



BRIEFING

Updated Diesel and Petrol Fuel Response Plan 2026 and Phase 4 settings

Date:	7 May 2026	Priority:	High
Security classification:	Sensitive	Tracking number:	0032685

	Action sought	Deadline
Hon Nicola Willis Minister of Finance	Agree to the updated Diesel and Petrol Fuel Response Plan 2026. Agree to update the phase assessment criteria, regulatory relief proposals, and Phase 4 operational settings.	8 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 Policy Response	Privacy of natural persons	✓

The following departments/agencies have been consulted
Ministry of Transport, Ministry for Primary Industries, Ministry for Regulation, the Treasury, and the Commerce Commission.

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☐ Withdrawn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 seek your agreement to the updated Diesel and Petrol Fuel Response Plan 2026, updated phase assessment criteria, regulatory relief proposals, and the proposed operational design for Phase 4. Detailed advice on Phase 4 implementation and risk management will be provided in future.

Executive summary

Government released the Fuel Response Plan 2026 on 27 March 2026 and signalled consultation on the design of Phases 3 and 4. Based on this consultation and updated evidence on the type of disruption New Zealand is most likely to face, there is merit in updating the Plan.

A serious fuel supply disruption remains unlikely, but the Government needs to be prepared if one occurs. Smaller shocks are more plausible and likely manageable through supply measures first. However, a small disruption could worsen if replacement supply becomes uncertain and demand exceeds available stock, particularly if market mechanisms are unable to adjust swiftly enough to re-balance the economy to these new, lower, supply levels.

Fuel supports public safety, food supply, critical services, and economic activity. While markets continue to function, price should help demand adjust to constrained supply over time. However, a large or abrupt disruption could create a difficult adjustment period, in which some users can reduce consumption quickly while others cannot. This would be particularly challenging for diesel users, including freight, food production, and essential services users across road, rail, and marine transport, whose operations are less flexible in the short term.

Fuel industry and major fuel users consider prioritisation a last resort but have emphasised the need for clear rules if prioritisation becomes necessary. Engagement with Iwi and Pacific partners also identified equity and resilience risks for vulnerable, rural, remote, and atoll communities.

We recommend the Ministerial Economic Security and Supply Chains Group agree to the updated Diesel and Petrol Fuel Response Plan 2026. The updated Plan keeps an industry-led approach, makes supply measures the preferred first response, and escalates demand measures more gradually. It distinguishes short-term shocks from ongoing disruptions, reserves prioritisation measures for a large, ongoing disruption, where other levels have proved to be inadequate, and removes the fuel stock level phase assessment criterion.

Phase 4 prioritisation is intended to safeguard the continuation of critical goods and services during a severe and ongoing fuel supply disruption. It is designed to support essential activities while the fuel sector and Government work to secure and restore supply.

Phase 4 would apply only in a large and sustained disruption where fuel supply to New Zealand is significantly constrained and there is a risk that critical goods and services could not be maintained without further intervention. Phase 4 is designed to start with a light-touch, high-trust approach that relies on existing systems and clear rules. In the initial setting, businesses would be required to reduce fuel use by a prescribed amount in line with user-developed fuel-saving plans and retain

records of fuel purchases. This would allow them to decide how best to adjust their operations while protecting critical activities. Access to fuel at retail sites would be subject to transaction limits from the outset to manage overall demand.

Stronger, more directive controls are available if needed, to ensure critical goods and services continue to be provided if risks increase or compliance is inadequate. Detailed legal, Treaty of Waitangi, human rights, and delivery considerations will be worked through as part of further advice before ministers are asked to make decisions on enacting specific Phase 4 controls.

