



BRIEFING

Engine Fuel Specification Amendment Regulations 2026

Date:	27 March 2026	Priority:	Urgent
Security classification:	In Confidence	Tracking number:	REQ-0030095

Action sought		
	Action sought	Deadline
Hon David Seymour Associate Minister of Finance	Authorise the submission of the <i>Engine Fuel Specification Amendment Regulations 2026</i> to Executive Council	30 March 2026
Hon Nicola Willis Minister of Finance	Authorise the submission of the <i>Engine Fuel Specification Amendment Regulations 2026</i> to Executive Council	30 March 2026
Hon Chris Bishop Associate Minister of Finance	Authorise the submission of the <i>Engine Fuel Specification Amendment Regulations 2026</i> to Executive Council	30 March 2026
Hon Shane Jones Associate Minister for Energy Associate Minister of Finance	Authorise the submission of the <i>Engine Fuel Specification Amendment Regulations 2026</i> to Executive Council	30 March 2026

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Erin King	Policy Director	Privacy of natural persons	✓
Caroline Ryder	Principal Policy Advisor		

The following departments/agencies have been consulted

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



BRIEFING

Engine Fuel Specification Amendment Regulations 2026

Date:	27 March 2026	Priority:	Urgent
Security classification:	In Confidence	Tracking number:	REQ-0030095

Purpose

This briefing seeks agreement to submit the *Engine Fuel Specification Amendment Regulations 2026* to Executive Council.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that on 23 March 2026, Cabinet agreed to temporarily allow the sale of engine fuel that meets the Australian specification, and authorised the Associate Minister for Energy, the Minister of Finance and Associate Ministers of Finance to approve the drafting of amendments to regulations to adjust New Zealand fuel specifications and to submit these amendments to Executive Council
Noted
- b **Agree** to include a lower flashpoint for diesel in the amendments, following the Australian decision announced on 24 March (from 61.5 degrees Celsius to 60.5 degrees Celsius)
Agree / Disagree
- c **Agree** to authorise the submission of the *Engine Fuel Specification Amendment Regulations 2026 (Annex One)* to Executive Council
Agree / Disagree
- d **Agree** to submit the Advice Sheet to the Executive Council (**Annex Two**) to Cabinet Office.
Agree / Disagree

Privacy of natural persons



Erin King
Policy Director
Building, Resources and Markets, MBIE
27 / 03 / 26

Hon David Seymour
Associate Minister of Finance
..... / /

Hon Nicola Willis
Minister of Finance
..... / /

Hon Chris Bishop
Associate Minister of Finance
..... / /

Hon Shane Jones
Associate Minister of Finance
..... / /

Background

1. On Monday 23 March, Cabinet agreed to temporarily allow the sale of engine fuel that meets the Australian specification, with the exception of sulphur levels [CAB-26-MIN-0085 refers].
2. While this relaxation of New Zealand's fuel specifications does not guarantee increased supply, it increases optionality for fuel importers to access a greater pool of compliant fuel.
3. Cabinet also authorised the Associate Minister for Energy, the Minister of Finance and Associate Ministers of Finance to approve the drafting of amendments to regulations to adjust New Zealand fuel specifications and to submit these amendments to Executive Council.

Engine Fuel Specification Amendment Regulations

4. These regulations allow the sale of Australian-specification fuel, with the exception of sulphur, whereby New Zealand's lower level of 10ppm will prevail. The regulations also include the change to the flashpoint for diesel made by Australia earlier this week.
5. The regulations will commence on 31 March 2026, following Executive Council. Cabinet agreed to waive the 28-day rule given the urgency in ensuring fuel specifications are aligned to secure supply.
6. The regulations will be revoked on 30 March 2027, 12 months after the commencement date. The regulations include a transitional provision allowing fuel importers to continue to sell Australian-specification fuel if this fuel is ordered before the temporary specifications are revoked and delivered to New Zealand within six months of the date of order.
7. MBIE is also working on guidance for industry to support the use of the amended regulations.

Process for further amendments

8. Cabinet agreed to "automatically" allow fuel that meets the Australian standard to enter the New Zealand market. There is no power in the empowering legislation to automatically incorporate other specifications, so the Australian specifications have been inserted into the New Zealand fuel specifications.
9. This also means that any further changes made by Australia would need to be approved and added to the regulations on a case-by-case basis. Cabinet has authorised you to make any further changes to our fuel specifications, and officials from relevant agencies have agreed and documented a process to allow these changes to be actioned as quickly as possible. We are keeping in close contact with our Australian counterparts to make sure we have early warning of further changes.
10. Further policy work is underway exploring other jurisdictions' fuel specifications and their applicability to New Zealand. This work is also considering recommendations from fuel importers on options to further relax our fuel specifications, should this become necessary.

