



COVERSHEET

Minister	Hon Shane Jones	Portfolio	Associate Energy
Title of Cabinet paper	Jet fuel stockholding at Auckland Airport	Date to be published	31 January 2025

List of documents that have been proactively released		
Date	Title	Author
November 2024	Jet fuel stockholding at Auckland Airport	Office of the Associate Minister for Energy
25 November 2024	Jet fuel stockholding at Auckland Airport CAB-24-MIN-0458.01 Minute	Cabinet Office

Information redacted

NO

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Cabinet

Minute of Decision

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Jet Fuel Stockholding at Auckland Airport

Portfolio **Associate Energy (Hon Shane Jones)**

On 25 November 2024, following reference from the Cabinet Economic Policy Committee, Cabinet:

Background

- 1 **noted** that in September 2017, the pipeline from Marsden Point to Wiri Terminal ruptured, causing widespread disruption to flights in and out of Auckland Airport;
- 2 **noted** that in 2019, the Government Inquiry into the Auckland Fuel Supply Disruption (the Government Inquiry) found that the jet fuel supply chain to Auckland Airport was not sufficiently resilient, and that the Government should intervene by June 2020 if the fuel sector did not make sufficient progress in building new infrastructure;
- 3 **noted** that the Government Inquiry recommended jet fuel storage at or near the Auckland Airport should meet 10 days of peak demand at 80 percent of operations;
- 4 **noted** that progress on investing in new infrastructure has been delayed because jet fuel demand decreased during the COVID-19 pandemic, but that demand has now recovered to pre-COVID-19 rates;
- 5 **noted** that the Associate Minister for Energy (the Minister) is not confident that the fuel companies are making, or will make, investment decisions to improve jet fuel resilience at Auckland Airport fast enough;

Proposed regulations

- 6 **noted** that in accordance with section 69(2)(a) of the Fuel Industry Act 2020, the Minister has consulted with fuel industry participants considered likely to be significantly affected by the regulations;
- 7 **agreed** to develop regulations under section 69 of the Fuel Industry Act 2020 to impose a location-specific jet fuel stockholding at or near Auckland Airport;
- 8 **agreed** that the regulations would place obligations on persons that have the right to draw jet fuel from the Joint User Hydrant Installation at Auckland Airport;

- 9 **agreed** to require any person who draws fuel from the Joint User Hydrant Installation to hold 10 days of cover at 80 percent of operations of jet fuel at Wiri Terminal and the Joint User Hydrant Installation;
- 10 **agreed** that the jet fuel stockholding volume would be calculated on a monthly basis, based on the average daily demand in that month in the previous year;
- 11 **noted** that the Fuel Industry (Fuel Resilience) Amendment Regulations 2024 will require obliged persons to report jet fuel stockholding information on the Wiri Terminal in accordance with the information disclosure provisions from 1 January 2025 [LEG-24-MIN-0200];
- 12 **noted** that:
- 1.1 the Ruakākā to Auckland pipeline and the Wiri Terminal are considered a single facility for reporting purposes under the Fuel Industry (Fuel Resilience) Amendment Regulations 2024;
 - 1.2 treating the Ruakākā to Auckland pipeline and the Wiri Terminal as one facility for the purposes of the location-specific regulations for Auckland Airport would not enable the determination of the jet fuel stockholding levels at the Wiri Terminal itself;
- 13 **agreed** that the regulations developed under section 69 of the Fuel Industry Act 2020 will require the obliged persons to disclose information on stockholding for the Wiri Terminal as a separate facility in accordance with section 63;
- 14 **agreed** that the regulations will commence in November 2026;
- 15 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs;
- 16 **authorised** the Minister to make decisions, consistent with the above paragraphs, on any issues that arise during the drafting process.

Rachel Hayward
Secretary of the Cabinet

Secretary's Note: This minute replaces ECO-24-MIN-0267. Cabinet agreed to amend paragraph 14.
