MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Phase 4 (Paper Two) Credentialling Options

Date:	30 June 2026	**Priority:**	High
Security classification:	Sensitive	**Tracking number:**	BRIEFING-REQ-0035243

	Action sought	**Deadline**
Hon Nicola Willis **Minister of Finance**	**Agree** to proceed with **Option A** (validated QR code credential) as the preferred approach to enable credentialling for Category 1 users under Phase 4. **Agree** that officials progress the development of **Option A** to a ready state, in partnership with fuel companies.	10 July 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**
Iain Cossar	Deputy Secretary, Fuel Response	Privacy of natural persons	
Jen Radich	Lead, Fuel Response Implementation		✓
Jivan Grewal	Lead, Fuel Policy Response		

The following departments/agencies have been consulted
National Emergency Management Agency Ministry of Health

Minister's office to complete:

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- ☐ Withdrawn

Comments

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

BRIEFING

Phase 4 (Paper Two) Credentialling Options

Date:	30 June 2026	**Priority:**	High
Security classification:	Sensitive	**Tracking number:**	BRIEFING-REQ-0035243

Purpose

This paper seeks your agreement to a preferred approach and timing for credentialling under Phase 4 of the Fuel Response Plan 2026.

Executive summary

Credentialling is the mechanism that enables fuel to be prioritised under Phase 4 of the 2026 Fuel Response Plan. It determines which users can access fuel without limits and is therefore central to how fuel would be allocated during a severe disruption. The options presented here are consistent with the options in Paper One which set out the regulatory design.

A basic credentialling capability is already available and can be deployed immediately, subject to completion of regulations. However, it relies on manual checking by staff, provides no assurance or ability to monitor compliance, and is not recommended as a primary approach. It provides a minimum fallback option if Phase 4 is activated before an alternative is available.

Officials recommend progressing a QR code credential (Option A) to a state of readiness as a practical and proportionate approach. A more integrated system solution (Option B) is also available which provides stronger system-based controls but would take longer to deliver and require further policy decisions.

This paper seeks agreement to develop Option A to a state of readiness, rather than to implement it immediately. Development and testing would be undertaken in partnership with fuel companies, with implementation triggered if Phase 4 is activated.

Option B, an integrated system solution, is also available. This would enable credentials to be validated automatically at the pump and provide stronger system-based control and monitoring. However, it is materially more complex to deliver, would require broader registration across Categories 1-3, and would involve higher costs and longer timeframes to implement. This would allow for more targeted escalation of controls if supply-side issues worsen. Further policy decisions and detailed design work would be required before this option could be progressed.

On balance, Option A provides the most practical and proportionate approach to improving assurance and readiness in the near term, while retaining flexibility to consider a more advanced approach if a supply-side issue requires greater demand controls.

Recommended action

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

a **Note** previous Cabinet decisions on the proposed operational design for Phase 4 of the Diesel and Petrol Fuel Response Plan 2026, including priority and uncapped access to fuel for Category 1 (Critical) users supported by registration and credentialling [CAB-26-MIN-0164 refers];

Noted

b **Note** that a basic paper or PDF credential is already available as a minimum fallback option, subject to completion of regulations, but provides limited assurance and is not recommended as a primary approach;

Noted

c **Agree** to proceed with **Option A** (validated QR code credential) as the preferred approach to enable credentialling for Category 1 users under Phase 4;

Agree / Disagree

d **Agree** that officials progress the development of **Option A** to a ready state, in partnership with fuel companies;

Agree / Disagree

e **Note** that Phase 4 controls, including credentialling and fuel prioritisation, would only be activated if fuel supply conditions worsen, and that deferring readiness activity may limit timely and consistent implementation; and

Noted

f **Note** that an integrated system solution **(Option B)** is available, which would provide greater control and monitoring capability, and carries higher cost, longer lead in time, and early decision making to enable implementation.

Noted

Privacy of natural persons

Jen Radich
Lead, Fuel Response Implementation
MBIE
30 / 06 / 2026

Hon Nicola Willis
Minister of Finance

..... / ..... / .....

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

..... / ..... / .....