Recommended action

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

- a **note** that the Ministerial Economic Security and Supply Chains Group agreed to the Fuel Response Plan 2026 on 25 March 2026, and Cabinet noted that decision on 30 March 2026 [CAB-26-MIN-0103]
- Noted*
- b **note** that Cabinet has since taken related decisions on Phase 2 measures and a separate Jet Fuel Response Plan [CAB-26-MIN-0120 and CAB-26-MIN-0142]
- Noted*
- c **note** that officials have engaged with fuel suppliers, major fuel users, iwi, Pacific partners, and agencies on the workability of the current Fuel Response Plan 2026
- Noted*
- d **note** that scenario testing indicates a large-scale, ongoing diesel or petrol supply disruption is unlikely, and that smaller shocks are more plausible and likely to be manageable through supply measures first
- Noted*
- e **agree** to the updated Diesel and Petrol Fuel Response Plan 2026, attached as **Annex One**
- Agree / Disagree*
- f **agree** to update the phase assessment criteria for the updated Diesel and Petrol Fuel Response Plan 2026 by removing the fuel stock level criterion, noting that fuel stock levels will continue to be monitored through regular fuel market monitoring and inform advice where relevant
- Agree / Disagree*
- g **agree** to the following regulatory proposals, which were agreed in principle on 7 May 2026, outlined in **Annex Two**, being progressed for activation in the following Phases:

Proposal	Phase for activation	
Permanently allow Class 1 licence holders to drive heavier vehicles, and Class 2 licence holders to drive heavier electric buses	Phase 1 (as soon as practicable)	<i>Agree / Disagree</i>

Remove permit requirements for 50MAX vehicles and for relocating unladen HPMV rental vehicles	Phase 1 (as soon as practicable)	<i>Agree / Disagree</i>
Lift some route and time restrictions on over-dimension vehicles (i.e. allow them to use motorways and toll roads)	Phase 2	<i>Agree / Disagree</i>
Increase weight limits for permitted high productivity motor vehicles (HPMV) by 4% (approx. 2 tonne increase per vehicle)	Phase 4	<i>Agree / Disagree</i>
Increase weight limits for 50MAX vehicles by 10% (to 55 tonnes)	Phase 4	<i>Agree / Disagree</i>
Reduce maximum speed limits to 90km/h or 80km/h	Phase 4	<i>Agree / Disagree</i>

- h **agree** that the Minister of Transport take further necessary policy decisions on the regulatory proposals outlined in recommendation 'g' to enable each to be ready for activation, consistent with the intent of the fuel response plan

Agree / Disagree

- i **agree** to the proposed operational design for Phase 4 of the updated Diesel and Petrol Fuel Response Plan 2026, summarised in **Annex Three**, based on:
- priority and uncapped access for Category 1 (critical services) users, supported by registration and credentialling, with access arrangements designed to support continuity of life, public safety, and core state functions
 - Category 2 (prioritised users) and Category 3 (other commercial and community) users would have uncapped access to fuel at the prevailing market price through truck stops and bulk delivery (without transaction limits), subject to fuel-saving plans, record-keeping, demand reduction requirements, and targeted verification, and would be subject to transaction limits when accessing fuel through retail sites
 - Category 4 (general public) users would access fuel through retail pumps only, with transaction limits
 - escalated Phase 4 settings that can introduce stronger controls where needed, including higher savings targets for Category 2 and 3 users, lower transaction limits at retail pumps, and additional credentialling requirements
 - compliance and enforcement arrangements, including targeted verification, direction powers, offences, and penalties for non-compliance, subject to further legal design

Agree / Disagree

- j **note** that later-phase measures, particularly Phase 4 fuel prioritisation, may raise legal, Treaty of Waitangi, New Zealand Bill of Rights Act 1990, and Human Rights Act 1993 issues
Noted
- k **note** that officials will provide further advice before ministers take decisions on the specific design settings for any Phase 4 controls, including advice on legal powers, Treaty implications, rights risks, implementation, compliance, and enforcement
Noted
- l **agree** to publicly release the updated Diesel and Petrol Fuel Response Plan 2026 attached as **Annex One**, alongside **Annex Three** (Phase 4 overview), **Four** (Summary of updates for the Diesel and Petrol Fuel Response Plan 2026), and **Five** (Phase 4 user categories), subject to minor changes to those annexes by officials to ensure consistency
Agree / Disagree
- m **agree** that public communications should describe the updated Plan's objectives, phases, and high-level approach, Confidential advice to Government

