

Voluntary Report – Voluntary - Public Distribution

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Report Name: New Zealand Proposes Biofuels Mandate

Country: New Zealand

Post: Wellington

Report Category: Agriculture in the Economy, National Plan, Policy and Program Announcements, Agriculture in the News, Biofuels, Trade Policy Monitoring

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Report Highlights:

The New Zealand Government is proposing to introduce a sustainably-produced biofuels mandate for transport fuels in New Zealand. It would take effect in 2023 requiring a level of biofuels which would reduce greenhouse gas (GHG) emissions from transport fuels by 1.2 percent and reaching a reduction of 3.5 percent by 2025. The proposal assumes biofuels will be imported for the majority of the volume required at least into the medium term.

Executive Summary

On June 13th, 2021, the Government of New Zealand released a proposal to introduce a sustainable liquid biofuels mandate. The Ministry of Business, Innovation and Employment and the Ministry of Transport have released a discussion document, outlining a proposal to put the mandate in place. The goal of the mandate is to increase the use of sustainable liquid biofuels in New Zealand to reduce greenhouse gas (GHG) emissions from transport. There is a consultation period of six weeks which will close on July 26th, 2021. Submissions on the proposal can be made up until that date.

In 2008 the Government passed a law which would have required fuel suppliers to use biofuels as an ingredient for at least 2.5 percent by volume of total fuel sold. However, the law was repealed before it came into practical effect. This new proposal will go beyond this by mandating fuel suppliers to reduce the GHG emissions from transport fuels by a defined percentage each year. In the future, these percentages will be set at the same time as the five-yearly emissions budgets required under the Climate Change Response Act 2020.

More information can be found on the Ministry of Business, Innovation & Employment's website at: <https://www.mbie.govt.nz/have-your-say/increasing-the-use-of-sustainable-biofuels-in-aotearoa-new-zealand/>

The proposed percentage emissions reduction across all fuel sales are: 1.2 percent for 2023; 2.3 percent for 2024; and 3.5 percent for 2025. The proposal document says that domestic production of biofuels is very low, it has been decreasing in recent years, and will not be enough to supply the quantities needed. The proposal assumes biofuels will be imported for the majority of the volume required at least into the medium term.

The complete proposal document is attached to this report.

Attachments:

[MOT biofuels -mandate consultation-paper -June 2021.pdf](#)