MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING - Implementation of New Zealand’s contribution to the IEA collective action

Date:	2 June 2026	**Priority:**	High
Security classification:	Restricted	**Tracking number:**	BRIEFING-REQ-0032736

Action sought		
	Action sought	**Deadline**
Hon Shane Jones **Associate Minister for Energy**	**Agree** to the proposed next steps to implement New Zealand’s IEA ticket release.	5 June 2026
Hon Nicola Willis **Minister of Finance**	**Note** the contents of this briefing.	5 June 2026
Hon David Seymour **Associate Minister of Finance**		
Hon Chris Bishop **Associate Minister of Finance**		
Hon Simeon Brown **Minister for Energy**		

Contact for telephone discussion (if required)			
Name	**Position**	**Telephone**	**1st contact**
Scott Russell	Manager – Fuel Regulation and Operations Policy	Privacy of natural persons	✓
Mark Pickup	Principal Advisor, Electricity Markets		

The following departments/agencies have been consulted
Ministry of Foreign Affairs and Trade

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- ☐ Withdrawn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

To seek your agreement to undertake the next steps in New Zealand's IEA ticket release.

Recommended action

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

a **Note** that IEA members agreed to a collective action release of 400 million barrels of oil (or equivalent) on 11 March 2026, which has likely helped cushion the global oil supply chains from some of the supply shock.

Noted

b **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 IEA Collective Action

Noted

c **Note** Ministers previously agreed New Zealand implement 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 [BRIEFING REQ -0029274 refers].

Noted

d **Note** now that options in the national fuel plan have been decided we recommend implementing the release and on re-reviewing New Zealand's ticket holdings we propose to continue with releasing the originally proposed tickets.

Noted

e **Agree** that officials notify their counterparts in the US signifying our intention to release US tickets as required under our Government-to-Government arrangement.

Agree / Disagree

f **Agree** to send the letters in Annex Two to contract holders.

Agree / Disagree

Privacy of natural persons

Scott Russell
Manager, Fuel Regulation and Operations Policy
MBIE
2 June 2026

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

Hon Shane Jones
Associate Minister for Energy
..... / ...... / .....

Hon David Seymour
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..... / ...... / .....

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

Hon Simeon Brown
Minister for Energy
..... / ...... / .....

Implementation of New Zealand’s Collective Response

1. On 11 March 2026, the IEA announced collective action to make 400 million barrels of crude or equivalent available to global markets. New Zealand’s allocation to meet the collective action comprises 20% of our tickets (214,000 tonnes).

2. On 17 March, Ministers agreed New Zealand will fulfil 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 [BRIEFING REQ -0029274].

3. The IEA deadline for fulfilment of actions for the collective response is **8 June 2026**. This date is the end of the 90-day window agreed in the IEA Governing Board resolution which established the collective action. The resolution allowed IEA Members to make additional oil supply available to the market by means and in a timeframe that is appropriate to their national circumstances within this 90-day window.

4. We have now completed our analysis of options in relation to commercially securing additional domestic fuel supply, and when the Government might use different levers to resolve a supply shortage under the revised national fuel plan. Therefore we can now implement New Zealand’s response to the IEA collective action before the IEA’s deadline of 8 June.

Steps required to activate our oil ticket release

5. The oil tickets identified for release comprise 20 percent of New Zealand’s ticket holdings, are all in the United States and are of **low strategic value** being largely Crude that is of no use in New Zealand without significant refining.

6. There are several procedural steps required to implement the release:

    a. Officials’ notification to the US Government

    b. Minister’s letter to oil companies

    c. Officials’ letter to oil companies

Officials notification to United States Government

7. Under the terms of our Government-to-Government arrangement on tickets with the United States, we must notify them no less than 10 days after taking a decision to implement a release (or purchase) option. This notification is sent by New Zealand officials to counterparts in the United States Government.

8. Following your agreement to this briefing officials will send this notification to the US government.

Letters to oil companies

9. Our current ticket contracts with oil companies require two separate notification letters:

    - a letter from the delegated Minister (the Associate Minister of Energy[1]) to the contract holders, notifying them that New Zealand is exercising its options under the contract with them to comply with the IEA collective action.

