

Draft Fuel Security Plan

The Ministry of Business, Innovation and Employment (MBIE) would like your feedback on the draft Fuel Security Plan.

Please provide your feedback by **5pm, 25 August 2025**.

When completing this submission form, please include comments and explain your reasoning where relevant. Your feedback is important and helps guide decision about New Zealand's fuel security.

We appreciate your time and effort taken to respond to this consultation.

Instructions

To make a submission you will need to:

1. Fill out your name, email address, phone number and organisation. If you are submitting on behalf of an organisation, brief describe your organisation and its aims, and ensure you have the authority to represent its views.
2. You can answer any or all of these questions in the draft Fuel Security Plan.

[Have your say: Draft Fuel Security Plan](#)

Where possible, please include evidence to support your views – such as references to independent research or facts and figures.

3. If your submission has any confidential information:
 - i. Please state this in the email and clearly identify which parts you consider should be withheld and the grounds under the Official Information Act 1982 that you believe apply. MBIE will take such declarations into account and will consult with submitters when responding to requests under the Official Information Act 1982.
 - ii. Indicate this on the front of your submission (e.g. the first page header may state "In Confidence"). Any confidential information should be clearly marked within the text of your submission (preferably as Microsoft Word comments).
 - iii. Note that submissions are subject to the Official Information Act 1982 and may, therefore, be released in part or full. The Privacy Act 1993 also applies.
4. Submit your feedback:
 - i. As a Microsoft Word document by email to gasfuelpolicy@mbie.govt.nz with the subject line: *Draft Fuel Security Plan*
 - ii. By mailing your submission to:
Gas and Fuel Policy
Ministry of Business, Innovation and Employment
PO Box 1473, Wellington 6140
New Zealand

Submitter information

MBIE would appreciate if you would provide some information about yourself. If you choose to provide information in the section below, it will be used to help MBIE understand views from different groups. Any information you provide will be stored securely.

Your name, email address, phone number and organisation

Name: Mathew Alderdice

Email address: mathew.alderdice@mta.org.nz

Phone number: 04 381 8843

Organisation: Motor Trade Association (MTA)

- ☐ The Privacy Act 1993 applies to submissions. Please tick the box if you do **not** wish your name or other personal information to be included in any information about submissions that MBIE may publish.
- ☐ MBIE may upload submissions and potentially a summary of submissions to its website, www.mbie.govt.nz. If you do **not** want your submission or a summary of your submission to be placed on either of these websites, please tick the box and type an explanation below:

Please check if your submission contains confidential information

- ☐ I would like my submission (or identifiable parts of my submission) to be kept confidential, and **have stated** my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

Introduction

1. Do you support our vision for the fuel system (see box on page 1)? Why / why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

MTA supports the intent to ensure a secure, resilient, and cost-effective fuel supply for New Zealand. However, the Draft Fuel Security Plan should place stronger emphasis on the economic costs of the proposed measures, particularly the potential for significant pass-through costs to industry and consumers.

The Fuel Security Study by consultants Castalia and Envisory shows that some mitigation options (e.g. re-establishing refining in New Zealand) have high capital costs and low cost-effectiveness, meaning public funds or consumer fuel prices would bear the burden without proportional security gains.

2. Have we identified the correct objectives for our liquid fuel security (see box on page 1)?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Objectives should explicitly recognise the balance between fuel supply resilience and cost-effectiveness. While fuel supply resilience is essential, measures must be prioritised based on quantified risk reduction per dollar spent, as outlined in the Fuel Security Study. Without clear economic prioritisation, there is a risk of implementing high-cost, low-impact measures that impose unnecessary costs on New Zealand households and businesses.

3. Do you agree with the scope of the plan looking out to a timeframe of 2035? Why / why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

A 2035 horizon is appropriate given current light vehicle fleet transition forecasts. The Fuel Security Study notes that petrol demand will decline significantly, diesel will decline more slowly, and jet fuel demand is likely to grow. This means investment decisions must consider evolving demand to avoid stranded assets and over-investment in declining fuel types.

It is also important that the Government engages further with fuel industry importers regarding their ability to commit to the proposed timeline and realistically complete any works within that timeframe. This will help ensure implementation plans are both practical and achievable.

Focus area 1: Resilience against global supply shocks

4. Do you believe Focus area 1 addresses the challenges the fuel sector is facing? Why / why not?

- ☐ Yes
 ☒ Yes, with changes
 ☐ No
 ☐ Not sure/No preference

Please explain your views.

