

**Reprint  
as at 1 April 2008**



## Petroleum Sector Reform Act 1988

Public Act    1988 No 95  
Date of assent    5 May 1988  
Commencement    see section 1

### Contents

	Page
Title	2
1 Short Title and commencement	2
2 Payment of loans in respect of oil refinery expansion	2
3 Application of Income Tax Act 2007	2
4 Winding up of Motor Spirits Licensing Authority's operations	4
5 Dissolution of Authority	5
6 Amendments to Ministry of Energy Act 1977	6
<b>Schedule 1</b>	7
<b>Enactments repealed</b>	
<b>Schedule 2</b>	9
<b>Regulations and orders revoked</b>	

---

**An Act to make provisions consequential upon the Crown voluntarily assuming loans raised for the purpose of financing**

---

**Note**

Changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in this reprint.

A general outline of these changes is set out in the notes at the end of this reprint, together with other explanatory material about this reprint.

**This Act is administered by the Ministry of Economic Development.**

**the expansion of the Marsden Point refinery, to provide for the removal of regulatory controls on the motor spirits distribution industry, and to abolish the Motor Spirits Licensing Authority and the Motor Spirits Licensing Appeal Authority**

**1 Short Title and commencement**

- (1) This Act may be cited as the Petroleum Sector Reform Act 1988.
- (2) Subject to subsection (3), this Act shall come into force on 9 May 1988.
- (3) Sections 1, 4, and 5 shall come into force on the day on which this Act receives the Royal assent.

**2 Payment of loans in respect of oil refinery expansion**

- (1) The Minister of Finance may, from time to time, make payments to Lloyds Bank International Limited in repayment of loans raised to finance the expansion of the Marsden Point refinery, being—
  - (a) the loan of US\$500,000,000 pursuant to the agreement dated 16 May 1980; and
  - (b) the loan of US\$750,000,000 pursuant to the agreement dated 13 October 1982.
- (2) Any arrangement between the Crown and The New Zealand Refining Company Limited or between the Crown and any other person (whether contractually binding or not), which purports to confer any rights on The New Zealand Refining Company Limited to receive or to have the benefit of any sum equivalent to the cash flow (net of tax) which it would have received if the 20% regional investment allowance under section 119 of the Income Tax Act 1976 had applied to the expansion of the Marsden Point refinery, shall be null and void.

**3 Application of Income Tax Act 2007**

- (1) The old financial arrangements rules of the Income Tax Act 2007 shall not apply to—
  - (a) agreements for the provision of funds to meet payments in respect of loans, being the loans specified in section 2(1), raised to finance the expansion of the Mars-

- den Point refinery, entered into between the Crown, The New Zealand Refining Company Limited, BP Oil New Zealand Limited, Caltex Oil (NZ) Limited, Europa Oil NZ Limited, Mobil Oil New Zealand Limited, and Shell Oil New Zealand Limited on—
- (i) 10 October 1986; and
  - (ii) 22 December 1986; and
  - (iii) 9 April 1987; and
  - (iv) 8 July 1987; and
  - (v) 8 October 1987; and
  - (vi) 21 December 1987; and
  - (vii) 16 February 1988; and
  - (viii) 7 April 1988; and
- (b) any payments made pursuant to section 2(1).
- (2) Notwithstanding any other enactment or rule of law, the Commissioner of Inland Revenue shall assess The New Zealand Refining Company Limited's liability for income tax under the Income Tax Act 2007 as if—
- (a) the loans specified in section 2(1) had never been raised; and
  - (b) The New Zealand Refining Company Limited had never received or expended the amounts specified in section 2(1); and
  - (c) any payments (whether in repayment of principal or interest) made in respect of the loans specified in section 2(1) had never been made; and
  - (d) the agreements specified in subsection (1)(a) had never been made.
- (3) Notwithstanding any other enactment or rule of law, The New Zealand Refining Company Limited is denied a deduction under the Income Tax Act 2007 for an amount of depreciation loss for the expansion assets.
- (4) The New Zealand Refining Company Limited's income for the purposes of the Income Tax Act 2007 is hereby deemed not to include—
- (a) any amounts paid by the Minister of Finance pursuant to section 2(1); and
  - (b) any amounts paid to The New Zealand Refining Company Limited by BP Oil New Zealand Limited, Cal-

tex Oil (NZ) Limited, Europa Oil NZ Limited, Mobil Oil New Zealand Limited, and Shell Oil New Zealand Limited for the purpose of repaying the loans (both as to principal and interest) specified in section 2(1).

Section 3 heading: substituted, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 3 heading: amended, on 1 April 2008 (effective for 2008–09 income year and later income years, except when the context requires otherwise), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 3(1): amended, on 1 April 2008 (effective for 2008–09 income year and later income years, except when the context requires otherwise), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 3(1): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 3(1): amended, on 1 April 1995 (applying with respect to the tax on income derived in the 1995–96 and subsequent income years), by section YB 1 of the Income Tax Act 1994 (1994 No 164).