Background

1. On 11 May 2026 the Government announced the updated Diesel and Petrol Fuel Response Plan, including controls that would apply at Phase 4 of the Plan [CAB-26-MIN-0164 refers].

2. Phase 4 of the Fuel Response Plan has been developed in response to a severe and sustained fuel disruption. Its objective is to preserve fuel availability for Category 1 (Critical) users. The Fuel Response Framework sets out interventions affecting both supply and demand.

3. Under Phase 4, access to fuel is prioritised by user category [CAB-26-MIN-0164 refers]. Category 1 users receive priority and uncapped access. Category 2 (Food and Freight) and Category 3 (Community and Commercial) users must develop fuel savings plans to reduce fuel use, maintain clear records of fuel purchases and may be subject to targeted checks. Category 4 users (General Public) will be subject to transaction limits.

4. Fuel cards can be used by Categories 1-3 users to enable uncapped fuel purchases. However, fuel cards alone will not adequately provide access for all users in Category 1, which also allows uncapped access for workers travelling to work and for patients travelling long distances for medical care. In these instances, fuel is paid for by the user. As fuel cards are generally issued for business use and dependent on credit and contractual arrangements, fuel cards alone will result in an incomplete access solution.

5. A separate credential is therefore required to ensure all Category 1 users can be identified and provided with uncapped access under Phase 4. Credentialling is the mechanism that determines who can access fuel under Phase 4 and is therefore central to how fuel will be allocated during a disruption.

What is a credential?

6. A credential confirms that a user is authorised to access fuel without limits under Phase 4. It allows eligibility to be verified at the point of sale and operates alongside fuel cards, which also enable uncapped access. It does not affect the price of fuel.

7. The rules for how credentials are issued, used, and checked will be set through regulations under the Petroleum Demand Restraint Act 1981 (PDRA). Credentials would be issued at an organisational level (or broken down regionally or by team). Credentials will not be issued to individuals and will not provide any ability to track individual usage or location.

8. MBIE can deploy a basic paper or PDF credentialling system immediately using existing systems. This approach was developed using existing tools, with minimal cost and internal resources, and has been available for several weeks without further development since our last discussion with Ministers. However, it relies on manual checking by staff, provides no assurance or ability to monitor compliance, and is not recommended as a primary approach. Subject to the completion of regulations, it provides a minimum fallback option if Phase 4 is activated before an alternative is available.

Further work on credentialling for consideration

9. Officials recommend that Ministers consider whether to progress further development of credentialling capability. Two options are available for consideration:

    - **Option A:** Utilise a simple QR code credential, which introduces scanning to confirm validity and can be implemented in the near term (recommended).

- **Option B:** Invest in an integrated solution, which provides system-based checks before fuel is dispensed and enables stronger control and monitoring. This option carries a higher implementation cost and has a longer lead-in time.

10. A summary of these options is provided at **Annex One**.

11. Ministers are being asked to agree to develop Option A to a state of readiness, noting that this provides a deployable capability if Phase 4 is activated, while retaining the option to progress a more integrated system if required.

12. Fuel companies will be responsible for implementing the required controls for credentials and transaction limits within their systems. The government is not proposing to build or operate a fuel retail technology solution.

13. Fuel retailers have also indicated there will likely be system development costs associated with implementing credentialling options. They have emphasised the need for clear government direction, consistent approaches across the network, and sufficient lead time to prepare systems and operations.

Users will need to register for a credential

14. Registration is required to issue credentials to organisations requiring access to uncapped fuel under Phase 4. In practice, organisations would apply to MBIE by providing organisational information so they can be recognised as eligible for a credential. This would be a light-touch process, where organisations confirm they meet Category 1 criteria and registration is then confirmed.

15. This model operates on a high-trust basis. Credentials are issued without upfront validation to enable rapid implementation at scale. This creates a risk of misuse, which would be managed through monitoring and post-issuance auditing, supported by regulatory settings.

16. MBIE would issue credentials at an organisational level, and each organisation would then manage their use across their operations. This allows organisations to determine which of their staff and resources need access to uncapped fuel to deliver critical services.

