

Fuel Response Framework Questions and Answers

Why is this Fuel Response Framework needed?

While New Zealand continues to receive fuel shipments and there is no immediate shortage, global prices are rising quickly and uncertainty remains high. In situations like this, planning ahead is critical.

Having a plan in place gives Government the ability to act with confidence and clarity, making evidence-based decisions rather than reacting under pressure.

Why is our fuel supply currently at risk?

The conflict in the Middle East is adding pressure to global fuel markets. Disruption to major shipping routes can cause longer voyages, delays in vessel movement, and shifts in supply patterns. These factors may place upward pressure on global prices, which New Zealand can be exposed to as an importing nation. Higher prices are likely to flow through to fuel costs in New Zealand.

At this stage, we are not experiencing the types of sustained, direct supply impacts that would affect everyday access to fuel in New Zealand. Monitoring and planning are underway to ensure we are ready for any changes in international conditions.

Are we experiencing fuel supply disruption?

No. Fuel supply is currently stable, and our stocks remain sufficient.

What phase of the Fuel Response Plan are we in now?

New Zealand is at Phase One. The market is working normally. Fuel supplies are continuing to arrive, and there is no need for households or businesses to change behaviour or buy more fuel than usual.

We are publishing this update to the National Fuel Plan so that if conditions change, everyone — the public, businesses and essential services — knows what to expect.

This is a clear, staged plan that shows how we monitor fuel supply, when we would act, and what people can expect at each phase.

The plan will also help us ensure that critical customers who are essential to the New Zealand economy have access to the fuel they need.

Given the conflict continuing to play out overseas and other countries' responses, why is New Zealand still assessed as being at Phase One?

While a global or regional disruption is developing, fuel supply continues to flow to New Zealand and domestic demand is being met. That's why New Zealand remains at Phase 1. Any movement between phases is a decision for Ministers which will be based on transparent assessment criteria, including international developments.

Why don't we start fuel saving measures now?

The Government has asked EECA – the Energy Efficiency and Conservation Authority – to launch a public information campaign. In phase 1 this will focus on

sensible, voluntary ways New Zealanders can conserve fuel, and reduce their costs. In phase 2 it would encourage Kiwis to reduce their fuel use so we can avoid the more intense measures in phase 3.

We trust the public and industry to make decisions that work best for their families and businesses.

What factors would lead to a move between phases?

The Government has agreed six assessment criteria that would lead to a Ministerial assessment meeting:

- export restrictions: If any of our source refineries introduce or relax export restrictions
- fuel stock levels plus or minus three days since the last published update)
- a fuel company informs the government that they are unlikely to fill future orders
- a breach, or a notification of an imminent breach, of the minimum storage obligations
- any significant policy changes in Australia or the International Energy Agency
- a significant disruption to regional distribution.

Phases can be applied separately to petrol, diesel, and jet fuel if required. Fuel types can be assessed separately.

Any movement between phases will be decided by Ministers, based on a range of advice around these factors.

There are no automatic triggers. Ministers will assess the full picture each time and will publicly explain any decision to change phases.

At every phase, the Government will continue to publish regular updates so households, businesses, and critical services know what is happening and what to expect.

The framework is about being prepared. It provides clarity, confidence, and a shared understanding of how New Zealand would respond if conditions change.

Have any factors that might result in a phase change occurred since the start of the conflict? Which ones and how many times?

No. Fuel companies have been asked to provide immediate updates to officials and there have been no reports of issues with past or future shipments.

How many days of fuel supply would New Zealand need to have left before the government moved to phase two on the fuel response framework?

There is no single factor that would influence this decision. The assessment would be discretionary and based on the assessment criteria above.

Does New Zealand have the storage capacity to increase fuel stocks if people save more fuel now?

Fuel companies optimise the storage capacity with demand as part of normal market operations. There is limited ability to materially and rapidly expand physical storage capacity at short notice. This is why our focus is on managing supply, maintaining stock cover, and ensuring fuel continues to flow through existing infrastructure.

The Government, fuel suppliers and international partners continue to closely monitor stock levels and supply chains, and there are established mechanisms to respond if conditions change.

How likely is it that we could move to Phase 2, 3 or 4?

Global fuel markets remain under pressure as the ongoing conflict in the Middle East continues to disrupt key international shipping routes. While New Zealand continues to receive fuel shipments and there is no immediate shortage, global prices are rising quickly and uncertainty remains high.

In situations like this, planning ahead is critical.

We expect almost all situations will be managed at Phases 1 or 2, with Phases 3 and 4 used only if absolutely necessary.

How will the Government prioritise fuel supplies to critical customers under phase two?

At Phase 2, we will work with fuel companies to prioritise supplies to essential services, like fire and emergency services, if necessary. However, our focus will remain on encouraging sensible, voluntary fuel use to manage pressure early and avoid the need for stronger measures.

On what basis will fuel supplies be prioritised if supplies are disrupted?

The Government is working with industry and key frontline services to determine priority bands for the allocation of fuel.

The indicative bands of customers, all of which need to be further tested and developed before finalisation, in order of prioritisation, are:

- *Band A: life-supporting services* – uncapped supply – e.g. emergency services, courts, corrections, hospitals, lifeline utilities and defence
- *Band B: economically important services* – e.g. critical transport services (e.g. road freight for supermarket and grocery supply chains, international air links), food supply and primary production during time-critical periods
- *Band C: essential services* – e.g. public transport, essential infrastructure maintenance, and rural GPs and district nurses
- *Band D: other commercial customers* – this comprises all other commercial and business fuel uses
- *Band E: general retail sales to consumers.*

How much warning will people get if we move phases?

The Government will continue to provide updates as the situation evolves. If a change in New Zealand's fuel supply outlook occurs, this will be communicated clearly together with information on what it means for New Zealanders.

At every stage, the Government will continue to publish regular updates so households, businesses, and essential services know what is happening and what to expect.

What else is the Government doing to support New Zealand through the impacts of the Middle East conflict?

We are taking a targeted, timely, and temporary approach to supporting Kiwis through this period. Earlier this week, we announced a support package for working families to help ease cost of living pressures. We are also working closely with industry to understand how this is affecting businesses, and that information is feeding directly into our ongoing response.

We are monitoring developments closely and will continue to respond with care and judgement. In the meantime, New Zealanders can be assured of four things:

- The Government is working closely with the fuel industry to prepare for potential disruptions and minimise impacts on businesses and supply chains
- There has been no disruption to frontline public services
- We will not take reckless decisions that risk long-term economic stability
- The support announced will provide meaningful, targeted relief to working families most affected by rising fuel costs