Agree / Disagree

Privacy of natural persons

Jivan Grewal
Lead, Fuel Supply Policy
Fuel Response, MBIE
07 / 05 / 2026

Hon Nicola Willis
Minister of Finance

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Hon Shane Jones
Associate Minister for Energy

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Hon David Seymour
Associate Minister of Finance

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Hon Simeon Brown
Minister for Energy

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Hon Chris Bishop
Associate Minister of Finance

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Background

1. The Ministerial Economic Security and Supply Chains Group (the Oversight Group) has Power to Act to take decisions on urgent economic matters arising that require Cabinet-level decisions [CAB-26-MIN-0088].
2. The Oversight Group agreed to the Fuel Response Plan 2026 (the current Plan) on 25 March 2026. Cabinet noted that decision on 30 March 2026 [CAB-26-MIN-0103]. The current Plan covers diesel, petrol, and jet fuel. When releasing the current Plan on 27 March 2026, Government noted that Phases 3 and 4 were under consultation.
3. Cabinet has since agreed Phase 2 policy objectives and invited further advice on demand-reduction options [CAB-26-MIN-0120]. Cabinet also approved a separate Jet Fuel Response Plan on 28 April 2026 [CAB-26-MIN-0142].
4. On 29 April 2026, the Oversight Group broadly accepted the updated Diesel and Petrol Fuel Response Plan 2026, subject to updates based on feedback. Cabinet noted this decision on 4 May 2026 [CAB-26-MIN-0157]. The Oversight Group asked officials to prepare a further paper for its consideration in the week of 4 May 2026.

Feedback from consultation

5. Since March, we have tested the current Plan with fuel suppliers, major fuel users, iwi, Pacific partners, and agencies. Engagement focused on whether the Plan would work in practice, particularly if a severe disruption required fuel to be prioritised between user groups.
6. Fuel suppliers, distributors, and major fuel users supported fuel prioritisation only as a last resort. They considered shorter-term shortages manageable through market responses, voluntary demand reduction, regulatory relief, and supply measures. Major fuel users also advised that price alone may not reduce diesel demand quickly or fairly in a serious disruption.
7. These stakeholders asked for early warning, clear Government guidance, transparent prioritisation criteria, and practical rules. Industry noted that, with such direction, it would be best placed to make day-to-day decisions about how to use fuel in ways that were most effective.
8. Iwi and Pacific engagement identified equity and resilience risks for vulnerable, rural, remote, and atoll communities, particularly where fuel alternatives are limited.
9. Fuel industry feedback supports a high-trust model that uses existing fuel distribution systems where possible. Stakeholders have emphasised that any Phase 4 model needs to be workable at the point of access, with clear rules and limited reliance on frontline staff making complex judgements.
10. This feedback has shaped the updated Plan in three ways. First, prioritisation is now reserved for Phase 4 only, reflecting industry feedback that it should be a last resort. Second, the Phase 4 model uses broader categories and existing distribution channels where possible to keep the system workable at the point of access. Third, the model relies on clear government-set rules, while leaving fuel users and fuel companies to make day-to-day operational decisions within those rules.

Scenario testing has clarified the disruption risks a Plan needs to manage

11. We also commissioned Envisory, an independent fuel sector consultancy, to assess plausible fuel shipment disruption scenarios. We combined that assessment with internal modelling to test the likely scale and duration of fuel disruptions.
12. Scenario testing suggests the most plausible near-term disruptions are smaller shocks, rather than a large-scale, ongoing disruption. A diesel disruption greater than two days of demand appears unlikely unless global oil supply conditions worsen significantly.