17. The extent of registration varies under each option. Under Option A, registration is limited to Category 1 organisations. Under Option B, registration would extend to Categories 1-3. This is because the system needs to recognise all users in order to apply limits and controls consistently across the network, rather than relying on manual checks at individual sites.

18. Ministers have directed that those needing to travel for essential medical treatment are not prohibited from doing so [CAB-26-MIN-0164 refers]. This would be addressed through Category 1 organisations, including health providers, enabling access to credentials where required. Ministry of Health advises that should New Zealand move towards Phase 4, Officials would develop an approach where patients would be credentialled. This would work in a similar manner to the approach to credentialling critical workers and may be supported by specific health sector guidance. Ministry Officials advise this work would be progressed if there is a worsening in fuel supply conditions which makes a move to Phase 4 likely.

19. The application and credential issuance processes for Options A and B are set out in **Annex Two**. These diagrams illustrate how organisations register, receive credentials, and manage their use in practice, and highlight the key differences between the two approaches.

Proposed Credentialling Approaches Under Phase 4

Existing paper or PDF credential

20. Under this approach, the government would issue a credential (which could be printed by users) to registered Category 1 organisations. Category 1 organisations would then distribute this credential across their workforce and operations. This approach has already been internally developed using existing functionality and can be implemented immediately using existing systems. Costs are minimal and have been managed within existing MBIE baselines.

21. To use the credential, the holder presents it to fuel retail staff, who decide whether it is valid before overriding transaction limits to allow access to uncapped fuel under Phase 4. This approach has significant limitations:

    - It can only be used at staffed sites and relies entirely on retail staff judgement;
    - Retail staff have no way to confirm whether a credential is valid;
    - It provides no ability to monitor use, and control is limited to individuals doing the right thing; and
    - Should this credential be shared to non-critical users, there is no mechanism to verify use, identify misuse, or revoke credentials once they have been issued.

22. This approach provides a minimum fallback option only, subject to completion of regulations, and is not recommended as a primary approach due to its lack of verification, monitoring, and control.

Option A: QR code credential (recommended)

23. Under this option, the government would issue a scannable credential to registered Category 1 organisations. This is a simple scannable QR code that can be used across retail sites and presented either as a printed document or on a mobile device at the point of purchase.

24. The credential is scanned by retail staff and checked against the Category 1 list held by MBIE to confirm it is valid. Once verified, staff manually override the transaction limit to allow access to uncapped fuel.

25. Operational requirements for registration are broadly the same as the paper/PDF credential for MBIE. Fuel retailers would be responsible for implementing and operating the scanning capability within their systems. This is expected to involve changes to retailer systems, which they would typically manage as part of their own operational response. Officials have not assumed Government funding for retailer changes.

26. Core components of this approach already exist within MBIE systems, including the registration process, credential generation, and the ability for an external system to check whether a credential is valid. These have been configured and tested for this purpose.

27. Delivery therefore depends primarily on industry readiness, including fuel companies updating their systems, testing, and training staff. It will also require MBIE to receive and use scan data to monitor use and respond to misuse. Costs are expected to be low and largely absorbed within existing baselines, with effort focused on operational support rather than system development. Costs relate primarily to system configuration, monitoring, and operational resourcing, and can be met within existing baselines as they build on systems already in place.

28. Initial engagement with fuel companies indicates development and testing may take approximately 6 to 8 weeks prior to implementation across sites. It is important to note that there are at least ten retailers involved, and capability must be developed and tested across all sites to enable Category 1 users to access fuel at any outlet.

29. This approach enables greater assurance while remaining practical to deliver. It continues to rely on staffed sites and manual override of transaction limits by fuel staff. While credentials may still be shared between individuals, scanning of credentials allows MBIE to monitor how they are used. Unusually high or frequent use of a credential may indicate potential misuse. In these cases, MBIE would confirm the use changes with the organisation and, if required, revoke and reissue the credential. Organisations may also identify and report inappropriate use, providing a further mechanism to manage misuse.

30. Some fuel companies have indicated that additional functionality, such as capturing transaction data or enabling system-based controls, could be developed if needed. The collection and use of scan data would be subject to relevant legal and privacy requirements.