Section 3(2): amended, on 1 April 2008 (effective for 2008–09 income year and later income years, except when the context requires otherwise), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 3(3): substituted, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 3(3): amended, on 1 April 2008 (effective for 2008–09 income year and later income years, except when the context requires otherwise), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 3(4): amended, on 1 April 2008 (effective for 2008–09 income year and later income years, except when the context requires otherwise), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 3(4): amended, on 1 April 2005 (effective for 2005–06 tax year and later tax years, except when the context requires otherwise), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

#### **4 Winding up of Motor Spirits Licensing Authority's operations**

Having regard to the provisions of section 5,—

- (a) the Motor Spirits Licensing Authority shall do all in its power to provide for the winding up of the Authority and, in particular, for securing the payment of all money owed by the Authority, and the recovery of debts due to the Authority or otherwise payable under the Motor Spirits Distribution Act 1953, and shall cause to be pre-

pared final accounts of the Authority as at the close of 8 May 1988:

- (b) the Secretary of Trade and Industry shall cause to be prepared final accounts of the Motor Spirits Industry Account as at the close of 8 May 1988.

## **5 Dissolution of Authority**

- (1) On 9 May 1988,—
  - (a) the Motor Spirits Licensing Authority shall be dissolved and the term of office of every member of the Authority shall cease:
  - (b) all real and personal property held by the Motor Spirits Licensing Authority shall become vested in the Crown, subject to all liabilities, charges, and obligations:
  - (c) all money belonging to the Motor Spirits Industry Account established pursuant to section 41 of the Motor Spirits Distribution Act 1953 shall be transferred to the Consolidated Account:
  - (d) all money payable to the Motor Spirits Licensing Authority shall become payable to the Crown:
  - (e) all rights, constraints, obligations, and liabilities of the Motor Spirits Licensing Authority shall become the rights, constraints, obligations, and liabilities of the Crown:
  - (f) all proceedings pending by or against the Motor Spirits Licensing Authority may be carried on, completed, or enforced by or against the Crown:
  - (g) the Motor Spirits Licensing Appeal Authority shall be dissolved and the term of office of the person appointed to be the Motor Spirits Licensing Appeal Authority for the time being shall cease:
  - (h) the enactments specified in Schedule 1 are repealed:
  - (i) the regulations and orders specified in Schedule 2 are revoked.
- (2) Fees in respect of wholesalers' or retailers' licences that, on 1 April 1988, but for this subsection, would have been payable under section 25A of the Motor Spirits Distribution Act 1953, are hereby deemed not to be, and never to have been, payable.

**6 Amendments to Ministry of Energy Act 1977**  
*Amendment(s) incorporated in the Act(s).*

---

**Schedule 1**  
**Enactments repealed**

s 5(h)

**Customs Acts Amendment Act 1982 (1982 No 9)**

*Amendment(s) incorporated in the Act(s).*

**Dangerous Goods Act 1974 (1974 No 26)**

*Amendment(s) incorporated in the Act(s).*

**Liquid Fuels Trust Act 1978 (1978 No 53)**

*Amendment(s) incorporated in the Act(s).*

**Local Government Amendment Act (No 3) 1977 (1977 No 122)  
(RS Vol 5, p 644)**

*Amendment(s) incorporated in the Act(s).*

**Local Government Amendment Act 1979 (1979 No 59) (RS  
Vol 5, p 683)**

*Amendment(s) incorporated in the Act(s).*

**Ministry of Energy Act 1977 (1977 No 33)**

*Amendment(s) incorporated in the Act(s).*

**Motor Spirits Distribution Act 1953 (1953 No 108) (RS Vol 7,  
p 607)**

**Motor Spirits Distribution Amendment Act 1958 (1958 No 36)  
(RS Vol 7, p 640)**

**Motor Spirits Distribution Amendment Act 1963 (1963 No 137)  
(RS Vol 7, p 640)**

**Motor Spirits Distribution Amendment Act 1966 (1966 No 74)  
(RS Vol 7, p 642)**

**Motor Spirits Distribution Amendment Act 1968 (1968 No 149)  
(RS Vol 7, p 642)**

**Motor Spirits Distribution Amendment Act 1972 (1972 No 84)  
(RS Vol 7, p 643)**

**Motor Spirits Distribution Amendment Act 1979 (1979 No 54)  
(RS Vol 7, p 644)**

**Motor Spirits Distribution Amendment Act 1981 (1981 No 38)**

**Motor Spirits (Regulation of Prices) Act 1933 (1933 No 36) (RS  
Vol 10, p 229)**

**Motor Spirits (Regulation of Prices) Act 1933 (1975 No 92) (RS  
Vol 7, p 643)**

**Petroleum Demand Restraint Act 1981 (1981 No 12)**

*Amendment(s) incorporated in the Act(s).*

---

**Schedule 2**

s 5(i)

