



COVERSHEET

Minister	Hon Shane Jones	Portfolio	Associate Energy
Title of Cabinet paper	Reserve Diesel and Wider Fuel Resilience Work: Policy Decisions	Date to be published	17 July 2024

List of documents that have been proactively released

Date	Title	Author
May 2024	Reserve Diesel and Wider Fuel Resilience Work: Policy Decisions	Office of Associate Minister of Energy
29 May 2024	Reserve Diesel and Wider Fuel Resilience Work: Policy Decisions ECO-24-MIN-0093 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of confidential advice to government, commercial information and confidentially.



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Reserve Diesel and Wider Fuel Resilience Work: Policy Decisions

Portfolio Associate Energy

On 29 May 2024, the Cabinet Economic Policy Committee (ECO):

Fuel security study

- 1 **noted** that as part of the National Party-New Zealand First coalition agreement, there is a commitment to commission a study into New Zealand's fuel security requirements and to investigate the reopening of the Marsden Point oil refinery;
- 2 **noted** that the Ministry of Business, Innovation and Employment (the Ministry) is releasing a Request for Proposals to undertake the fuel security study;

Reserve diesel arrangements

- 3 **noted** that in October 2022, the previous government agreed to:
 - 3.1 procure the storage of onshore reserve fuel stocks [the first part of paragraph 20, DEV-22-MIN-0243];
 - 3.2 investigate detailed commercial arrangements to procure the storage and management of reserve fuel stocks [DEV-22-MIN- 0243, paragraph 22];
- 4 **noted** that in August 2023, the previous government agreed that the Ministry release a Request for Proposals for storage for 70 million litres of reserve diesel [DEV-23-MIN-0190];

5 Commercial Information

- 6 **agreed** to do no further work on investigating the detailed commercial arrangements following the Request for Proposals for the storage and management of reserve fuel stocks;
- 7 **invited** the Associate Minister for Energy to report back to ECO with a consultation paper on alternative options for securing onshore reserve diesel stocks;

Changes to the information disclosure regulations

- 8 **noted** that regulations that set out the record-keeping and information disclosure requirements to support the minimum fuel stockholding obligations can have effect from 1 July 2024;

- 9 **noted** that consultation on an exposure draft of the Fuel Industry (Fuel Resilience) Amendment Regulations was carried out in December 2023 [DEV-23-MIN-0061], and that ten submissions were received;
- 10 **agreed** that obliged persons may count stock in the Marsden Point to Auckland Pipeline and stock in jet fuel storage facilities with capacity exceeding one million litres;
- 11 **agreed** to replace the requirement for an annual independent audit requirement with a requirement that the obliged person's Board of Directors provide an annual assurance statement that the data provided is correct and reviewed;
- 12 **agreed** that the chief executive of the Ministry have the power to appoint a compliance officer or an independent auditor, with costs recoverable from an obliged person if material issues are found, and to require certain information, similar to what is set out in sections 99E and 99F of the Crown Minerals Act 1991;
- 13 **invited** the Associate Minister for Energy to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs, and to report back to the Cabinet Legislation Committee with finalised regulations for approval;

Jet fuel storage for Auckland Airport

- 14 **noted** that jet fuel storage in Auckland to cover demand at Auckland Airport is insufficient to meet 10 days' cover at 80 percent of peak operations, and that fuel companies with ownership stakes in fuel infrastructure for the Airport have not committed to new investment;
- 15 **noted** that the Associate Minister for Energy is monitoring jet fuel storage and will report back to ECO if government intervention is warranted;

Communications

- 16 **agreed** that the Associate Minister for Energy announce Cabinet's decisions in relation to the paper under ECO-24-SUB-0093.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Christopher Luxon
Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis (Chair)
Hon Brooke van Velden
Hon Shane Jones
Hon Chris Bishop
Hon Simeon Brown
Hon Paul Goldsmith
Hon Todd McClay
Hon Tama Potaka
Hon Matt Doocey
Hon Simon Watts
Hon Melissa Lee
Hon Penny Simmonds
Hon Chris Penk
Hon Andrew Bayly
Hon Andrew Hoggard
Hon Mark Patterson

Officials present from:

Office of the Prime Minister
Office of Hon Simon Watts
Ministry of Business, Innovation and Employment
Officials Committee for ECO