31. This option offers the best balance between assurance, monitoring, cost, and speed of implementation, and is recommended as the preferred approach. This paper seeks agreement to develop Option A to a state of readiness so it can be implemented quickly if Phase 4 is activated.

Option B: Integrated credential system solution (credential checked at the pump)

32. Under this option, the government would issue a QR credential that is checked automatically at or near the pump through integration with fuel company systems, rather than only in store. This enables access decisions to be made by the system at the point of supply, rather than by frontline staff. This requires changes to fuel pump systems so that when a valid credential is presented, uncapped fuel is provided automatically to a Category 1 user.

33. Access to uncapped fuel would be made at the pump. This reduces reliance on manual processes and would allow Category 1 users to access fuel at both staffed and unstaffed sites, 24 hours a day, 7 days a week. Fuel companies have indicated a preference for this model, as it reduces reliance on frontline staff and improves operational consistency across the network. For users, it allows them to refuel at their usual sites with minimal change. However, implementation would require system changes and expectations around cost sharing with Government may need to be clarified.

34. This option provides the strongest level of control and monitoring under Phase 4 by enabling access decisions to be made automatically through the system. It also enables monitoring of fuel use across the network, including identifying patterns of use, potential misuse, and changes in purchasing behaviour.

35. Delivering a consistent system requires all uncapped users to be recognised by the system. In practice, this means credentialling must extend beyond Category 1 users to include Categories 2 and 3, so that consistent limits can be applied across the network. Fuel retailer systems can only apply limits and release fuel to recognised users. Without recognising all users, the system cannot consistently apply limits or allow uncapped access, and this approach would therefore not function as intended.

36. Extending credentialling in this way gives Government direct visibility over fuel use across the network, including by volume, location, and user category, rather than relying on manual or indirect checks. This supports assessment of whether Categories 2 and 3 users are reducing fuel use in line with fuel savings expectations and enables more effective identification and targeted response to misuse.

37. This integrated model is materially more complex to deliver. MBIE would need to develop and maintain the supporting system, while fuel retailers would implement and operate the required changes across their networks. This work requires system integration across multiple fuel company IT systems, development of supporting data and analytical capability, and adaptation of existing fuel retailer payment and point-of-sale systems. These components must operate together in real time to enable access decisions at the pump.

38. Based on early estimates, delivery of an integrated model is likely to take approximately 12 weeks, depending on system integration and retailer readiness. Indicative costs fall into two stages.

Commercial Information

42. This option could be progressed if Ministers wish to strengthen system-based controls over time but is not required to support initial Phase 4 readiness. Officials can undertake further

work to fully scope the integrated option, noting that this work can proceed in parallel with development of Option A.

43. Detailed illustrations of how credentials would be used in practice under Options A and B are provided at **Annex Three**. These diagrams show how credentials are presented, verified, and applied at fuel retail sites under each approach.

Strengthening long-term fuel response capability

44. The recommended work is not limited to the immediate disruption scenario. Developing a credentialling capability would strengthen New Zealand's readiness for future fuel disruptions and other emergency situations where Government may need to prioritise fuel access at a national or regional level.

45. Previous work on the 2024 Fuel Plan identified a key constraint in the response framework – while Government could set prioritisation rules, it had limited ability to ensure those rules could be applied consistently at the point of access. This proposal responds to that gap by establishing a practical mechanism to give effect to those decisions.

46. Establishing a registration with a credential framework supported by technology across the fuel network under Option A or B would provide a reusable foundation that can be scaled and adapted over time. This will support not just planning, but readiness for any disruptions to fuel supply. Without this capability, the government is likely to remain constrained in translating prioritisation decisions into consistent operational outcomes during a disruption.

47. The National Emergency Management Agency (NEMA) is broadly supportive of this capability and considers it could have wider utility in other emergency scenarios where fuel prioritisation is required on either a regional or national basis. NEMA also noted the importance of addressing operational considerations, including the high-trust nature of the model, potential for misuse, and alignment with emergency management powers.

Operational readiness requirements

Readiness activities

48. Implementing credentialling requires preparatory work before moving to Phase 4 (if necessary), including:

- establishing the registration process;
- agreeing implementation processes with fuel companies;
- preparing operational guidance for users; and
- supporting implementation processes with fuel users.