An updated Diesel and Petrol Fuel Response Plan is needed

13. We recommend that the Oversight Group agree to the updated Diesel and Petrol Fuel Response Plan 2026, attached as **Annex One**. The updated Plan reflects engagement, scenario testing, and further work on supply and demand measures, with the key changes outlined in **Annex Four**.
14. The updated Plan focuses on an industry-led approach and reserves fuel prioritisation for a large, ongoing disruption. While markets continue to function, price should help demand adjust to constrained supply over time. The updated Plan recognises, however, that a large or abrupt disruption could involve a costly and uneven transition, particularly for diesel users.
15. The updated Plan is intended to help manage temporary fuel supply disruptions and support a return to normal market operations. It is not designed to manage a permanent change in fuel availability or prices. Later-phase measures should preserve commercial incentives where possible and be removed as soon as they are no longer needed.

The updated Plan makes the response more graduated and operational

16. The updated Plan introduces overarching principles and makes supply measures explicit in each phase. It also moves some demand measures between phases, better aligns each phase with the likely scale and duration of disruption, and provides more detail on the Phase 4 operational model.

Overarching principles to guide decisions

17. The updated Plan introduces the following overarching principles to guide decisions across all phases:
 - a. Maintain the supply of petrol and diesel
 - b. Use prices and market-led responses while markets function
 - c. Protect critical services' access to fuel
 - d. Maintain public trust and confidence.
18. These principles support the objective of returning to normal market operations as soon as possible.

The updated Plan better matches phase responses to the scale of disruption

19. The updated Plan better aligns each phase with the likely scale and duration of disruption: no disruption (Phase 1), a short-term disruption (Phase 2), a moderate and ongoing disruption (Phase 3), and a large, ongoing disruption (Phase 4).
20. Supply measures are now explicit in each phase, reflecting that they are a preferred first response where they are available and effective. Demand measures now escalate more gradually, from voluntary measures and potential regulatory relief in Phase 2, to targeted

voluntary restraint and potential stronger regulatory measures in Phase 3, and fuel prioritisation only as a last resort in Phase 4.

21. As the severity and duration of the disruption increase, fuel prices are likely to rise. Higher prices should reduce demand over time while markets continue to function. However, diesel demand is likely to adjust more slowly than petrol demand, because many diesel users, such as freight, food production, and other essential services, have limited ability to reduce fuel use quickly without disrupting their operations.
22. Even in scenarios of more severe fuel supply disruption, the market would be expected to respond to bring fuel demand in line with available supply through higher prices. While there is considerable uncertainty around economic impacts under extreme market disruptions, particularly if New Zealand is unable to source replacement fuel from the global market for a temporary period, retail diesel prices could reach levels upwards of \$5 per litre, and potentially spike much higher, in scenarios of particularly severe disruption.
23. Demand for fuel would reduce in response to these prices driven both by the direct responses by businesses and households to higher fuel prices and the broader effect of higher prices reducing activity across the economy.
24. Table 1 summarises the main supply and demand measures for each phase.

Table 1: Main supply and demand measures by phase

Phase	Supply measures	Demand measures (regulatory relief sits across all phases)
Phase 1: no disruption (watchful)	Preparatory supply work, including reserve arrangements and fuel specification options.	Energy Efficiency and Conservation Authority (EECA) information fuel-saving campaign. Prices are already reducing some demand.
Phase 2: short-term disruption (precautionary)	Support the market to return to normal supply, including individual minimum stockholding obligation (MSO) exemptions and fuel specification changes where appropriate.	Consider further EECA fuel-saving information campaign, and reduced public sector fuel use through the public sector implementation plan, subject to Ministerial decisions.
Phase 3: moderate, ongoing disruption (managed)	Consider use of broader supply measures, including additional MSO exemptions where appropriate, and use of any Government-controlled reserve and oil tickets.	Stronger voluntary demand management, including working with business and industry on voluntary fuel reduction plans. Phase 3 no longer introduces compulsory fuel prioritisation or ring-fencing.
Phase 4: large, ongoing disruption (protected)	Consider use of available supply measures from earlier phases.	Graduated fuel prioritisation, with critical goods and services protected, savings requirements for users, and reporting requirements for fuel companies to support volume purchased monitoring. Transaction limits introduced at retail pumps.

