

The Post

EST. 1865
TE UOKO
O TE IKA



The Shanghai revelation
Chinese city where tradition,
technology and cuisine collide

STUFF TRAVEL



As petrol prices climb sharply, the Government says New Zealand still has about seven weeks of fuel in reserve.

WAIKATO TIMES

Seven weeks in the tank

AA says \$3.50 a litre for 91 octane petrol is a 'realistic problem' New Zealand will have to face

OIL CRISIS André Chumko

With petrol prices climbing sharply and \$3.50 a litre looming for 91 octane, the Government says New Zealand still has about seven weeks of fuel in reserve – but warns that buffer depends on global supply lines holding.

According to the Gaspoly fuel-finding app, the average for unleaded 91 fuel in New Zealand yesterday was \$3.30 a litre, up 37% from a month ago. Diesel was up 80% over the same period to \$3.11 a litre on average; while unleaded 95 was up 37% from a month ago, to \$3.50 a litre on average.

While the country still had just under two months worth of fuel, that was dependent on ships continuing to turn up with amounts of fuel "as expected" amid interruptions to key global transport routes, Finance Minister Nicola Willis said at a press conference at Marsden Point in Northland yesterday.

"It is not inconceivable," she added, about the possibility of delays to fuel ships over the coming days. "We don't have specific reports of that sort for New Zealand, but it is one of the things we are anticipating ... We have that safety buffer, as it were, for precisely this reason."

Willis was confident several fuel ships would arrive over the coming days and weeks. In the event of delayed fuel arrivals, importing companies would try to source fuel from elsewhere, she said.

The Government was considering extra measures to help, including potentially widening the range of specifications for fuel that can be brought into New Zealand; and other measures to prioritise "who fuel goes to, and when".

Willis said her focus was on low and middle income households who were working, and households with children. "As workers, in many cases people don't have a choice but to travel to work each day," she said.

But asked about possible relief packages, Willis said if the Government spent too much money, "we could inadvertently drive up inflation and price increases across the economy".

"I'm going to take great care not to do that ... We have to keep up an approach of being careful, targeted, and temporary, in terms of any support we offer."

Cabinet would consider relief that could be implemented quickly, ahead of the Budget, and reach "the people we want, in the time we want", Willis said, adding there were better ways to provide support than a blanket fuel price cut.

Since the joint US-Israeli war against Iran began three weeks ago, the conflict has caused the global price of oil to skyrocket, after, in response to attacks, Iran closed the Strait of Hormuz, a key channel for the transportation of fuel exports from the Middle East.

Willis said Auckland Transport had reported its biggest patronage day across its public



Finance Minister Nicola Willis says her priority is low to middle income workers, and families with children.

transport network in seven years, showing that Kiwis were being mindful about private vehicle use where possible.

The Government was focused on securing supply of jet fuel, petrol, and diesel, Willis said, adding that any disruption to the latter could have a big impact on the country's rural economy.

Many rural industries rely on diesel to operate horticulture and cropping machines, and for those businesses, fuel use was unavoidable, said Automobile Association principal policy adviser Terry Collins.

While some stations had run out of fuel – for example, Pak'nSave Petone on Friday – this was only due to disruptions to those individual companies, and not because of any national shortage, Collins said.

The association was recommending people work from home where possible; use public transport or alternative methods including carpooling; ensure their tyres are properly inflated; and in general, drive sensibly. "For those who can't afford alternatives, it is a tricky time," Collins said.

While \$3.50 a litre for 91 octane petrol was a "realistic problem" Aotearoa would have to face in the near future, because of the fluidity of the situation the association was not prepared to speculate on the possibility of widespread \$4 a litre prices.

Meanwhile, the soaring price of fuel has also caused concern for older people who rely on private vehicles and driving services to leave their homes; and for isolated communities who are dealing with some of the sharpest cost increases.

Economists have previously said higher fuel costs will likely push up prices across the board, as transport becomes more expensive – from groceries to building materials.

Willis said that in the future, New Zealand fuel companies will have to hold more diesel as part of new regulatory obligations.

Read more
Govt to double fuel updates
PAGE 3
Strait of Hormuz has long history of disruption
PAGE 17
War takes dangerous new turn
PAGE 19