Compliance

11. We consider that these regulations do not alter compliance with each of the following:
 - the principles of the Treaty of Waitangi
 - the rights and freedoms contained in the *New Zealand Bill of Rights Act 1990* or the *Human Rights Act 1993*
 - the principles and guidelines set out in the *Privacy Act 2020*
 - relevant international standards and obligations

- the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
12. There are no statutory prerequisites in the *Energy (Fuels, Levies, and References) Act 1989*.
 13. We consider that there are no grounds for the Regulations Review Committee to draw the Regulations to the attention of the House under Standing Order 327.

Annexes

Annex One: *Engine Fuel Specification Amendment Regulations 2026*

Annex Two: Advice sheet

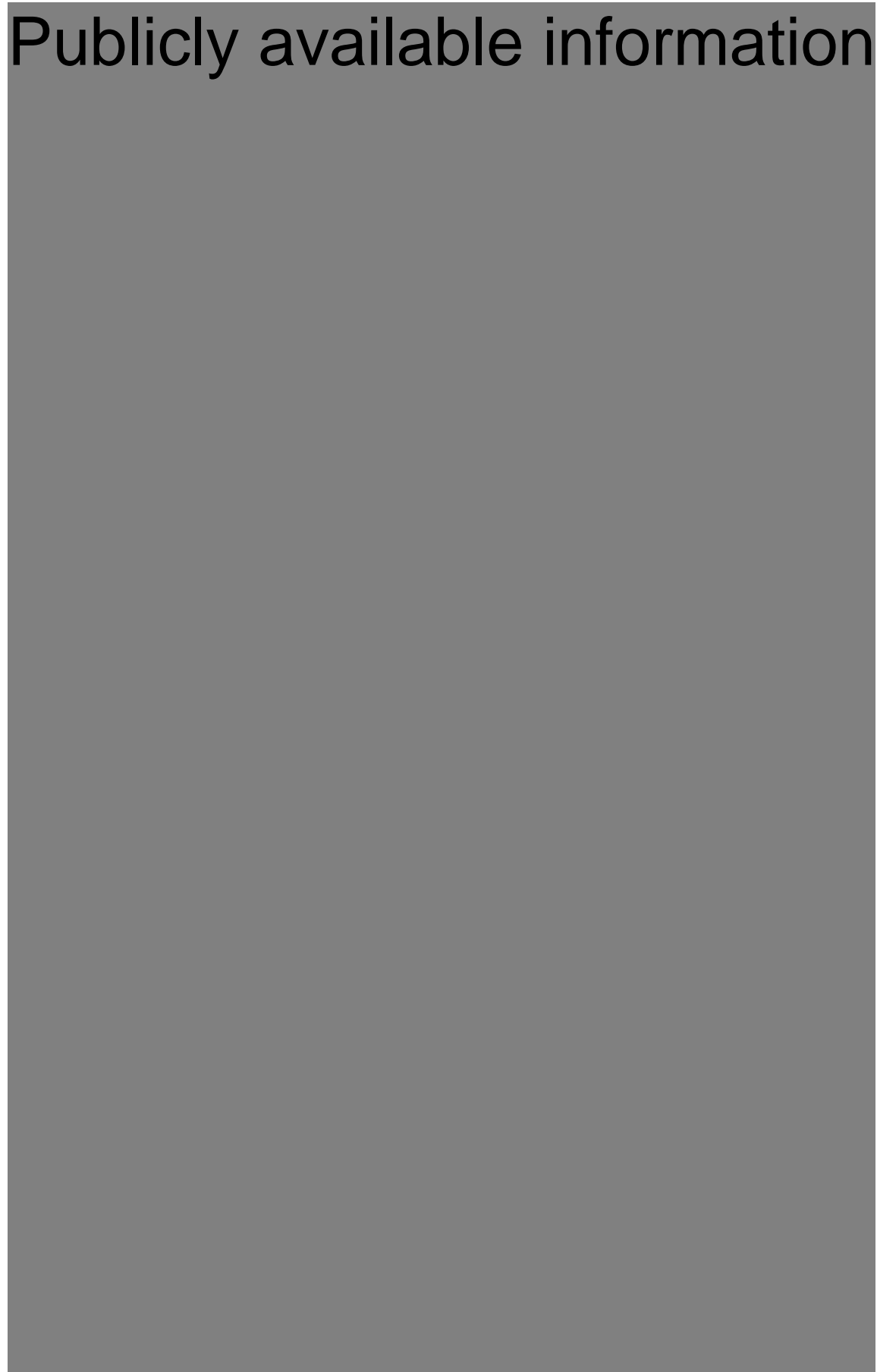
Publicly available information