25. This sequencing better reflects an appropriate response to the likely scale of disruption and the economic, fiscal, and social costs of stronger intervention. It also distinguishes more clearly between Phases 2, 3, and 4.

The phase assessment criteria should be changed to support the updated Plan

26. The current Plan uses six criteria to prompt advice on whether ministers should consider a phase assessment. These criteria cover export restrictions, fuel stock movements, future orders, minimum stockholding obligations, overseas policy changes, and regional distribution disruptions.
27. We recommend removing the fuel stock level criterion from the phase assessment criteria. The criterion has been triggered several times by movements of plus or minus three days' supply, but those movements remained within normal fluctuations and did not lead us to recommend a phase assessment.
28. Future orders and minimum stockholding obligations provide better indicators of whether stocks may become insufficient. We will still monitor fuel stock levels through regular fuel market monitoring and use them in advice where relevant. This better aligns the assessment process with the updated Plan's focus on the severity of disruption and the likelihood of an ongoing shortage.

Regulatory relief package

29. A number of proposals for regulatory change were agreed in principle by Ministers at the Ministerial Oversight Group meeting on 7 May 2026. These proposals, which are summarised in **Annex Two** are each expected to either reduce fuel consumption and/or provide regulatory relief to groups of land transport fuel users, although there are trade-offs attached to each proposal.
30. The Annex specifies a Phase of the National Fuel Plan against each proposal, which is an indication of which Phase the proposal would be activated in. The proposals in Phase 1 have only minor trade-offs, so could be implemented now, while the proposals in higher Phases have significantly greater trade-offs that would only become appropriate if the crisis became more acute.
31. If the agreements in principle are confirmed, work on the proposals will continue to be progressed to the point at which they could be activated at short notice.

Legislative requirements

32. Rule and regulations amendments will be made via Order in Council under section 152A of the Land Transport Act 1998. This includes a requirement for the Minister of Transport to have regard to the criteria specified in section 164(2) of the Land Transport Act 1998.
33. The Ministry of Transport will provide advice to support the Minister of Transport to meet this requirement, alongside a draft Cabinet paper(s) with rule and/or regulation amendment(s) attached. [REDACTED] Legal professional privilege [REDACTED]
[REDACTED]
[REDACTED]
34. In parallel, New Zealand Transport Agency will continue, and other Road Controlling Authorities will be asked, to conduct bridge assessments across the network to confirm approved routes and any mitigations or exclusions required for bridges. Officials intend to undertake this assessment in phases so key freight routes are available quickly, with the opportunity to expand over time as further bridge assessments are completed.

Work already being progressed

35. In addition to the proposals above, a number of initiatives are already being progressed as follows:

- a. Local authority collaboration: Ministers have written to local authority mayors and chief executives to request their support in finding ways to minimise fuel usage by local authorities and there has been ongoing engagement with local authorities to collaborate in this endeavour. The feedback from local authorities so far suggests that many are already implementing a range of measures aimed at reducing fuel use on trips. [REDACTED]

Separately, the Minister of Transport will write to local authorities to ask them to consider whether greater fuel efficiency could be achieved by temporarily allowing heavy trucks to use T2 and T3 priority lanes.

- b. Rail utilisation: As reported to the Cabinet Economic Policy Committee on 29 April 2026 (*Fuel Response: Fuel-Efficient Rail Freight*), in recognition of the fuel-efficiency of rail, KiwiRail has been actively working with customers and potential customers to increase their utilisation of rail services to move freight. This work has included KiwiRail providing greater levels of information to potential customers about available rail capacity.
- c. Offence of impeding traffic: Officials have inquired with Police about their enforcement of laws against impeding the flow of traffic, which could prevent motorists driving more slowly to conserve fuel. Police have broad discretion and have advised that, as a matter of operational practice, they focus their enforcement on higher risk activities (eg speeding and impaired driving).
- d. Transport of workers to work: A concern was raised that there could be a regulatory barrier to some employers increasing fuel efficiency by transporting their employees to work. This has been investigated and there are no material regulatory barriers to address. MBIE and NZTA are continuing to work with employers on this.

