



BRIEFING

Background on the International Energy Agency

Date:	12 March 2026	Priority:	Urgent
Security classification:	Restricted	Tracking number:	BRIEFING-REQ-0029133

Action sought		
	Action sought	Deadline
Hon Nicola Willis Minister of Finance	Note the contents of this briefing.	13 March 2026
Hon Todd McClay Minister of Trade and Investment	Note the contents of this briefing.	13 March 2026
Hon Simon Watts Minister for Energy	Note the contents of this briefing.	13 March 2026
Hon Shane Jones Associate Minister for Energy	Note the contents of this briefing	13 March 2026
Hon Scott Simpson Minister of Commerce and Consumer Affairs	Note the contents of this briefing.	13 March 2026

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
- Noted
- Seen
- See Minister's Notes

- Declined
- Needs change
- Overtaken by Events
- Withdrawn

Comments



BRIEFING

Background on the International Energy Agency

Date:	12 March 2026	Priority:	Urgent
Security classification:	Restricted	Tracking number:	BRIEFING-REQ-0029133

Purpose

To provide background information on the International Energy Agency (IEA) and New Zealand's oil tickets. We will provide a further briefing on Tuesday 17 March seeking responsible Ministers' agreement to New Zealand's approach to implementing the IEA collective action.

Recommended action

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

- a **Note** the IEA has agreed collective action in response to the current oil security situation due to closure of the Strait of Hormuz
Noted

- b **Note** New Zealand's allocated release requirement is 1,577,000 barrels or 214,000 tonnes of crude oil
Noted

Recommendations continued next page

c **Note** the IEA has scheduled a meeting of the IEA Governing Board at officials level on at 13:00 CET 18 March (1am Thursday 19 March NZT) to confirm each members countries oil release

Noted

d **Note** officials will seek responsible Ministers' agreement to our recommended approach on 17 March, prior to this meeting.

Noted

Privacy of natural persons

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

12/ 3 / 2026

Hon Nicola Willis
Minister of Finance

..... / /

Hon Todd McClay
Minister for Trade and Investment

..... / /

Hon Simon Watts
Minister for Energy

..... / /

Hon Shane Jones
Associate Minister for Energy

..... / /

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

..... / /

Background

1. The IEA was established around 50 years ago as a response by OECD members to the 1973 oil crisis. Since then, it has evolved to be an all-fuels, all-technology agency. Currently the IEA has 31 members and various accession and associate countries¹, which together account for around 80 per cent of the world's energy consumption. Its initial remit was to establish a level of oil reserves internationally through a requirement on members to hold 90 days of net stocks, often referred to as reserve stock.
2. New Zealand is a member of the IEA and has certain obligations under the Treaty that established the organisation. The International Energy Agreement Act (1976), vests powers in the Governor-General in Council and the Minister of Energy to enable New Zealand to carry out its obligations under the International Energy Agreement. Primarily these powers concern management of oil stocks and rationing in the event of an oil emergency.

Decision making process and governance structure

3. The Minister of Energy is the responsible Minister for the IEA, while the Associate Minister has been delegated responsibility for oil tickets issues (e.g. implementing the current collective response). MBIE has been delegated day to day management of IEA meetings, and decision making on issues like work programmes and budget. MBIE escalates significant decisions or matters to Ministers where appropriate (for example, confirming joint statements, or yesterday's support of the collective action).
4. The IEA operates on a consensus decision making basis (all members must support decisions). The key decision making body is the IEA Governing Board, which MBIE's Energy Markets Branch services. This Governing board also occasionally meets at Ministerial level to make decisions (in this case, it would normally be the Minister of Energy). MBIE also contracts a Paris based Energy Advisor to service meetings (which are mostly during the night NZ time).
5. Under the Governing Board, there are also subcommittees dealing with various issues (fuel security, budget, etc). All final decisions are made through the Governing Board, however.
6. Issues involving the IEA often have geo-political implications and concern countries that New Zealand has a wider foreign policy interest in. MBIE has noticed an uplift in geo-political issues being discussed in the IEA in the last two to three years, particularly under the current Trump administration. The Trump administration has expressed strong views on whether the organisation should remain focused on its traditional expertise on oil and gas rather than renewables, as well as raising concerns about membership and the IEA's relationship with China. Geo-strategic supply chain issues like critical minerals have also made their way into the day-to-day work of the IEA.

