Demand Restraint Act 1980.

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

“Minister” means the Minister of Energy: 5

“Petroleum demand restraint regulations” means regulations made under this Act; and includes the regulations specified in the Schedule to this Act:

“Petroleum products”—

(a) Means substances, whether refined or semi-refined, produced directly or indirectly from petroleum feedstocks, natural gas, or coal; and 10

(b) Includes—

(i) Motor gasoline:

(ii) Aviation fuels whether of a gasoline type or a kerosine type: 15

(iii) Kerosine:

(iv) Naphtha:

(v) Diesel oil:

(vi) Fuel oil: 20

(vii) Bitumen:

(viii) Lubricants derived from petroleum:

(ix) Solvents derived from petroleum:

(x) Petroleum coke:

(xi) Liquefied petroleum gas separated from natural gas: 25

(xii) Methanol derived from the conversion of natural gas; but

(c) Subject to paragraph (b) (xi) and (xii) of this definition, does not include natural gas: 30

“Production”, in relation to petroleum, includes processing; and “produce” has a corresponding meaning:

“Undertaking” includes a business, and also any activity carried on by a body of persons, whether corporate or unincorporate. 35

3. Act to bind the Crown—This Act shall bind the Crown.

Petroleum Demand Restraint Regulations

4. Petroleum demand restraint regulations—(1) The
5 Governor-General may from time to time, by Order in
Council, make regulations (in this Act referred to as petro-
leum demand restraint regulations) for the purpose of
restraining the demand for, or reducing the consumption of,
petroleum products in New Zealand.

- 10 (2) Regulations made under this section may—
- (a) Control, regulate, prohibit, or otherwise make pro-
vision as to the acquisition, distribution, supply,
storage, sale, or use of petroleum products in New
Zealand:
 - 15 (b) Restrict, regulate, or prohibit the use of motor vehicles
or of any class of motor vehicles:
 - (c) Prescribe a scheme for the rationing of petroleum pr
ducts or of any class of petroleum products.
 - (d) Authorise the Governor-General, by Order in Council,
20 to determine or alter the value of any coupons
issued under any rationing scheme or to cancel any
such coupons:
 - (e) Enable coupons issued under any rationing scheme to
be transferred, with or without consideration:
 - 25 (f) Authorise the Secretary of Energy to buy and sell
coupons issued under any rationing scheme:
 - (g) Provide for appeals against decisions made under the
regulations:
 - (h) Provide for exemptions from the regulations:
 - 30 (i) Provide for the setting aside of reserve supplies of
crude petroleum, condensate, or petroleum products
of any class of crude petroleum, condensate, or
petroleum products:
 - (j) Provide for the appointment of officers and committees
35 and other bodies (including tribunals), and define
their functions and powers:
 - (k) Deem any tribunal established by the regulations to
be a commission of inquiry under the Commissions
of Inquiry Act 1908; and apply that Act to any
40 such tribunal with such modifications, if any, as
are specified in the regulations:

- (l) Prescribe matters in respect of which fees are to be payable under the regulations, the amount of the fees, and the persons liable to pay them; and authorise the refund or remission of any such fees:
- (m) Prescribe offences in respect of the contravention of, or non-compliance with, any provision of any regulations made under this section or of any direction, requisition, or condition given or imposed under any such regulations: 5
- (n) Prescribe the amount of the fines that may be imposed in respect of offences against any regulations made under this section, which fines shall be an amount not exceeding \$10,000: 10
- (o) Provide for such matters as are contemplated by or necessary for giving full effect to this Act and for its due administration. 15
- (3) Any regulations made under this section may empower or provide for empowering such authorities, tribunals, persons, or classes of persons as may be specified in the regulations to give directions, notices, exemptions, or consents or make orders for any of the purposes for which regulations are authorised by this section to be made, and may contain such incidental and supplementary provisions as appear to the Governor-General in Council to be necessary or expedient for the purposes of the regulations. 20
- (4) All regulations made under this section shall be laid before Parliament within 16 sitting days after the date of the making thereof if Parliament is then in session, and, if not, shall be laid before Parliament within 16 sitting days after the commencement of the next ensuing session. 25
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5. Special provisions with respect to offences—(1) No person shall be liable to be prosecuted for any offence against any petroleum demand restraint regulations and no contravention of or non-compliance with any provision of any such regulations or of any direction, requisition, or condition given or imposed under those regulations shall be unlawful, unless— 35