Phase 4 prioritisation remains a last resort

36. Phase 4 would only apply where there is an unexpected, large-scale, and ongoing disruption to diesel or petrol shipments to New Zealand. In those circumstances, market adjustment may be too slow or costly to protect critical goods and services, maintain public confidence, and reduce the risk of longer-term economic damage, particularly where critical services may be unable to access sufficient fuel or reduce fuel use quickly without disrupting key activities.

Phase 4 would use a staged approach, starting with lighter controls and escalating if needed

37. The recommended Phase 4 model reflects industry feedback that a prioritisation system needs to be practical to deliver. Phase 4 remains unlikely, but if it is needed, the approach must reduce demand without creating an administrative system that is too complex to operate during a disruption. **Annex Three** outlines key details of Phase 4, **Annex Five** outlines the Phase 4 user categories.
38. The main Phase 4 design choice is how to balance precision, delivery, and information risk. More central control could allow more precise prioritisation, but would require more registration, credentialling, verification, and site-level controls. It could also increase the risk that government makes poor prioritisation decisions because it lacks detailed, real-time information about business operations and supply chains.

39. Phase 4 would apply access rules, demand reduction requirements, record-keeping, and targeted verification. Ministers would have the option to tighten controls, or add further controls, if the disruption worsened:
- a. Category 1 (critical services) users: receive priority and uncapped access to fuel at the prevailing market price with no transaction limits, this access is maintained at the escalated setting. Access would be supported by registration and credentialling, with arrangements that would support continuity of life, public safety, and core state functions.
 - b. Category 2 (prioritised users) and Category 3 (other commercial and community) users: uncapped access to fuel at the prevailing market price through truck stops and bulk delivery (without transaction limits), subject to fuel-saving plans, record-keeping, demand reduction requirements, and records to verify compliance. Where Category 2 and Category 3 users access fuel through retail sites, they would be subject to the same transaction limits that apply to Category 4 users.
 - c. Category 4 (other users not captured by Category 1 – 3) users: access through retail pumps only, with transaction limits.
 - d. Escalated setting: existing controls could be tightened, or additional controls introduced, if needed. This could include higher savings targets for Category 2 and Category 3 users, lower transaction limits at retail pumps, and additional credentialling requirements.
40. Two broad credentialling approaches are available. The more basic option is for government to issue users a letter or access code for manual verification at the point of sale. The more advanced, **Confidential** option would integrate verification directly into the point of sale system, allowing real-time verification and capture of fuel use data.
41. Retail transaction limits could be challenging for some Category 2 and Category 3 users, particularly small and medium-sized enterprises that rely on retail access rather than bulk delivery or truck stops. If ministers are concerned about these impacts, options include relying more heavily on fuel-saving plans and targeted verification without applying retail transaction limits to Category 2 and Category 3 users, or introducing a credential for eligible Category 2 and Category 3 users to allow them to avoid retail transaction limits while maintaining controls for other users.
42. The Phase 4 model would remain industry-led in delivery. Fuel companies and distributors **Confidential advice to Government** through distribution channels, fuel-card systems, bulk supply arrangements, and retail access points. They would **Confidential advice to Government** and would apply transaction limits or other access controls if required. Government would set the prioritisation rules.
43. Collaborations between businesses in emergencies is enabled under the Commerce Act 1986 in certain circumstances. The Commerce Commission (the Commission) has also issued guidance for businesses outlining how it will exercise its discretion in deciding whether to investigate or take enforcement action in relation to collaborative conduct that might otherwise be prohibited in an emergency. This guidance sets out various factors that the Commission would expect to be met before taking this approach.
44. **Confidential advice to Government**
Confidential advice to Government
Confidential advice to Government. We are continuing to work with the Commission about ways in which additional certainty could be provided to the market for such collaboration.
45. Compliance and enforcement would need to support each part of the model. This will include targeted verification of Category 2 and Category 3 users' fuel-saving plans, obligations on

fuel companies to apply transaction limits and monitor relevant consumption, controls to prevent misuse of Category 1 users' credentials, and penalties for users who avoid access rules. Further advice will cover direction powers, offences, penalties, and any legal design issues.

