

New rules promote competition in the New Zealand fuel market



Key parts of the Fuel Industry Act come into force on 11 August 2021. The Act is designed to stimulate competition in fuel wholesale and retail markets for the long-term benefit of motorists and other fuel users.

The features of the Act that affect companies in the fuel industry from 11 August 2021 are:

Terminal gate pricing

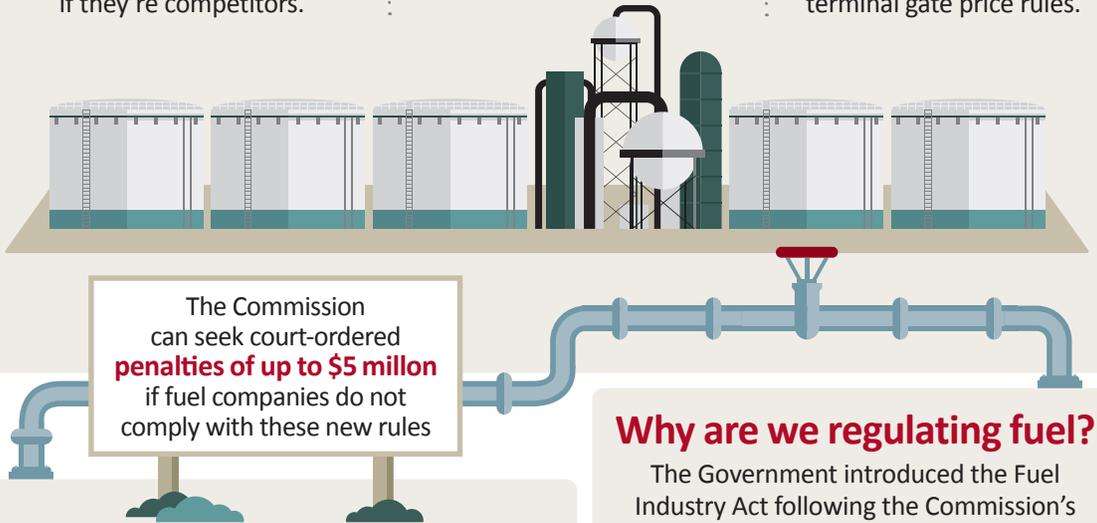
Wholesale fuel suppliers must publish a spot price for fuel and are generally required to sell it to any wholesale customers that want it at that price, even if they're competitors.

Wholesale contract rules

These will limit the use of restrictive terms in wholesale contracts, freeing up wholesale customers to shop around for a better deal.

Dispute resolution

The Act provides a process for wholesale fuel suppliers and their customers to resolve disputes about wholesale contracts and terminal gate price rules.



What other changes are coming?

Additional rules coming into force on 11 February 2022 will make fuel pricing more transparent for motorists and help the Commission monitor how competition in fuel markets is evolving.

Retail fuel price boards

Retail fuel outlets will have to display the standard prices of all fuels they sell on price boards to inform motorists before they pull in to the forecourt and help them compare prices.

Information disclosure requirements

Fuel companies will need to disclose key information to the Commission to help us monitor and report on the competitive performance of fuel markets.

Why are we regulating fuel?

The Government introduced the Fuel Industry Act following the Commission's 2019 fuel market study, which found a number of shortcomings in the competitiveness of fuel markets in New Zealand – particularly in the wholesale market.

The Commission also enforces other legislation that affects the fuel sector:

The Commerce Act – this prohibits anti-competitive conduct and acquisitions that substantially lessen competition

The Fair Trading Act – this prohibits false and misleading conduct and other unfair business practices.

More information about the Fuel Industry Act and the Commerce Commission's role can be found at www.comcom.govt.nz/fuel