- (a) The regulations recite, or an Order in Council bringing those regulations into force recites, that the Governor-General in Council in making the regulations or Order in Council is satisfied that the reasonably 40

available supplies of petroleum products are insufficient to maintain stocks of such products at normal prudent levels in New Zealand; or

5 (b) Those regulations have been validated or confirmed by Act of Parliament.

(2) No provision of any petroleum demand restraint regulations shall make any person liable to be prosecuted for any act committed before the date on which the regulations are published.

10 (3) Section 24 of the Acts Interpretation Act 1924 shall have effect subject to subsection (1) of this section.

6. Regulations to expire unless confirmed by Act—(1) All regulations laid before Parliament in any session pursuant to section 4 (4) of this Act shall expire on the close of the last
15 day of that session except so far as they are expressly validated or confirmed by an Act of Parliament passed during that session.

(2) Subject to section 5 of this Act, all petroleum demand restraint regulations shall, while they continue in force, have
20 the force of law.

(3) Unless otherwise provided, the repeal of any Act passed pursuant to subsection (1) of this section shall not, of itself, affect the validity of any regulation validated or confirmed by the Act repealed.

25 **7. Power of Minister to give directions—**(1) Petroleum demand restraint regulations may authorise the Minister, after he has held appropriate consultations, to give, or revoke or vary, directions—

30 (a) To any person carrying on an undertaking in the course of which he acquires, supplies, or distributes petroleum products, as to the acquisition, supply, or distribution thereof by him (whether in New Zealand or abroad):

35 (b) To any person carrying on an undertaking which involves the use of petroleum products, as to the use thereof by him, whether for purposes specified by the Minister or during periods specified by him or otherwise.

(2) Without restricting the generality of subsection (1)
40 (b) of this section, petroleum demand restraint regulations may authorise the giving of a direction which—

- (a) Prohibits or restricts the acquisition, supply, or distribution of petroleum products by or to persons specified by the Minister:
- (b) Requires the supply or distribution of petroleum products to persons specified by the Minister in accordance with requirements specified by him. 5
- (3) For the purpose of subsection (1) of this section “appropriate consultations” means such consultations as the Minister thinks practicable and appropriate with persons in New Zealand appearing to him to represent those suppliers of petroleum products who are likely to be affected by the directions. 10

8. Further provisions as to regulations—(1) No petroleum demand restraint regulation shall be held invalid because it is, or authorises any act or omission which is, repugnant to, or inconsistent with,— 15

- (a) The Motor Spirits (Regulation of Prices) Act 1933; or
- (b) The Motor Spirits Distribution Act 1953; or
- (c) The Transport Act 1962.

(2) Petroleum demand restraint regulations may— 20

- (a) Provide that a person acting in compliance with any such regulations, or with any direction or other instrument made thereunder, shall not be liable or held to account for contravening or failing to satisfy, whether in whole or in part, the requirements of any other enactment or of any contractual obligation relating to, or involving, the acquisition, distribution, supply, or use of petroleum products: 25
- (b) Make any incidental, supplementary, or transitional provision which is necessary or expedient for carrying out the purposes of this Act. 30

(3) Nothing in section 7 of this Act shall limit the power in section 4 of this Act to make regulations as to any matter mentioned in the said section 7 applicable to all, or any class of, persons to whom, or in respect of whom, directions could be given under, or by virtue of, the said section 7. 35

9. Special provisions as to regulations—(1) Any petroleum demand restraint regulations may apply generally, or may apply, or be applied from time to time by the Minister by notice in the *Gazette*, within any specified district or sub- 40

division of a district of any local authority, or within any specified part of New Zealand; and any such notice may be revoked or varied at any time in like manner.