46. Some Phase 4 settings should be set during an actual disruption to reflect the situation occurring at the time, including whether the disruption affects diesel, petrol, or both. These include demand reduction targets, Confidential advice to transaction limits, credentialling requirements, Confidential advice to Government and the timing for escalation, relaxation, or removal of controls.
47. Any decision to move to a higher phase, including Phase 4, would be informed by advice on costs, benefits, risks, implementation readiness, and impact analysis, where required.

Phase 4 design must manage risks and meet legal requirements

48. Any Phase 4 model will be imperfect. Fuel use is embedded across the economy, and prioritisation would face enforcement limits, delivery constraints, information gaps, and compliance costs. The model must be simple enough to implement and flexible enough to respond to the actual disruption.

Legal professional privilege

Treaty implications will inform detailed Phase 4 design

51. Phase 4 could have Treaty implications if activated. We will continue testing Phase 4 design choices with iwi and relevant Māori agencies. Further Phase 4 advice will include Treaty implications alongside human rights, population, legal, and operational analysis.

Implementation planning is well underway for each phase

52. We are preparing implementation plans for each phase. These plans cover indicative timeframes and process requirements for measures under each phase, once ministers decide to change phase or activate a specific measure.
53. The Phase 2 implementation plan was provided to the Oversight Group on 4 May 2026 (0032249 refers). The Phase 3 plan will be provided on 11 May 2026, and the Phase 4 plan on 18 May 2026.

Key implications will be assessed when specific measures are proposed

54. The updated Plan has no direct financial, legislative, population, human rights, or cost-of-living impacts. These impacts will be assessed when ministers are asked to make policy decisions on specific measures.
55. Cabinet's impact analysis requirements apply to this proposal but there is no accompanying interim Regulatory Impact Statement, and the Ministry for Regulation has not exempted the proposal from the impact analysis requirements. It therefore does not meet Cabinet's requirements for regulatory proposals.

56. The Ministry for Regulation and the Ministry of Business, Innovation and Employment have agreed that impact analysis will be provided when final policy decisions are sought from Cabinet.
57. Some measures in Phases 2 to 4 may require secondary legislation, including regulations, or changes to primary legislation. We are considering whether existing powers, including the Petroleum Demand Restraint Act 1981, are sufficient. Any funding, legislative, regulatory, or impact analysis requirements will be considered when returning to ministers or Cabinet as required.
58. Human rights implications will depend on the design of specific controls. Later-phase measures could affect population groups differently, including through impacts on movement or access to essential services. We will assess these impacts before ministers take decisions to activate specific measures.

Next steps

59. Communications are being prepared to announce the updated Plan and release of **Annexes one, three, four, and five**. We recommend officials are able to make minor adjustments to these annexes prior to announcement to ensure consistency.
60. We recommend communications describe the updated Plan's objectives, phases, and high-level approach, **Confidential advice to Government**

Annexes

Annex One: Updated Diesel and Petrol Fuel Response Plan 2026 overview.

Annex Two: Fuel response regulatory relief options.

Annex Three: Phase 4 overview.

Annex Four: Summary of updates for the Diesel and Petrol Fuel Response Plan 2026.

Annex Five: Phase 4 user categories.