Timing of readiness work

49. Ministers should consider whether to undertake some or all this preparatory work now or defer until a transition to Phase 4 is more likely, particularly where the readiness work occurs across multiple organisations like the Fuel Retail sector.

50. Preparing now improves readiness and reduces implementation risks, and will provide assurance of readiness, particularly where technology and system changes are required across the fuel retail network. However, this increases upfront cost. Deferring reduces immediate cost, while increasing the risk that required systems and processes are not in

place when needed. This risk is amplified by the need to coordinate changes across multiple fuel companies and systems within compressed timeframes.

Implications of deferring readiness

51. Credentialling decisions sit within a broader set of Phase 4 readiness activities, including the implementation of transaction limits, fuel card settings, and operational controls across the fuel network. Fuel companies have indicated that these measures need to be designed and implemented together to ensure they work consistently in practice across the whole retail network.

52. Deferring credentialling and wider readiness activities until there is a clear supply disruption would require fuel companies to implement multiple system and operational changes at pace, including changes to pump settings, point-of-sale systems, and staff processes. Fuel companies have indicated these will take 6-8 weeks to implement. This would increase the risk that controls are applied inconsistently across the network or cannot be implemented in full and limit opportunities to test these settings in practice.

53. There is also an operational and procedural readiness component. Fuel companies and large users require time to prepare staff, update systems, and communicate changes to customers. Deferring all readiness activity limits this preparation, increasing the likelihood of confusion, poor compliance, and operational challenges at the point of sale.

54. Taken together, this means that deferring readiness activities does not only delay credentialling capability but also increases the risk that the wider Phase 4 framework cannot be implemented effectively when required.

Security implications

55. Constrained access to fuel under Phase 4 may increase pressure at fuel sites and create the potential for conflict between customers and retail staff. The 2024 Fuel Response Plan recognises that demand restraint measures, including transaction limits and prioritisation settings, are likely to increase this pressure and place additional strain on staff. Responsibility for managing security at fuel sites currently sits with fuel companies, unless further requirements are introduced through regulation or other government action.

56. Under the basic paper/PDF credential approach, retail staff are solely responsible for checking credentials and enabling access to uncapped fuel. In practice, pressure from customers and a desire to avoid conflict may result in staff not refusing access where a person claims to be a Category 1 worker. This undermines the effectiveness of the credential and increases the risk of inconsistent application of access settings.

57. The QR code credential approach offers some protection to retail staff, as the scanning process determines whether a credential is valid before access is granted. However, staff remain responsible for enabling access and may still face pressure in practice to override transaction limits.

58. The integrated system solution removes the need for retail staff to make access decisions, as credential validation occurs at the pump. This reduces reliance on frontline staff and may mitigate some security and safety risks at fuel sites.

59. However, there remains a risk of tension between users who can access uncapped fuel and those subject to transaction limits. Further advice on site security under Phase 4 will be provided to Ministers, considering requirements under the 2024 Plan and feedback from Police, local government, and industry.

Risks

60. There is a risk that Category 1 users cannot reliably access fuel if the recommended approach is not implemented consistently across the network or if readiness work is deferred. While a decision to move to Phase 4 may only be made once supply conditions worsen, the systems and processes required to enable credentialling would need to be operational within a short timeframe following activation, likely within three weeks.

61. The credentialling model is designed to operate on a high-trust basis, with organisations self-declaring their eligibility and managing credentials internally. While this enables rapid implementation at scale, it creates a risk of unintended access where declarations are inaccurate, or credentials are used outside their intended purpose. This risk is at least partially mitigated through post-issuance monitoring, data analysis, and proportionate auditing, rather than preapproval of all users.

62. Credentials may also be vulnerable to misuse, particularly where they are shared beyond intended users. This risk is highest under the paper/PDF approach, where there is no mechanism to confirm whether a credential is valid. It is reduced under the QR code approach, where scanning confirms validity and supports revocation and reissue where misuse is identified. The integrated system solution provides a higher level of control but does not rely on individual credentialling.