Recent IEA Ministerial

7. The IEA hosted a well-attended Ministerial meeting on 18-19 February in Paris, attended by the Minister for Energy.
8. The outcomes from the Ministerial event itself were relatively limited. Agreement between Ministers (including the US) was largely confined to the IEA's core role of supporting energy security. Critical minerals was a key area of consensus, with Ministers issuing a declaration

¹ The IEA members are Australia, Austria, Belgium, Canada, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Republic of Korea, Latvia, Lithuania, Luxembourg, Mexico, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Türkiye, United Kingdom, and the United States, with a number of associates (including Singapore). At the recent meeting Ministers also agreed to Colombia's accession to the IEA, Brazil formally beginning the accession process, and Viet Nam joining as an Association country.

urging the IEA and member countries to do more to support the development of diversified and responsible supply chains, particularly in refining and processing.

9. s 9(2)(b)(ii), Confidential information entrusted to the Government

Oil tickets process and current ticket holdings

10. Most oil importing IEA countries meet their 90 day obligations through industry stock levels within the country whereby oil companies are required to maintain minimum mandated stock levels. In addition, some countries augment industry stocks with publicly held stocks, and some maintain very large in-country stockpiles, e.g. South Korea, Japan and the USA.
11. In times of crisis that threaten international oil supplies, the IEA may call for members to undertake collective action to release reserve stocks to the market to put downward pressure on prices. The last such collective action was in 2022 in response to the Russian invasion of Ukraine. In that case around 182.7 mb was released, compared to 400mb for the current action. The IEA has proposed New Zealand's release requirement is 1,577,000 barrels or 214,000 tonnes of crude oil.
12. New Zealand is relatively unusual in relying on oil 'ticket' contracts to meet a portion of its IEA obligations, which provide purchase rights on oil stocks held in other IEA countries. This means when we release tickets under a collective action, we aren't releasing physical supply that we own. Rather we are releasing physical stock that has been held on our behalf, for which we pay a holding fee with the option of later purchase.
13. Collective action is intended to stabilise oil prices and increase supply during times of crisis. Releasing our oil tickets (or other options such as reducing demand or releasing stockholding obligations) serves as New Zealand's contribution to collective action, in line with our treaty obligations and expectations.
14. Releasing oil tickets means that we cancel the contracts with the holding company on a specific date. No regulatory or emergency measures are required to do this. New Zealand then is no longer required to pay the monthly fee for that contract. However, the primary benefit of stock release is that this stock becomes available to the market which puts downward pressure on prices and releases more oil for shipment. Both of which are benefits for New Zealand.
15. Once the collective action has been undertaken, eventually New Zealand will need to repurchase tickets to satisfy our treaty obligations. The IEA has indicated a decision will be made about the timing for this well after global markets have calmed. Therefore, at this point in time the cost and difficulty of re-complying is highly uncertain.

Is collective action mandatory or voluntary?

16. All IEA Members – including New Zealand – are expected participate in the collective action under the IEA Treaty now it is agreed by IEA members.
17. However, the IEA has framed the response as 'voluntary' in that members can both decide when to respond, and can take different implementing approaches. The different approaches envisaged are stock release, release of oil tickets, demand response, and lowering mandatory stockholding obligations. In practice, MBIE considers the release of tickets the most practical option for New Zealand.

Current ticket holding

18. Table One lists the current contract volumes New Zealand holds for the 1st Quarter 2026 by country. These are the contracts we need to choose from for New Zealand's contribution.

19. Commercial Information

Table One: January – March 2026 tickets

Commercial Information

20. Commercial Information

21. Commercial Information

How we propose to respond to the collective action and next steps

22. MBIE intends to seek responsible Ministers' agreement to an approach to releasing tickets (or alternative response) on Tuesday 17 March. In this advice, we will outline which contracts we propose to release, and the potential impacts to New Zealand's fuel situation (which we expect are minor whatever are chosen).

23. The IEA has also noted that members can decide when we want to comply with the action. Our advice will consider what the choices are – for example the benefits of acting early are to provide market confidence.

24. The IEA has set an extraordinary Governing Board meeting at 1am Thursday 19 March NZT, and has asked members to be able to speak to their release plans.

25. The IEA has also requested member countries fill out an indicative survey on their release plans by Thursday, 12 March 2026, which is 6am Friday 13th March NZT.
26. We have asked the IEA for an extension on this time to allow sufficient time for us to confirm our release process with you before responding.