5 (2) If at any time while any such regulations apply within any specified district or subdivision of a district of any local authority the boundaries of the district or subdivision are altered, the regulations, unless the context thereof or of any such notice as aforesaid otherwise requires, shall thereafter

10 apply within the district or subdivision as so altered. (3) The operation of any petroleum demand restraint regulations may, if so provided in the regulations, be wholly suspended until they are applied by the Minister by notice pursuant to subsection (1) of this section.

15 **10. Certain stabilisation regulations to continue in force as petroleum demand restraint regulations**—The regulations specified in the Schedule to this Act (being stabilisation regulations within the meaning of the Economic Stabilisation Act 1948) shall continue in force as if they had been made under this Act and confirmed by Act of Parliament.

20 **11. Publication or notification in *Gazette* to be notice to all persons concerned**—The publication in the *Gazette* or in accordance with the Regulations Act 1936, whether before or after the commencement of this Act, of any petroleum demand restraint regulations, or of any Order in Council,

25 order, notice, warrant, licence, or other act of authority under this Act or under any petroleum demand restraint regulations shall for all purposes be deemed to be notice thereof to all persons concerned, and in any prosecution under this Act the liability of the accused shall be deter-

30 mined accordingly.

Miscellaneous Provisions

12. Inquiries and investigations—(1) For the purpose of obtaining any information that may be required for the purposes of this Act or of any petroleum demand restraint

35 regulations, the Minister or any person authorised by him in writing in that behalf may from time to time—

(a) Inspect, examine, and audit any books or documents:

- (b) Require any person to produce any books or documents in his possession or under his control, and to allow copies of or extracts from any such books or documents to be made:
- (c) Require any person to furnish any information or particulars that may be required by the regulations, and any copies of or extracts from any such books or documents as aforesaid. 5
- (2) The Minister may, if he thinks fit, require that any written information or particulars or any copies or extracts furnished under this section shall be verified by statutory declaration or otherwise as the Minister may require. 10

13. Delegation of powers—(1) Subject to subsection (6) of this section, the Minister or any other person with the authority of the Minister may from time to time, either generally or particularly, delegate any of the powers conferred on him by this Act or by any petroleum demand restraint regulations, including the power of delegation conferred by this section. 15

(2) Subject to any general or special directions given by the Minister or other person by whom any powers are delegated as aforesaid, the person to whom any powers are so delegated may exercise those powers in the same manner as if they had been conferred on him directly by this Act and not by delegation. 20

(3) Every person purporting to act pursuant to any delegation under this section shall be presumed to be acting in accordance with the terms of the delegation in the absence of proof to the contrary. 25

(4) Any delegation under this section may be made to a specified person or to persons of a specified class, or to the holder or holders for the time being of a specified office or appointment or class of offices or appointments. 30

(5) The delegation by the Minister or by any other person of any powers conferred on him by or under this Act or by or under any petroleum demand restraint regulations shall not prevent the personal exercise of those powers by the Minister or by that other person. 35

(6) Subject to section 25 (e) of the Acts Interpretation Act 1924 and to sections 14 and 15 of the Civil List Act 1979, the Minister shall not delegate the powers conferred on him by section 7 or section 9 of this Act. 40

14. **Authentication of documents**—Any written notice, direction, approval, requisition, or other instrument, given, granted, or made by the Minister or by any other person authorised in that behalf under this Act or under any petroleum demand restraint regulations shall be sufficiently authenticated if it is signed by the Minister or authorised person or by any person on behalf of and by direction of the Minister or authorised person, as the case may be.

15. **Notices**—(1) The Minister or any person authorised in that behalf may give notice to any person of any direction, approval, requisition, or condition given or imposed under this Act or under any petroleum demand restraint regulations, and every person to whom the notice is given shall be bound thereby.

(2) Except where otherwise specially provided, any notice required to be given to any person for the purposes of this Act or of any petroleum demand restraint regulations may be given by causing it to be delivered to that person, or to be left at his usual or last known place of abode or business or at the address specified by him in any application, notice, or other document received from him by the Minister or authorised person or to be posted in a letter addressed to him at that place of abode or business or at that address.

(3) If any such notice is sent to any person by registered letter, it shall be deemed to have been delivered to him when it would have been delivered in the ordinary course of post, and in proving the delivery it shall be sufficient to prove that the letter was properly addressed and posted.

