MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Updated Phase 2 of the Fuel Response Plan – Implementation Plan

Date:	19 May 2026	**Priority:**	High
Security classification:	Sensitive	**Tracking number:**	BRIEFING-REQ-0033040

	Action sought	**Deadline**
Hon Nicola Willis **Minister of Finance**	**Note** the Phase 2 Implementation plan	20 May 2026
Hon Shane Jones **Associate Minister for Energy**		
Hon David Seymour **Associate Minister of Finance**		
Hon Simeon Brown **Minister for Energy**		
Hon Chris Bishop **Associate Minister of Finance**		

Contact for telephone discussion (if required)			
Name	**Position**	**Telephone**	**1st contact**
Jivan Grewal	Lead, Fuel Response Policy	Privacy of natural persons	✓

The following departments/agencies have been consulted
Ministry of Transport

Minister's office to complete:

☐ Approved ☐ Declined
☐ Noted ☐ Needs change
☐ Seen ☐ Overtaken by Events
☐ See Minister's Notes ☐ Withdrawn

Comments

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Purpose

To provide you with an implementation plan for Phase 2 of the Fuel Response Plan (the Plan) following regulatory relief decisions made on 7 May.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

a **Note** Ministers were provided with the Phase 2 Implementation Plan on 4 May, which outlines key activities, decision points and timeframes for activating Phase 2 of the Fuel Response Plan.

Noted

b **Note** the Ministerial Oversight Group separately took decisions on several regulatory relief changes on 7 May.

Noted

c **Note** Cabinet has already taken decisions to progress the following as soon as practicable [CAB-26-MIN-0173 refers]:

- permanently allow Class 1 licence holders to drive heavier vehicles
- Class 2 licence holders to drive heavier electric buses
- remove permit requirements for 50MAX vehicles for relocating unladen High Productivity Motor Vehicles rental vehicles under Phase 1

Noted

d **Note** you also decided to activate changes to introduced relaxed route and time restrictions for over-dimension vehicles in Phase 2 and this has been reflected in the updated Phase 2 Implementation Plan.

Noted

e **Note** the Phase 2 Implementation Plan consists of four key actions:

i. processing Minimum Stockholding Obligations (MSO)
ii. implementing the public sector fuel reduction measures
iii. regulatory relief for some route and time restrictions for over-dimension vehicles
iv. an increase in public information urging fuel saving behaviour (Energy Efficiency & Conservation Authority public campaign).

Noted

f **Note** that:

i. points in recommendations e)(i) and e)(ii) above are ready to activate immediately

ii. the regulatory relief for over-dimension vehicles e)(iii) will be drafted and ready in June (and can be activated immediately after that)

iii. the EECA public campaign is seeking further ministerial decisions that will influence activation timeframes (refer to *BRIEFING-REQ-0032802 Public communications in Phase 2 of the Fuel Response Plan Two*).

Noted

g **Note** officials intend to update publicly available information regarding exemptions from minimum stockholding obligations by June 2026.

Noted

Privacy of natural persons

Jivan Grewal
Lead, Fuel Supply Policy
Fuel Response, MBIE
19 / 05 / 2026

Hon Nicola Willis
Minister of Finance
..... / ...... / ......

Hon Shane Jones
Associate Minister for Energy

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Associate Minister of Finance
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Background

1. On 13 April, Cabinet agreed to the policy objectives and approach to Phase 2 of the Fuel Response Plan (the Plan). Cabinet also invited Ministers to undertake further work and report back to the Ministerial Economic Security and Supply Chains Group (the Oversight Group) on a range of regulatory relief measures relating to heavy road vehicles, Confidential [redacted]

2. On 29 April, the Oversight Group discussed an updated approach to the Plan for petrol and diesel. Officials committed to providing the Oversight Group with detailed implementation plans for each phase over the coming weeks. The Phase 2 Implementation Plan was considered on 6 May. The intention of this implementation plan is to ensure we are ready to turn on Response Phase 2 as soon as possible should a change in phase be necessary.

3. In parallel, the Oversight Group agreed to several regulatory relief proposals on 7 May, confirmed by Cabinet on 18 May [CAB-26-MIN-0173 refers]. Officials have updated the Phase 2 Implementation Plan to reflect the decisions taken on the regulatory relief proposals.

The updated Phase 2 Implementation Plan reflects your feedback

4. Phase 2 of the Plan can be activated if there is a medium to large-scale, but short-term, disruption in fuel supply. This would consist of significant delay or loss of cargoes, with an expectation that cargoes could be regained within a month.

