

Releases (/releases)

(Woods, M., 2023)

SHARE THIS

1 JUNE 2023

Bill to boost national fuel resiliency introduced



HON DR MEGAN WOODS(/MINISTER/HON-DR-MEGAN-WOODS)

Energy and Resources (/portfolio/labour-2020-2023/energy-and-resources)

The Fuel Industry (Improving Fuel Resilience) Amendment Bill would:

- boost New Zealand's fuel supply resilience and economic security
- enable the minimum stockholding obligation regulations to be adapted as the energy and transport environment evolves.

“Last November, I announced a six-point plan (<https://www.beehive.govt.nz/release/fuel-markets-become-more-resilient-sustainable-and-competitive>) to improve the resiliency of our fuel supply from disruptions. Key to that plan is developing an obligation for fuel companies to store a minimum amount of fuel onshore that can be drawn on in an emergency,” Megan Woods said.

P “The Fuel Industry (Improving Fuel Resilience) Amendment Bill that is introduced today will help ensure we have sufficient petrol, diesel and jet fuel in New Zealand to weather major disruptions to our fuel supply. Although the risk of such a disruption is very low, it could cost the economy hundreds of millions to billions of dollars.”

The Bill would apply to the five fuel companies that have access to storage facilities – bp, Gull, Mobil, Tasman Fuels and Z Energy. The combined minimum stockholding levels would equate to 28 days use of petrol, 24 days of jet fuel, and 21 days of diesel on average every month.

5th

The Government also plans to buy and hold 70 million litres of diesel stocks in New Zealand – approximately seven days' worth – recognising the importance of diesel for running emergency services and transporting food. This would require setting up agreements with the fuel industry and storage providers.

“In March and in December last year, jet fuel arriving in the country tested off-spec, which caused fuel companies and airlines to activate contingency arrangements to minimise disruptions. Having more stocks at strategic locations like Auckland Airport will reduce the risk of such incidents happening again.

“The Bill also includes introducing regulation-making powers so that the obligation can be adjusted as needed. These powers could include, for example, introducing new stockholding requirements for different fuel types or different locations, or specifying requirements for disclosing information relating to fuel supply resilience.

“This would enable the government to have a clearer oversight of New Zealand’s fuel resilience and build in the flexibility we need to adapt the stockholding obligation as energy and transport trends change,” Megan Woods said.

The Bill and the associated regulations are expected to come into effect as early as 1 April 2024. The commencement date will be confirmed when the regulations are finalised and gazetted.



TOP

Beehive.govt.nz

[Home \(/\)](#)

[Releases \(/releases\)](/releases)

[Speeches \(/speeches\)](/speeches)

[Features \(/features\)](/features)

[Archive \(/advanced_search\)](/advanced_search)

[News Feeds \(/feeds\)](/feeds)

About this site