(4) Every notice under this Act or under any petroleum demand restraint regulations shall take effect on the date when it is published or given, or on such later date as may be specified in that behalf in the notice.

(5) Any notice given under this Act or under any petroleum demand restraint regulations may be at any time varied or revoked by a subsequent notice.

16. **Power of entry**—(1) Subject to subsection (2) of this section, a person authorised in writing by the Minister may, on production of his authorisation (if so required), enter any premises or vehicle of a retailer of petroleum products for the purpose of—

- (a) Securing compliance with any petroleum demand restraint regulations or with any direction, requisition, or condition given or imposed under them; or
 - (b) Making enquiries and inspections under the regulations; or 5
 - (c) Purchasing or taking samples of any substance; or
 - (d) Checking or verifying information and returns required for the purposes of the regulations.
- (2) The power of entry set out in subsection (1) of this section— 10
- (a) Shall not apply to premises used only as a dwelling; and
 - (b) May be exercised only at reasonable hours.
- (3) Petroleum demand restraint regulations may provide for the application of sections 198 and 199 of the Summary Proceedings Act 1957 where an offence created by, or pursuant to, this Act or any regulations made under this Act has been or is suspected of having been committed, notwithstanding that the offence is not punishable by imprisonment. 15

17. Powers of traffic officers—Every traffic officer within the meaning of section 2 (1) of the Transport Act 1962, if for the time being in uniform or in possession of any warrant or other evidence of his authority as a traffic officer, is hereby authorised to enforce the provisions of this Act or any regulations made under this Act on any road as defined in the Transport Act 1962 or on any motorway as defined by the Public Works Amendment Act 1947. 20 25

Legal Proceedings

18. Offences—Every person commits an offence against this Act and is liable on summary conviction to a fine not exceeding \$1,000 who— 30

- (a) Wilfully resists, obstructs, or deceives, or attempts to deceive any Court, authority, or person that is exercising or attempting to exercise any power or function under this Act or under any petroleum demand restraint regulations: 35
- (b) Wilfully makes any false or misleading statement or any material omission in any communication with or application to the Minister or any other person (whether in writing or otherwise) for the purposes of this Act or of any petroleum demand restraint 40

regulations, or in any information, particulars, copy, extract, or return furnished under this Act or under any such regulations.

5 **19. Infringement offences and owner liability**—(1) In this section,—

“Infringement offence” means an offence against any petroleum demand restraint regulations (being an offence that is punishable by a fine not exceeding \$100) which involves the use of a motor vehicle and which is specified in those regulations as an infringement offence:

10 “Proceedings” means proceedings under the Summary Proceedings Act 1957; and includes the issue of an infringement notice under section 42A of the Transport Act 1962.

15 (2) Proceedings for an infringement offence may be taken against any one or more of the following persons:

- (a) The person who allegedly committed the offence:
- 20 (b) Any person who, at the time of the alleged offence, was registered as the owner, or one of the owners, of the vehicle involved in the offence in a register kept under section 16 of the Transport Act 1962:
- (c) Any person who, at the time of the alleged offence, was lawfully entitled to possession of the vehicle involved in the offence (whether jointly with any other person or not)—

25 whether or not (in the case of a person referred to in paragraph (b) or paragraph (c) of this subsection) the person is an individual or was the driver, person in charge, or user of the vehicle at the time the alleged offence was committed.

30 (3) Subject to subsections (5) and (7) of this section, in any proceedings taken against a person pursuant to paragraph (b) or paragraph (c) of subsection (2) of this section it shall be conclusively presumed that—

- 35 (a) The person was the driver, person in charge, and user of the vehicle at the time of the alleged offence (whether or not the person is an individual); and accordingly
- (b) The acts or omissions of the driver, person in charge, or user of the vehicle at that time were the acts or omissions of the first-mentioned person.