5. Phase 2 is a precautionary phase intended to preserve fuel availability with the objective to avoid or delay escalation to Phase 3 and assist the market transition back to normal supply and a return to Phase 1.

6. The key change from the previous plan is that the only regulatory relief option activated at Phase 2 is the relaxation of route and time restrictions for over-dimension vehicles. However, there are some regulatory relief options decided in Phase 1 (licencing changes, removal of permitting requirements for 50MAX vehicles) which will remain in effect for other phases, including Phase 2.

Overview of the Phase 2 Implementation Plan

7. Attached at **Annex One** is an updated summary of the Phase 2 Implementation Plan.

8. The Phase 2 Implementation Plan consists of four key response actions. Two actions are ready to be activated immediately, the regulatory relief will be ready by June and further decisions are needed for the public information campaign. These are detailed below with the necessary timeframes to activate:

   - Minimum Stockholding Obligations (MSO).
   - Public sector fuel reduction measures.
   - Ministry of Transport regulatory relief.
   - Increase in public information urging fuel saving behaviour.

Minimum Stockholding Obligations (MSO)

9. Phase 2 is likely to coincide with fuel importers requesting exemptions from minimum stockholding obligations, as detailed at **Annex One**.

10. The Minister for Energy may grant a statutory exemption from MSO in exceptional circumstances. We are in regular discussion with the fuel companies, and where a disruption creates a risk for compliance with their MSO obligations, they will need to initiate an application for an exemption. Fuel companies will respond to any import disruptions and aim to maintain MSO. The Ministry of Business, Innovation and Employment (MBIE) and industry have an agreed process to consider any MSO exemption assessments. We are ready to receive exemption requests from fuel importers now, if required.

11. On receipt of the application MBIE will provide Ministers with advice (at pace as we anticipate to hold most information from our pre-exiting work with the companies) about whether or not to grant the exemption based on the statutory criteria. Once a decision is made by Ministers, the exemption is published and will be in effect (and subject to any terms that may apply, such as a replenishment obligation).

Public sector fuel reduction measures

12. At Phase 2, the Public Sector Implementation Plan can be activated. This introduces fuel reduction measures for non-critical activities across the public service. The Public Service Commission can activate the plan immediately and individual agencies can implement their individual plans. The Public Sector Fuel Response Plan summary is attached at **Annex Two.**

13. On 22 April, the Ministerial Economic Security and Supply Chains Group considered the Public Sector Fuel Implementation Plan. The Public Sector Fuel Plan gives effect to the Government's Fuel Response Framework across the public sector. To support readiness, agencies have developed Fuel Management Plans that identify critical services, confirm the fuel required to sustain those services, and put in place the operational arrangements needed to respond if conditions tighten. These plans ensure the public sector can move quickly and in a coordinated way as the Fuel Response Framework is activated.

14. If the Government moves to Phase 2, agencies will activate their Fuel Management Plans by putting into effect the arrangements already established through this planning. In practice, agencies will move from a largely discretionary approach to fuel use to a more actively managed approach, applying agreed service priorities to reduce non-essential demand and ensure fuel use is aligned with the Government's response setting. This will support a coordinated public sector contribution to reducing pressure on fuel supply while maintaining the delivery of critical public services. Agencies will also engage early with key third-party providers and suppliers to confirm continuity arrangements, identify any emerging constraints, and ensure contracted services that support priority delivery remain sustained.

15. Agencies will provide clear direction to staff on how fuel use is expected to change, engage early with third-party partners and suppliers to ensure a shared understanding of priorities, and align public-facing messaging with the Government's approach. Consistent and timely communication will support coordinated action across agencies and help maintain public confidence as the response is stepped up.

16. Twelve Fuel Management Plans have now been completed by agencies delivering critical services and with significant fuel demand. These plans identify critical services, quantify fuel requirements, and establish how services will be sustained under different fuel supply scenarios. Together, they provide confidence that the public sector can respond in a coordinated, disciplined, and nationally consistent way.

17. Public sector chief executives and senior leadership teams will be responsible for activating their agency plans and ensuring implementation is proportionate to the national response setting. The Public Service Commission will support this by coordinating across agencies, confirming expectations, and maintaining visibility of implementation. This provides Ministers with confidence that agencies are ready to move promptly and in a controlled way if Phase 2 is activated, maintaining service continuity and supporting a coherent national response.