Publicly available information

Publicly available information



Publicly available information



Publicly available information



Publicly available information



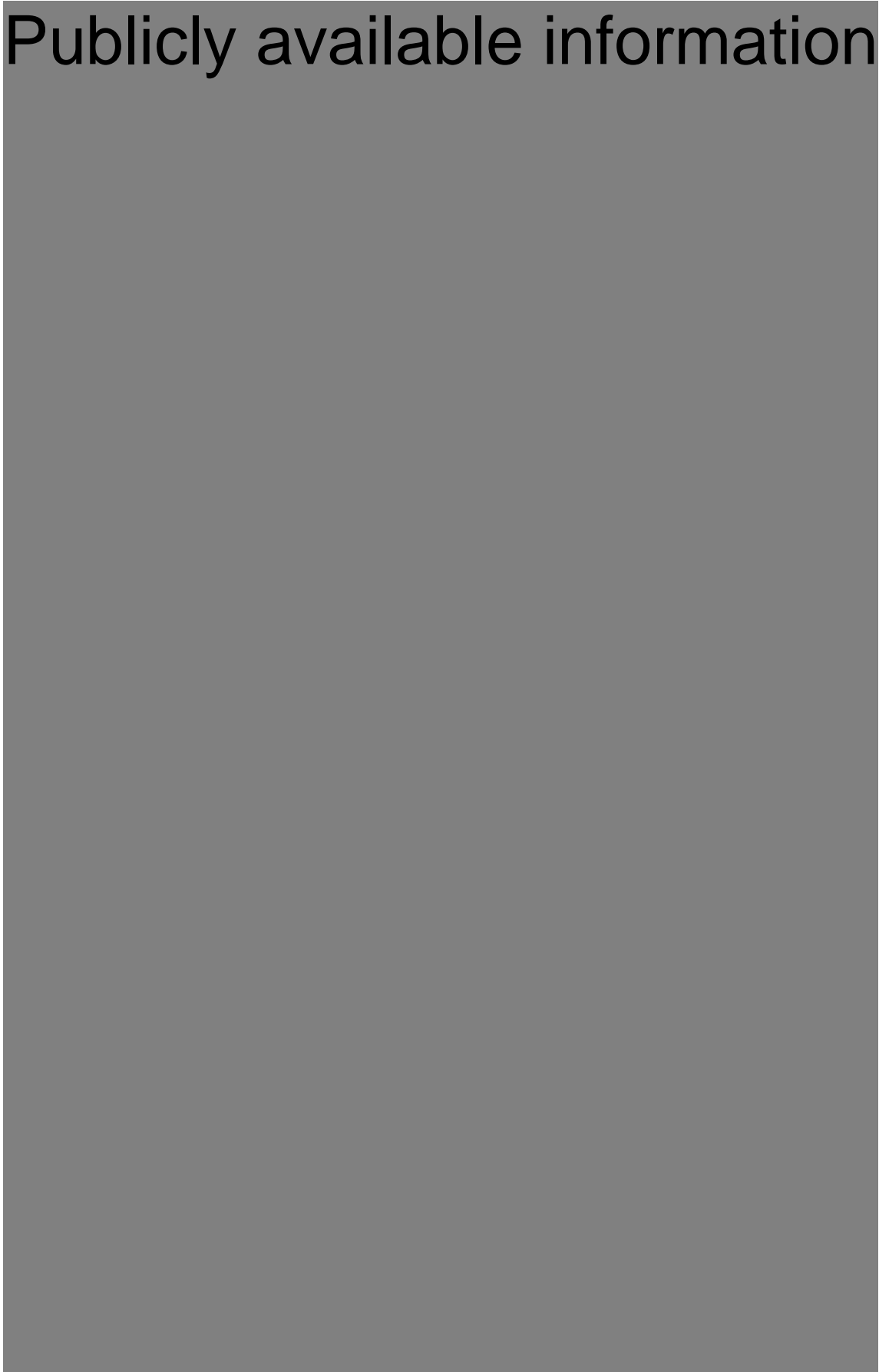
Publicly available information



Publicly available information



Publicly available information



Publicly available information



Publicly available information



Publicly available information

Publicly available information



Publicly available information



Publicly available information



Publicly available information

Publicly available information



Publicly available information





In Executive Council

*Her Excellency the Governor-General is recommended to sign
the attached Order in Council making the
Engine Fuel Specification Amendment Regulations 2026*

Minister for Energy

Approved in Council

Clerk of the Executive Council