40 (4) It shall be a defence to proceedings taken under the Summary Proceedings Act 1957 against a person for an infringement offence if the person proves that—

- (a) An infringement notice has been issued in respect of the offence and the infringement fee specified in the notice has been paid to the enforcement authority before the commencement of the proceedings; or
- (b) Another person has been ordered to pay an amount in respect of the offence pursuant to section 78A of the Summary Proceedings Act 1957.
- (5) It shall be a defence to proceedings taken under the Summary Proceedings Act 1957 against a person pursuant to paragraph (b) or paragraph (c) of subsection (2) of this section if the person proves that—
- (a) At the time the alleged offence was committed—
- (i) He was not lawfully entitled to possession of the vehicle (either jointly with any other person or severally); or
- (ii) Another person was unlawfully in charge of the vehicle; and
- (b) Forthwith after becoming aware of the alleged offence he advised the enforcement authority that, at the time the offence was committed, he was not lawfully entitled to possession of the vehicle or another person unlawfully had charge of the vehicle, as the case may be; and
- (c) He has done everything reasonably possible on his part to comply with all requests of the enforcement authority to supply to the authority information regarding the person lawfully entitled to possession, or who was in charge, of the vehicle at the time of the alleged offence.
- (6) This section shall have effect notwithstanding anything to the contrary in any Act or rule of law.
- (7) Nothing in this section shall limit any defence that is specifically prescribed by any petroleum demand restraint regulations as being available in respect of an offence against those regulations.
- (8) Every infringement offence shall be an infringement offence for the purposes of section 42A of the Transport Act 1962 and a minor traffic offence for the purposes of sections 21 and 78A of the Summary Proceedings Act 1957.

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(9) Where any petroleum demand restraint regulations specify that an offence against those regulations is an infringement offence, those regulations shall specify the infringement fee (which shall be an amount not exceeding \$100) that is payable in respect of that offence and that infringement fee shall, for the purposes of section 42A of the Transport Act 1962 be deemed to be specified in respect of that offence in the Second Schedule to that Act.

(10) In this section the term “motor vehicle” and the term “use”, in relation to a motor vehicle, have the meanings given to them by section 2 (1) of the Transport Act 1962.

20. Information may charge several offences—(1) Any information may charge the defendant with any number of offences against any petroleum demand restraint regulations, if those offences are founded on the same set of facts, or form or are part of a series of offences of the same or a similar character.

(2) Where any information charges more than one such offence, particulars of each offence charged shall be set out separately in the information.

(3) All such charges shall be heard together, unless the Court, either before or at any time during the hearing, considers it just that any charge should be heard separately and makes an order to that effect.

21. Liability of principal for acts of agents, etc.—(1) Where an offence is committed against this Act or against any petroleum demand restraint regulation by any person acting as the agent or employee of another person, that other person shall, without prejudice to the liability of the first-mentioned person, be liable under this Act in the same manner and to the same extent as if he had personally committed the offence.

(2) Notwithstanding anything in subsection (1) of this section, where any proceedings are brought by virtue of that subsection, it shall be a good defence to the charge if the defendant proves that the offence was committed without his knowledge and that he took all reasonable steps to prevent the commission of the offence.

(3) Where any body corporate is convicted of an offence against this Act or against any regulation made under this Act, every director and every person concerned in the management of the body corporate shall be guilty of a like

offence if it is proved that the act that constituted the offence took place with his authority, permission, or consent, or that he knew the offence was to be or was being committed and failed to take all reasonable steps to prevent or stop it.

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22. Offences to be punishable on summary conviction— Subject to section 19 of this Act, every offence against any petroleum demand restraint regulations shall be punishable on summary conviction.

SCHEDULE

Section 10

REGULATIONS CONTINUED IN FORCE

Title	Statutory Regulations Serial Number
The Economic Stabilisation (Conservation of Petroleum) Regulations (No. 3) 1979	1979/153
The Economic Stabilisation (Conservation of Petroleum) Regulations (No. 3) 1979, Amendment No. 1	1979/229
The Economic Stabilisation (Conservation of Petroleum) Regulations (No. 3) 1979, Amendment No. 3	1980/99
The Economic Stabilisation (Conservation of Petroleum) Regulations (No. 3) 1979, Amendment No. 4	1980/137
The Economic Stabilisation (Conservation of Petroleum) Regulations (No. 3) 1979, Amendment No. 5	1980/181