Regulatory relief

18. At Phase 1, Cabinet has taken decisions to implement permanent changes to permits and increase licence weight thresholds. These permanent rule changes accelerated from the Land Transport Rules Reform Programme, and received majority support in public consultation:

    a. Remove the requirement for a 50MAX permit,

    b. Remove the requirement for a permit for unladen HPMV rental service vehicles being repositioned between depots or to customers,

    c. Allow Class 1 licence holders to drive heavier zero emission vehicles (including light freight vehicles) up to 7,500 kgs, and

    d. Allow Class 2 licence holders to drive heavier electric buses up to 22,000 kgs.

19. These proposals complement the overall fuel response by removing a regulatory burden for a key industry. They also give operators certainty to invest in zero emission vehicles that use less fuel. The changes to licence class thresholds also support an action in New Zealand's Second Emissions Reduction Plan. This brings benefits even though there is limited effect on fuel use in the short term.[1]

20. These proposals will be implemented as soon as practicable.

21. One further regulatory relief measure can be activated at Phase 2 which allows some over-dimension vehicles to take more direct routes by using motorways and toll roads (subject to risk assessment). This option is enabled by an Order in Council under the Land Transport Act 1998, which is scheduled to be ready in June. From this point, it can be implemented by the Ministry of Transport within 24 hours of the Minister of Transport's decision to activate.

22. The remaining regulatory relief options (all relating to land transport) have been shifted to activation under Phase 4. These include increasing weight limits for high productivity motor vehicles and 50MAX vehicles, and reducing speed limits.

23. Confidential advice to Government [redacted]

24. [redacted]

Public Information Campaign

25. Under Phase 2, the public information campaign from EECA moves to introduce a behaviour change campaign urging households and businesses to take practical steps to conserve fuel for national interest. Information preparation is currently underway. A ministerial decision is required to ensure the high-level campaign materials are prepared prior to any Phase 2 decision. Phase 2 campaign material will take 14 days to prepare. Once the material is prepared, the campaign can be activated in three days (refer to *BRIEFING-REQ-0032802 Public communications in Phase 2 of the Fuel Response Plan Two*.)

26. Officials will continue to engage with priority sectors/groups with a focus on motivating action, co-designing feasible responses and preparedness, setting expectations and gaining sector

[1] Final 14 May 2026 Cabinet paper Fuel Response Measures Regulatory Relief Measures – Ministry of Transport, Ministry for Regulation

insights to understand fuel supply impacts. Officials will also continue to provide Ministers with communication materials to support the public announcement.

Public communications and stakeholder engagement

27. A communications plan has been developed to support a move to Phase 2. At Phase 2, public messaging will be factual, reassuring and asking people to action the EECA's fuel saving tips to prevent the need for more restrictive measures later.

28. Public announcements for any move to Phase 2 will be led by Ministers. Officials will support these announcements through pre-briefings with suppliers, major fuel user groups and other key stakeholders.

29. A series of briefings with wider business sectors would follow in the days after the Government's announcement, providing businesses the opportunity to ask questions. Officials would focus on describing this as a precautionary phase, to encourage fuel-saving measures and provide support to businesses. Regular updates to these stakeholders would be held throughout Phase 2.

30. Guidance and further information would be made available via MBIE's sector and public facing channels following the announcement.

Next steps

31. Officials intend to update public information regarding MSO and exemptions with a new application form and more detail about the assessment of exemptions for better transparency by June 2026.

32. Officials are developing the Phase 3 and 4 Implementation Plans and will be sent to the Oversight Group once timeframes are agreed.

Annex One: Updated Phase 2 Implementation Plan summary

Fuel Response Implementation Plan Phase 2 – Precautionary

Monitoring
Maintain situational awareness to inform decision-making.

EVENT: short-term, medium-large scale supply disruption

Prepare for Phase 2 — *Move to Phase 2* — *Decision Point: Escalate to Phase 3 or de-escalate to Phase 1*

PREPARATION | TRANSITION 0-3 days | PHASE 2

Phase 2 Announcement

Outcomes:
Quality decisions that mitigate risk and uncertainty

Communications and Engagement

Preparation:
- **Prepare any changes required to EECA fuel saving behaviour change campaign** *3 days to activate*
- **Prepare coordinated public information on Phase 2**

Transition:
- **Go-live preparation for behaviour change Campaign** (3 days lead time)
- **Deliver coordinated public information on Phase 2** ***(within 24 hours of decision, continuous throughout phase)***

Phase 2:
- **Deliver EECA fuel saving behaviour change campaign**
- **Deliver public assurance messaging campaign**
- **Targeted engagement with sector stakeholders to change behaviour and prepare for future interventions**