**Regulations and orders revoked**

**Motor Spirits Distribution Commencement Order 1955  
(SR 1955/24)**

**Motor Spirits Distribution (Returns) Regulations 1969  
(SR 1969/175)**

**Motor Spirits Distribution (Returns) Regulations 1969,  
Amendment No 1 (SR 1970/248)**

**Motor Spirits Distribution (Returns) Regulations 1969,  
Amendment No 2 (SR 1976/80)**

**Motor Spirits Prices Regulations 1981 (SR 1981/31)**

**Motor Spirits Prices Regulations 1981, Amendment No 5  
(SR 1982/185)**

**Motor Spirits Prices Regulations 1981, Amendment No 16  
(SR 1987/15)**

---

**Contents**

- 1 General
  - 2 Status of reprints
  - 3 How reprints are prepared
  - 4 Changes made under section 17C of the Acts and Regulations Publication Act 1989
  - 5 List of amendments incorporated in this reprint (most recent first)
- 

**Notes****1 General**

This is a reprint of the Petroleum Sector Reform Act 1988. The reprint incorporates all the amendments to the Act as at 1 April 2008, as specified in the list of amendments at the end of these notes.

Relevant provisions of any amending enactments that contain transitional, savings, or application provisions that cannot be compiled in the reprint are also included, after the principal enactment, in chronological order. For more information, see <http://www.pco.parliament.govt.nz/reprints/>.

**2 Status of reprints**

Under section 16D of the Acts and Regulations Publication Act 1989, reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by the amendments to that enactment. This presumption applies even though editorial changes authorised by section 17C of the Acts and Regulations Publication Act 1989 have been made in the reprint.

This presumption may be rebutted by producing the official volumes of statutes or statutory regulations in which the principal enactment and its amendments are contained.

**3 How reprints are prepared**

A number of editorial conventions are followed in the preparation of reprints. For example, the enacting words are not included in Acts, and

provisions that are repealed or revoked are omitted. For a detailed list of the editorial conventions, see <http://www.pco.parliament.govt.nz/editorial-conventions/> or Part 8 of the *Tables of New Zealand Acts and Ordinances and Statutory Regulations and Deemed Regulations in Force*.

#### **4 *Changes made under section 17C of the Acts and Regulations Publication Act 1989***

Section 17C of the Acts and Regulations Publication Act 1989 authorises the making of editorial changes in a reprint as set out in sections 17D and 17E of that Act so that, to the extent permitted, the format and style of the reprinted enactment is consistent with current legislative drafting practice. Changes that would alter the effect of the legislation are not permitted. A new format of legislation was introduced on 1 January 2000. Changes to legislative drafting style have also been made since 1997, and are ongoing. To the extent permitted by section 17C of the Acts and Regulations Publication Act 1989, all legislation reprinted after 1 January 2000 is in the new format for legislation and reflects current drafting practice at the time of the reprint.

In outline, the editorial changes made in reprints under the authority of section 17C of the Acts and Regulations Publication Act 1989 are set out below, and they have been applied, where relevant, in the preparation of this reprint:

- omission of unnecessary referential words (such as “of this section” and “of this Act”)
- typeface and type size (Times Roman, generally in 11.5 point)
- layout of provisions, including:
  - indentation
  - position of section headings (eg, the number and heading now appear above the section)
- format of definitions (eg, the defined term now appears in bold type, without quotation marks)
- format of dates (eg, a date formerly expressed as “the 1st day of January 1999” is now expressed as “1 January 1999”)

- position of the date of assent (it now appears on the front page of each Act)
- punctuation (eg, colons are not used after definitions)
- Parts numbered with roman numerals are replaced with arabic numerals, and all cross-references are changed accordingly
- case and appearance of letters and words, including:
  - format of headings (eg, headings where each word formerly appeared with an initial capital letter followed by small capital letters are amended so that the heading appears in bold, with only the first word (and any proper nouns) appearing with an initial capital letter)
  - small capital letters in section and subsection references are now capital letters
- schedules are renumbered (eg, Schedule 1 replaces First Schedule), and all cross-references are changed accordingly
- running heads (the information that appears at the top of each page)
- format of two-column schedules of consequential amendments, and schedules of repeals (eg, they are rearranged into alphabetical order, rather than chronological).

**5** *List of amendments incorporated in this reprint  
(most recent first)*

Income Tax Act 2007 (2007 No 97): section ZA 2(1)

Income Tax Act 2004 (2004 No 35): section YA 2

Income Tax Act 1994 (1994 No 164): section YB 1

---