



BRIEFING

Agreement to implement the International Energy Agency Collective Action

Date:	17 March 2026	Priority:	Urgent
Security classification:	Restricted	Tracking number:	BRIEFING-REQ-0029274

Action sought		
	Action sought	Deadline
Hon Nicola Willis Minister of Finance	Note the contents of this briefing.	Wednesday 18 March
Hon Todd McClay Minister of Trade and Investment	Note the contents of this briefing.	Wednesday 18 March
Hon Simon Watts Minister for Energy	Note the contents of this briefing.	Wednesday 18 March
Hon Shane Jones Associate Minister for Energy	Note the contents of this briefing. Agree to the release of oil tickets as proposed.	6pm Wednesday 18 March
Hon Scott Simpson Minister of Commerce and Consumer Affairs	Note the contents of this briefing.	Wednesday 18 March
Hon Brooke van Velden Minister of Internal Affairs	Note the contents of this briefing.	Wednesday 18 March

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Peter Bartlett	Director, Innovation and International	Privacy of natural persons	✓
Mark Pickup	Principal Advisor, Electricity Markets		

The following departments/agencies have been consulted

NA

Minister's office to complete:

Approved

Declined

Noted

Needs change

Seen

Overtaken by Events

See Minister's Notes

Withdrawn

Comments



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Purpose and summary

To seek agreement on how New Zealand should implement its response to the International Energy Agency (IEA) Collective Action (the Action).

Recommended action

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

- a **Note** New Zealand has been allocated 1.577 million barrels or 214,000 tonnes of crude oil (or equivalent) to fulfil its contribution to the Action.

Noted
- b **Note** that New Zealand has a number of options to meet the Action, including imposing demand restraints, relaxation of minimum stockholding obligations, and utilisation of purchase options we hold for different types of oil (known as oil tickets).

Noted
- c **Note** that using demand restraint and relaxation of minimum stockholdings for the Action would be premature, and should be retained as domestic response options for later consideration.

Noted
- d **Agree** that New Zealand fulfils its allocation for the Action through releasing oil tickets that comprise 178,500 tonnes of crude oil and 35,000 tonnes of gasoline held in the United States.

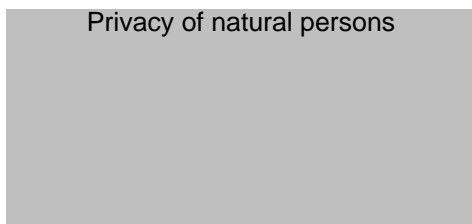
Agree / Disagree
- e **Note** there is flexibility for New Zealand on when to make a decision and communicate this to the IEA.

Noted
- f **Note** that MBIE will explore how our remaining tickets might be utilised for domestic fuel security purposes should this become necessary in future.

Noted

- g **Note** that should Ministers agree to the release of tickets, MBIE will communicate this to the IEA at its Governing Board Meeting at 1am NZT on Thursday 19 March, and we expect a summary of IEA member contributions will be subsequently published by the IEA that day.

Noted



Peter Bartlett
**Director, Innovation and International
Buildings, Resources and Markets, MBIE**

17/ 03 / 2026

Hon Nicola Willis
Minister of Finance

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Hon Todd McClay
Minister for Trade and Investment

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Hon Simon Watts
Minister for Energy

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Hon Shane Jones
Associate Minister for Energy

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Hon Scott Simpson
**Minister of Commerce and Consumer
Affairs**

..... / /

Hon Brooke van Velden
Minister of Internal Affairs

..... / /

The IEA has proposed collective action

1. In response to the oil crisis in the Straits of Hormuz, IEA members have agreed to take collective action (the Action) to release 400 million barrels of crude (or equivalent) to market. New Zealand's allocation is 1.577mb or 214,000 tonnes of crude oil or equivalent. This is 256,840,000 litres of crude.
2. Timing of implementation is up to each member. However, the IEA has set an extraordinary Governing Board meeting for 1am Thursday 19 March NZT, and has asked members to be able to speak to their release plans at this meeting. MBIE senior officials will attend this meeting. The IEA will publish an initial summary of responses on Thursday 19 March (Europe time).
3. The Associate Minister of Energy has the delegated authority to make decisions in relation to New Zealand's oil tickets.
4. If Ministers wish to take more time to consider this decision, this is not a problem. If we do not make this timeline, there will be further opportunities for New Zealand's contribution to be included in IEA communications.

There are various options for meeting the Collective Action

5. The purpose of collective action is to calm markets by releasing supply, with the intent to put downward pressure on prices. This can be achieved by releasing stock to market or reducing demand.
6. The IEA has communicated that we have various options to respond to the current Action, including imposing demand restraints, relaxation of minimum stockholding obligations, and utilisation of purchase options we hold for different types of oil (known as oil tickets). MBIE has excluded some of these for the following reasons:
 - **Impose demand restraints:** we have not considered this option for use to meet the Action – it would be part of a wider domestic response if the situation becomes more severe. You are receiving advice on this issue separately.
 - **Reduce minimum stockholding obligations (MSO) so that fuel can be released to the market:** We do not recommend this option to meet the Action, as our MSO is currently providing vital domestic supply cover during the crisis. While Australia reduced their MSO, our understanding is that this relaxation was Australia's only option to meet the Action. Ministers will receive further advice on the MSO.

We recommend relying on oil tickets as has been done for previous actions

7. To meet our IEA 90 Day stockholding obligation New Zealand relies mostly on oil tickets (tickets). Tickets are options we hold to purchase different types of oil (crude, gasoline, jet fuel etc). The current options are held in the US, Japan, and UK markets. The allocation we have for the Action comprises around 20% of New Zealand's current tickets. MBIE contracts consultancy Envisory to provide advice on the management of tickets.
8. Release of tickets to global markets has been the method used to respond to previous Actions such as for the Ukraine war in 2022.

We recommend immediate release of tickets that have low strategic value for New Zealand

later. This also means we won't be in non-compliance with this obligation due to holding a reduced volume of tickets after the release.

16. The IEA has indicated a decision will be made about the timing for reinstating the 90 day obligation well after global markets have calmed. When the obligation is reinstated New Zealand will need to repurchase tickets to satisfy our treaty obligations. At this point in time the cost and difficulty of re-complying is highly uncertain.

Further work to assess strategic benefit of our tickets

17. While not required for the current Action, New Zealand could also purchase the options we have, either for on selling that supply to domestic fuel importers (in the case the contracts we have for refined fuels of the right specification) or to global refineries (in the case of crude). New Zealand has not purchased tickets before, so we do not have experience with how well it could work in practice.
18. MBIE will undertake further work on whether this would be valuable should the situation become worse, including whether any tickets could be used by importers.