ANNEX Two - Fuel Response Regulatory Relief Options

Proposal	Key trade-off	Benefit	When you would activate	Steps to implementation
1. Licence adjustments: Permanently allow Class 1 licence holders to drive heavier vehicles, and Class 2 licence holders to drive heavier electric buses Removes a barrier to use of fuel-efficient heavy vehicles	Fuel savings vs Minimal safety changes	Minor fuel savings – growing over time as the fleet adjusts	Phase 1 (as soon as practicable)	Admin changes to be made (about 4 weeks work) Order in Council
2. Removing permit requirements: Removing permit requirements for 50MAX vehicles and for relocating unladen HPMV rental vehicles Reduces administrative and compliance costs	Relief for some trucking companies vs Minimal change in enforcement capability	Relief for trucking companies Reduces regulator cost	Phase 1 (as soon as practicable)	Admin changes to be made (about 4 weeks work) RUC changes being worked on and statutory timeframes to be confirmed Order in Council
3. Over-dimension vehicle access: Lift some route and time restrictions on over-dimension vehicles (i.e. allow them to use motorways and toll roads) subject to risk assessments Over-dimension vehicles can take more direct routes	Fuel savings + relief for over-dimension vehicle operators vs Additional congestion for other motorists	Minor fuel saving Relief for ODV operators	Phase 2	Operational risk assessments underway (about 4 weeks work) Order in Council would enable Minister could then activate
4. Heavy vehicles proposal 1: Increase weight limits for permitted high productivity motor vehicles (HPMV) by 4% (approx. 2 tonne increase per vehicle) Fewer trips to carry the same freight	Fuel savings + relief for freight movers vs Cost of damage to the road network (estimated \$153m over 6 months).	5.6 million litres diesel saved over 6 months Relief for freight movers	Phase 4	Engineering assessments underway (including assessing c.4000 bridges on state highways) Order in Council would enable Minister could then activate [Note that in parallel MoT are working on more permanent options for allowing heavier payloads, which would have better cost/benefit because more suitable trucks can be imported in the long run.]
5. Heavy vehicles proposal 2: Increase weight limits for 50MAX vehicles by 10% (to 55 tonnes) Fewer trips to carry the same freight		10.6 million litres diesel over 6 months Relief for freight movers	Phase 4	
6. Speed limit reductions: Reduce maximum speed limits to 90km/h or 80km/h Driving at lower speeds saves fuel and this requires it to happen	Fuel savings vs Loss of productivity from increased travel time; safety and enforcement concerns	Fuel savings (analysis ongoing)	Phase 4	Analysis of possible fuel savings and cost of signage underway Order in council Re-signage and/or public communications

SENSITIVE

	Critical Users	Prioritised users	Other Commercial and Community users	Other users
Who	Emergency management, lifeline services, energy services, health and social services, lifeline utilities, ports and shipping, animal welfare services, public transport and schools	Road and rail freight, food and essential goods production, importing, processing and distribution activities.	All other businesses and community activities	All other users
Requirements	Organisations in this category, must register with MBIE as a critical service	Organisations in this category to develop a fuel savings plan and reduce fuel use to meet a savings target set by the Government.	Organisations in this category to develop a fuel savings plan and reduce fuel use to meet a higher savings target set by the Government.	Everyone is expected to reduce fuel use and comply with transaction limits
Access to Fuel	No limits to buying fuel at staffed retail sites, truck stops or through bulk delivery. At staffed retail sites critical services will need to show that they are registered.	No limits to buying fuel at truck stops or through bulk delivery but you must not exceed the fuel use set out in your fuel savings plan. You can also buy fuel at retail sites but you will be subject to limits on how much you can buy set by the Government.		There are limits to how much fuel you can buy at retail sites. These limits will be set by the Government.
Supplier Obligations	Enable users registered as a critical service to get uncapped access to fuel at truck stops, bulk delivery and staffed retail sites	Enable users to get uncapped access to fuel at truck stops and through bulk delivery. Enforce transaction limits at retail sites		Enforce transaction limits at retail sites.
Role of Government	- Set an overall target for fuel reduction. This would be determined based on the specific circumstances at the time a decision is made to move to Phase 4. - Determine transaction limit and specific fuel savings targets for Food and freight and Other Commercial and Community - Monitor fuel use and compliance to assess if more controls are needed, or when the controls can be removed.			

SENSITIVE