63. The paper/PDF and QR code approaches may increase pressure on staffed retail sites by concentrating demand in parts of the network where credentials can be verified. This may exacerbate existing supply and distribution challenges during a disruption and increase operational strain at sites.

64. The integrated system solution introduces additional complexity. There is a risk that broader credentialling requirements and system integration create administrative and delivery challenges, or that implementation is not consistent across the network. There is also a risk that system performance is affected under high demand conditions, or that further development is required over time as policy settings evolve.

65. More broadly, delivery under both options requires coordination across multiple fuel companies and technology platforms. Implementation involves multiple parallel workstreams, including system changes, testing, and staff training, and there is a risk that one or more components are not ready in time for activation. This risk is heightened by the range of organisations involved, each with different systems and capabilities.

66. These risks reinforce the value of progressing readiness activities in advance, particularly where technology changes are required. Deferring this work increases the likelihood that implementation constraints could delay or limit the effectiveness of a Phase 4 response.

Consultation

67. Officials have engaged with fuel companies, technology providers, the National Emergency Management Agency (NEMA), and Ministry of Health to understand how the credentialling options could be implemented in practice.

Next steps

68. Subject to your agreement, officials will progress the QR code credential approach (Option A) with fuel companies and delivery partners, including confirming the delivery model, cost, timing, and system requirements.

69. Officials will continue to engage with industry on the feasibility, cost, and implementation considerations associated with a fully integrated system solution, including the implications of broader credentialling. Further advice can be provided if Ministers wish to progress this option.

Annexes

Annex One: Summary of credentialling options (Options A and B)

Annex Two: Application and credential issuance processes (Options A and B)

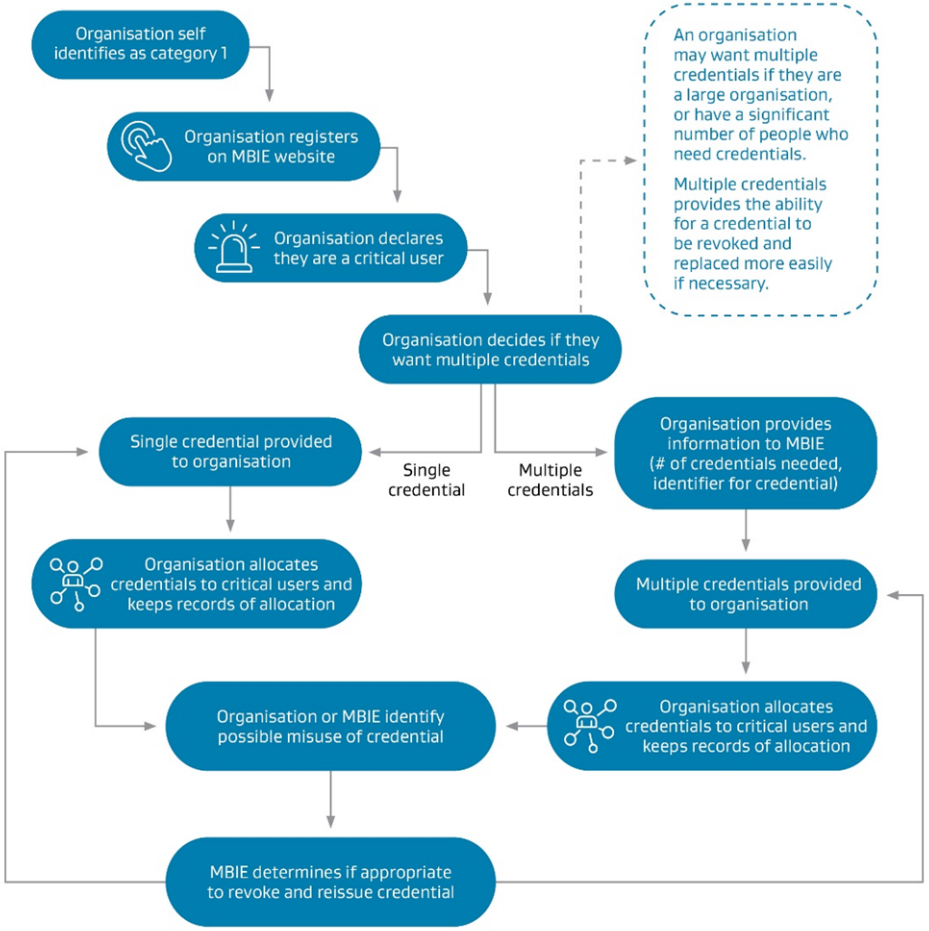
Annex Three: Credential use processes (Options A and B)