Outcomes:
The public and key sectors understand what is being asked of them and why it's important to act

Fuel Supply and Distribution

Preparation:
- **Industry continues to shore up supply**

Phase 2:
- **Process MSO exemption applications**
- **Maintain monitoring arrangements to support management**

Outcomes:
Fuel availability is sustained across the national system – fuel continues to move through the fuel network

Fuel Access and Demand Controls
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Preparation:
- **Notify the public sector of fuel reduction measures across non-critical activities**
- **Prepare to relax restrictions for over-dimension vehicles**

Phase 2:
- **Implement public sector fuel reduction measures across non-critical activities**
- **Relax some route and time restrictions for over-dimension vehicles**

Regulatory relief measures can occur at any point in Phase 2, depending when the decision is made

Outcomes:
Fuel demand is reduced across key users

Annex Two: Public Sector Fuel Response Plan summary

Fuel Response Plan 2026: The Public Sector Implementation Plan

Te Kāwanatanga o Aotearoa
New Zealand Government

Main messages at Phase 1

- Public services that New Zealanders rely on will continue to operate as normal. There is no need for restrictions.
- Agencies should reduce non-essential fuel use if this can be done without disrupting service delivery. In general, agencies need to act proportionately, to lead by example, and to maintain public trust.
- The Public Sector Implementation Plan ensures the public service is ready to respond if fuel conditions tighten. It sets out the principles that should guide agency responses and the principles that agencies should follow.
- Agencies that deliver critical services, or which use a large amount of fuel, are required to develop their own Fuel Management Plans.
- If required at later phases, access to fuel will be prioritised towards critical services, such as health, social, and emergency services, as well as law and order.

Actions for agencies

Action 1: Optimise fuel use and mimimise non-essential consumption.

Action 2: Keep essential public services operating without disruption.

Action 3: Be ready to adjust if fuel conditions change.

Action 4: Sustain workforce capacity to deliver essential services.

Actions support readiness continuity, readiness, efficiency, and the ability to respond proportionately, while reinforcing the Government's objective of maintaining stability and avoiding escalation unless conditions clearly warrant it

National Fuel Response Plan

Outlines four clear phases that respond proportionately to the risks to New Zealand's fuel security

NATIONAL FUEL PLAN
The Government will review phase changes when any of the established criteria change

Phase One: Watchful	Phase Two: Precautionary	Phase Three: Managed	Phase Four: Protected
The fuel market continues to operate effectively and fuel remains available nationwide. However, higher global crude oil prices and international market volatility are flowing through to domestic fuel prices.	The market continues to operate effectively and fuel remains available nationwide but there are signs of potential short-term supply disruption or difficulty securing future supply.	There are widespread challenges securing diesel or petrol supply, which may be deeper or longer lasting than under Phase Two. Markets continue to operate, but government and industry will take additional steps to support fuel availability and reduce pressure on supply while replacement fuel is secured.	There is a severe and ongoing fuel supply disruption and additional intervention is required to protect critical goods and services. This phase is designed to safeguard essential services, public safety, food supply, and core economic activity while fuel supply is restored.

Public Sector Implementation Plan

Provides a shared framework for how the public sector will support New Zealand's fuel security response

Guiding principles apply across all four phases of the National Fuel Response Plan

1. Prioritise critical services
2. Act early and proportionately
3. Use the least disruptive alternative first
4. Agencies lead by example and reduce avoidable fuel use
5. Base decisions on evidence, criticality and risk
6. Coordinate as one public sector
7. Support economic growth and resilience

PUBLIC SECTOR CONTRIBUTION TO THE NATIONAL FUEL RESPONSE PLAN

Phase One: Watchful	Phase Two: Precautionary	Phase Three: Managed	Phase Four: Protected
• Agencies maintain normal service delivery • Steps are taken to reduce avoidable fuel use where practical • High users and critical services prepare Fuel Management Plans • All agencies are expected to plan ahead in case fuel conditions worsen	• Agencies tighten discretionary travel and fuel discipline • Additional low-disruption efforts are taken to reduce fuel use • Preparation intensifies to activate formal prioritisation and continuity arrangements in case they are needed in further phases	• Public sector can access fuel as usual • High users and critical services prioritise fuel to critical services and associated assets and activities • Other activity is sequenced, delivered differently or deferred to preserve essential services	• Public Sector fuel use is focused on critical services • Non-critical activity is largely paused • Continuity arrangements are fully activated