New Zealand is highly exposed to global fuel market volatility because we are now 100% reliant on imported refined fuels, with over 70% sourced from Singapore and South Korea. While Focus Area 1 identifies key risks, it should explicitly acknowledge the strategic value of New Zealand's membership in the International Energy Agency (IEA) and our participation in the IEA's *ticket* system for fuel reserves held offshore. These arrangements provide a mechanism for coordinated releases of strategic stocks during international supply disruptions, ensuring access to supply at times of crisis. In addition, the Fuel Security Study notes that New Zealand fuel importers maintain long-standing commercial relationships with their refining suppliers. These relationships often give New Zealand priority status in the event of disruptions – similar to how established commercial ties helped secure scarce medical supplies during COVID-19. This is a critical, low-cost resilience measure that complements physical stockholding.

5. Do you believe the actions under Focus area 1 will improve New Zealand's fuel security? Why / why not?

- ☐ Yes
 ☒ Yes, with changes
 ☐ No
 ☐ Not sure/No preference

Please explain your views.

The proposed actions under Focus Area 1 – such as maintaining minimum stock obligations and diversifying supply sources – will improve resilience, but they should be framed within the context of existing international and commercial arrangements that already provide strong protection against global shocks. New Zealand's membership in the International Energy Agency (IEA) is a significant asset. Through the IEA's coordinated emergency response system, including the ticket mechanism for offshore fuel reserves, New Zealand can access additional supply during severe global disruptions. This system has been successfully activated during past international events, enabling participating countries to secure fuel without resorting to extreme domestic measures. Equally important are the long-standing commercial relationships between New Zealand fuel importers and major refineries, particularly in Asia. These relationships often grant New Zealand priority allocation during tight supply periods, allowing our importers to absorb shocks more effectively – much like established supplier ties were crucial for securing scarce medical supplies during COVID-19.

The Plan should ensure these existing advantages are maintained and leveraged by:

- Leveraging IEA membership and tickets as a first line of defence against severe global supply shocks.
- Supporting the maintenance of strong, long-term commercial arrangements between New Zealand fuel importers and their key refiners in Asia and beyond.
- Recognising that these supply relationships, combined with the flexibility of global trading networks, often allow importers to quickly source alternative cargoes when regional disruptions occur.

6. Can you identify any additional actions under Focus area 1 the Government could take to reduce dependence on imported fuels and improve our energy independence?

Please provide information.

The Draft Fuel Security Plan should ensure existing advantages are maintained and leveraged by:

- Continuing to incorporate IEA coordination and ticket stock access into the national fuel security framework and the National Fuel Plan 2024 Civil Defence.
- Supporting importers in sustaining and strengthening direct supply relationships with key refineries.
- Recognising that these mechanisms are low-cost, high-impact measures compared to building extensive new terminal stockholding and/or infrastructure.

The Government can also strengthen resilience through thorough administration of the Fuel Industry Amendment Act 2023 by collecting more detailed information on:

- Fuel stocks at national and regional levels
- International supply chains
- Contingency arrangements

This will enable a more accurate assessment of New Zealand's fuel resilience, help identify opportunities for improvement, and monitor compliance with the current Minimum Stock Obligation (MSO) and any proposed changes. Findings should be discussed with fuel industry importers.

When combined with targeted physical storage enhancements for critical fuels such as diesel and jet fuel, these arrangements can deliver resilience at a lower cost to industry and consumers than a purely domestic infrastructure focus.

Focus area 2: Domestic resilience

7. Do you believe Focus area 2 addresses the challenges the fuel sector is facing? Why / why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

While Focus Area 2 recognises the importance of domestic infrastructure resilience, it does not sufficiently address one of the most immediate and proven risks to New Zealand's fuel distribution system – the shortage of petrol trucking fleet capacity and qualified fuel drivers during a disruption.

This vulnerability was clearly demonstrated during the 2017 rupture of the Marsden Point to Auckland Pipeline (RAP), which took the pipeline out of commission for 10 days. The resulting disruption to fuel deliveries into Auckland highlighted that the petrol trucking fleet was too small and the available qualified fuel driver pool too limited to move sufficient volumes from alternative supply points (e.g. Mt Maunganui) to meet demand.

During this event, the New Zealand Army was called upon to provide additional petrol trucks and qualified fuel drivers to help maintain supply into Auckland. While this support helped avoid more severe shortages, it underscored the lack of built-in civilian surge capacity and the risks of relying on military assistance for essential supply chain functions.

The Fuel Security Study reinforces that in the event of major outages at Marsden Point, Wiri, or key ports, regional fuel supply could drop to 40–85% of normal without a significant and rapid increase in road transport capacity. Without pre-arranged surge capacity, shortages would extend beyond aviation fuel to retail petrol and diesel supply, directly affecting the economy and essential services.