[1] Cabinet granted the Minister of Energy delegated Authority to act on ticket matters (refer DEV-22-MIN-0243). The delegation letter of 22 February 2024 assigned responsibility for IEA obligations to the Associate Minister of Energy.

- a subsequent letter from officials to the contract holders listing the oil stock affected.

10. A copy of the ministerial letter is provided as **Annex Two**. We will work with the office of the Associate Minister of Energy to send these letters as soon as practicable after your agreement to this brief and after notifying the United States Government. MBIE's follow up letter will include the specific detail on the stocks to be released.

Process for release after letter exchange

11. After receipt of the letters the companies will release the relevant oil stocks to market. Officials will also inform the IEA that we have implemented the release.

12. There will be a consequential decrease in the fees New Zealand needs to pay for the suppliers holding the stocks (these fees are paid for via the Petroleum or Engine Fuel Monitoring (PEFM) levy). This decrease should be around $818,310USD or $1,386,966NZD total, using an exchange rate of 0.59.

Annexes

Annex One – Additional Background material on collective response

Annex Two – Draft letter from the Minister to the Contract Holder

Annex One: Additional background material on collective response

What are tickets

13. Tickets are contracts with fuel suppliers that require them to hold certain volumes of crude and refined fuels in order for New Zealand to show compliance with its IEA obligations to hold 90 days of stocks. The contracts allow us to either release the stocks to the global market to meet IEA emergency actions or purchase the stock for the same purpose (based on applicable market price indexes at the time). We pay fees to the supplier for holding this stock.

Tickets proposed for release

14. Ministers decided in March that we would release the following US crude and gasoline (petrol) tickets.

Location	Product and spec	Quantity (tonnes)	Supplier
US	Crude	105,000	Valero
US	Crude	73,500	Phillps 66
US	Gasoline	35,500[2]	Phillps 66

15. It would be open for Ministers to release different tickets; however we have re-considered this proposed release in light of events since March 17 and consider these tickets remain the lowest strategic value to New Zealand.

16. We are continuing to hold our US jet fuel tickets that can be more easily converted to New Zealand supply if the Government wanted to pursue this option under later phases of the fuel plan, and also our Japanese crude holdings that may be more expedient to refine into NZ product if needed.

What is the status of other countries collective release

17. The latest IEA monitoring report from 13 May notes that as of 8 May, 10 of the 28 IEA Members had not yet implemented releases. However, it is likely that some of the 10 who were non-compliant on 8 May have now taken action, in addition some countries with larger allocations had also (as at 8 May) only partially released their allocated volume.

Post Collective Action reinstatement of 90-day obligation

18. The IEA has indicated a decision will be made about the timing for reinstating the 90 day obligation well after global markets have calmed. We note for the collective action was taken in response to the Ukraine war in 2022, the obligation did not “come back into force” until around 1.5 years later. When the obligation is finally 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.

[2] Note a tonne of Gasoline corresponds to a larger tonnage of Crude reflecting the refining process, so the total tonnage release will not match exactly.

Annex Two: Draft letter from the Minister to the Contract Holder

To whom it may concern

I refer to the Petroleum Reserves Stock Reservation Agreements between the New Zealand Government and [Supplier] entered into on or about [contract dates]. Terms defined in those Petroleum Reserves Stock Reservation Agreements will have the same meaning when used in this letter.

You will be aware that the International Energy Agency (IEA), by unanimous decision of the IEA's Governing Board on 11 March 2026, called for emergency collective action to make additional oil supplies available to the global oil market from member countries' emergency reserves to address disruptions in oil markets stemming from the war in the Middle East.

Accordingly, I confirm that New Zealand’s IEA obligations to implement emergency measures to deal with a reduction or threatened reduction of petroleum suppliers have been activated.

Accordingly, the circumstances in which the Crown may exercise the Release Option or Purchase Option in accordance with clause 6.3 of the above mentioned Petroleum Reserves Stock Reservation Agreements have been met.

Yours sincerely

Hon Shane Jones

Associate Minister of Energy