



## **BRIEFING-REQ-0029094 Advice on New Zealand response to a proposed IEA collective action**

<b>Date:</b>	11 March 2026	<b>Priority:</b>	Urgent
<b>Security classification:</b>	Restricted	<b>Tracking number:</b>	BRIEFING-REQ-0029094
<b>Contact for telephone discussion (if required)</b>			
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### **Summary**

This brief seeks your agreement for New Zealand to support the IEA in undertaking a collective action in response to the current situation in Iran. We recommend you forward this briefing to the Ministers of Finance, Energy, Trade and Investment, and Commerce and Consumer Affairs (Supply Chain Ministers) for their assent at the Supply Chain Ministers meeting at 8pm on 11 March 2026. We will need to indicate our position to the IEA by 1am Thursday 12 March 2026 NZT.

### **Background**

1. As a signatory to the IEA treaty, New Zealand is obligated to hold 90-days of net oil stocks, and to take collective action to release stock to the market, or initiate emergency Measures (e.g. demand response), when the IEA members collectively decide on action in response to a major crisis in the oil market.
2. New Zealand fulfils around one third of its 90-day obligation through oil tickets, which are forward purchase contracts for oil (that we don't own) in other IEA member countries. This fulfils our treaty obligation. New Zealand took part in the last collective action in the start of the Russia-Ukraine war where we released oil stock to market by terminating several of our oil ticket contracts.

### **Context**

3. In response to the current crisis IEA is proposing collective action to release to market 400 million barrels of oil. New Zealand's allocation to meet this response is proposed to be 1.5777 million barrels or 214,000 tons. This is approximately 20 per cent of the oil tickets that New Zealand currently holds.
4. The IEA considers a collective action is necessary because:
  - There is no sense of when access through the Strait of Hormuz will improve. Without sufficient routes to bring oil to markets and due to low levels of available storage, Gulf countries are now reducing production. Even if the situation resolved itself this week, it would take a considerable period of time to ramp production back up and for tanker availability to improve.

- Collective action from IEA members is needed to bridge the gap. Markets need reassurance and IEA members are the only ones capable of doing this. Given the scale of the disruption, the IEA considers 400 million barrels per day are needed to provide reassurance (this compares to the 63 and 120 million released following the invasion of Ukraine).
5. IEA member states need to endorse by 1am Thursday 12 March. We need your agreement that NZ can support the IEA collective action going ahead, and recommend you also agree this with the supply chains ministerial group. Following this, we will provide further advice on how New Zealand should implement our obligation. We currently expect the action will be strongly supported by other IEA members.
  6. The logic for releasing oil stocks to the market is it increases available stock globally, putting downward pressure on prices. MBIE considers this is a reason to support the collective action – while it will result in release of our tickets, it should have wider benefits for New Zealand.
  7. When we terminate oil ticket contracts, we no longer need to pay the monthly service fee, and likely will not need to replenish these holdings for many months (until the IEA decides the oil market has sufficiently settled.)
  8. As a signatory to the IEA treaty New Zealand is obligated to take action if the IEA collectively approves action. However, the IEA is characterising this action as ‘voluntary’ for members in the sense that members can choose how they respond – release oil to market or undertake other emergency measures such as demand response to the equivalent amount – rather than whether or not to respond. This will mean New Zealand has time to consider its approach to implementing the obligation.

## Next Steps

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9. Once the collective action is confirmed by IEA members, the IEA Secretariat will contact member countries to ascertain the details of each member’s contribution, in terms of the means and timing of making oil available.
10. Officials will then provide further advice to the Associate Minister of Energy who will advise Cabinet on how we propose to meet and how fast to implement the action.
11. Note Cabinet in 2022 granted the Associate Minister of Energy delegated Authority to act in this regard (refer DEV-22-MIN-0243).

## Recommended action

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

- a **Note** the IEA is proposing collection action in response to the current crisis *Noted*
- b **Note** the IEA has requested all members to indicate by 1 am NZDT on Thursday 12<sup>th</sup> whether they object to this proposed action *Noted*
- c **Note** that a collective action would be expected to calm global oil markets, helping to reduce prices and supply pressures *Noted*

d **Agree** that New Zealand will support the IEA collective action

*Agree / Disagree*

e **Agree** to forward this briefing to the Ministers of Finance, Energy, Trade and Investment, and Commerce and Consumer Affairs.

*Agree / Disagree*

Privacy of natural persons

Peter Bartlett  
**Director - Innovation and International**  
Energy Markets, MBIE

Hon Shane Jones  
**Associate Minister of Energy**

11 / 03 / 2026

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