To address this gap, Focus Area 2 should:

- Explicitly include fuel trucking fleet and qualified fuel driver surge capacity as a core resilience measure.
- Develop agreements with domestic and international trucking providers for rapid mobilisation in emergencies.
- Support targeted investment in High Productivity Motor Vehicle (HPMV)-compliant fuel tankers to allow higher payloads, with particular focus on the road between the Marsden Point Import Terminal and Wiri Terminal. MTA recommends a reassessment of the current NZTA HPMV map, particularly to address the supply chain between Marsden Point and Auckland.
- Explore the removal of regulatory barriers that slow redeployment of qualified fuel drivers or vehicles between regions in a fuel supply emergency or crisis.

Without solving this logistics bottleneck, additional storage or stockholding may not be fully usable during a disruption, limiting the effectiveness of other resilience measures

8. Do you believe the actions under Focus area 2 will improve New Zealand's fuel security? Why / why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Improving fuel terminal resilience is necessary, but MTA cautions against over-investment in infrastructure that may become underutilised as demand falls. The Draft Fuel Security Plan should also ensure that cost allocation is transparent – if industry bears infrastructure costs, these will be recovered through pump prices. Ultimately, the New Zealand public will absorb a large portion of the capital expenditure.

9. Can you identify any additional actions under Focus area 2 the Government should do to enhance domestic resilience of critical infrastructure?

Please provide information.

Establish a national fuel logistics surge plan, including pre-arranged access to fuel tanker trucks and qualified fuel drivers.

- Expand storage at critical choke points such as Auckland Airport JUHI, as recommended in the Fuel Security Study.
- Review regulatory barriers (e.g. HPMV route approvals) to enable rapid redeployment of fuel tanker trucks during disruptions

Focus area 3: Supporting domestic alternatives

10. Do you believe Focus area 3 addresses the challenges the fuel sector is facing? Why / why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Support for domestic low-carbon fuels is positive, but current production costs for biofuels and renewable fuels – such as Sustainable Aviation Fuel – remain high and would result in higher retail prices without substantial subsidies. The Fuel Security Study warns that while these measures may be valuable in the long term, they currently have a high cost per litre of resilience gained.

MTA also has concerns about implementing special economic zones (SEZs). SEZs concentrate incentives in certain areas, which can distort regional development. Regions not selected to host SEZs may be neglected, leading to uneven growth. Within this context, SEZs would also represent the government ‘picking winners’, creating market distortions and sectoral favouritism. Additionally, SEZs may encourage rent-seeking behaviour, where firms locate in these zones for incentives rather than productivity gains.

MTA supports the continued commitment to the Supercharging EV Infrastructure work programme. This initiative is expected to accelerate uptake of the EV light vehicle fleet in New Zealand, reducing demand for imported fuel.

11. Do you believe the actions under Focus area 3 will improve New Zealand’s fuel security? Why / why not?

☐ Yes ☒ Yes, with changes ☐ No ☐ Not sure/No preference

Please explain your views.

Domestic alternatives can diversify supply, but the Draft Fuel Security Plan must avoid locking in high-cost production that places an undue burden on consumers. Pilot-scale initiatives with strong cost–benefit oversight are recommended before committing to large-scale mandates.

12. Can you identify any additional actions under Focus area 3? Is there more the Government can do to support development of domestic production of low-carbon alternative fuels?

Please provide information.

n/a

Focus area 4: Resilience in a transitioning market

13. Do you believe Focus area 4 addresses the challenges the fuel sector is facing? Why / why not?

- ☐ Yes
 ☒ Yes, with changes
 ☐ No
 ☐ Not sure/No preference

Please explain your views.

MTA agrees that the transition to low-emission transport must be factored into fuel security planning. The Fuel Security Study shows that accelerated EV uptake and increasing efficiency of ICE light vehicles will significantly reduce petrol demand, allowing storage to be reallocated to diesel and jet fuel – improving resilience at low cost.

14. Is there a role for government to minimise risk of stranded assets or underinvestment?

- ☐ Yes
 ☒ Yes, with changes
 ☐ No
 ☐ Not sure/No preference

Please explain your views.

Government has a role in coordinating industry planning to avoid over-investment in infrastructure for fuels with declining demand, particularly petrol. Policy stability and clear phase-down pathways will help industry plan investments efficiently.

It is recommended that the Government works closely with industry to develop solutions that are economically viable and keep costs as low as possible for the New Zealand public. This collaborative approach will ensure investments are targeted, flexible, and deliver genuine resilience without imposing unnecessary financial burdens on households and businesses.

15. What other actions do you suggest under Focus area 4?

Please provide information.

Integrate fuel security planning with transport decarbonisation strategies by:

- Prioritising adaptable infrastructure investments that can serve both fossil and renewable fuels – for example, designing new fuel storage tanks, pipelines, and terminal equipment so they can handle a range of fuels such as diesel, sustainable aviation fuel (SAF), and renewable diesel without costly retrofits.