Annex One: Summary of credentialling options (Options A and B)

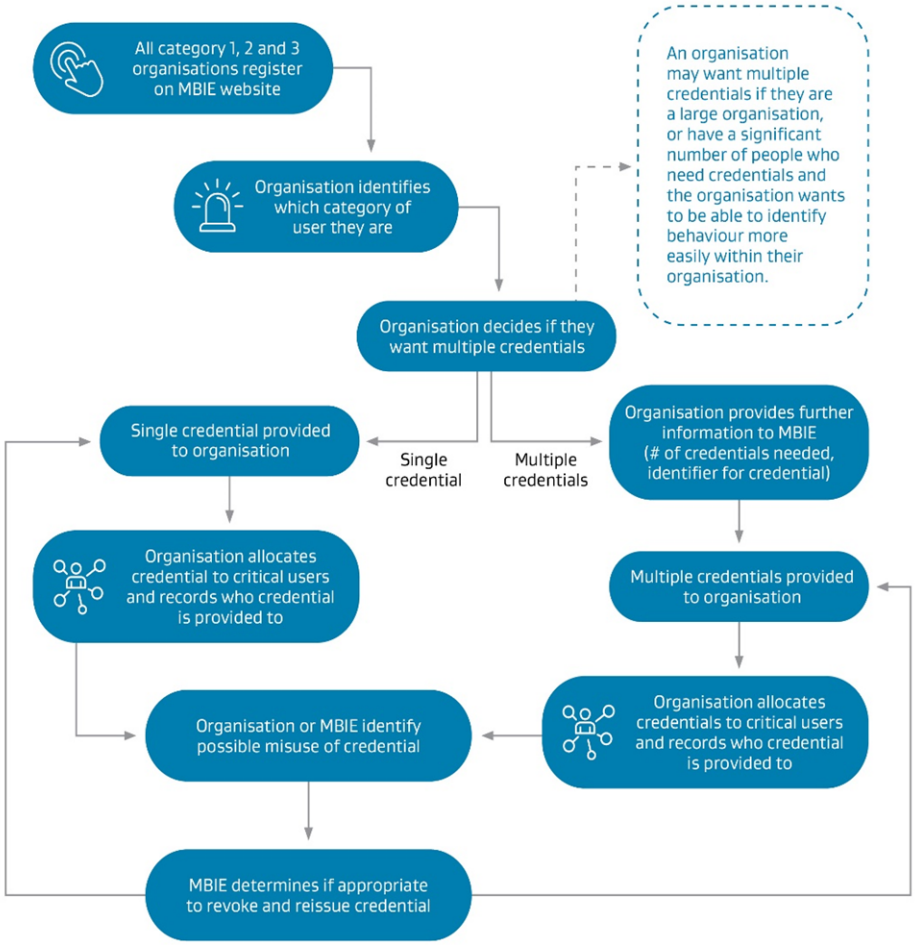
	Existing solution	Option A: Scannable credential	Option B: Integrated solution
Confidential advice to Government Commercial Information			
How access is checked	**Manual:** Fuel station staff sight credential in petrol station.	**Realtime validation:** Fuel station staff scans credential, retail system displays whether credential is valid in petrol station.	**Automated allocation:** at any point of sale or pump (staffed/unstaffed) credential can be scanned by user and automatically releases allocated volume of fuel.
Work at unstaffed sites?	**No:** requires fuel station staff member to view and release uncapped fuel	**No:** requires fuel station staff to scan and release uncapped fuel, unless scanning is integrated into point of sale.	**Yes:** allows all sites to be utilised.
Monitoring & control	**None:** unless fuel retailers were required to report on use. No ability to revoke or reissue if credential shared beyond critical users.	**Medium**: records # of scans of a credential, but no further data. If misuse identified credential could be revoked and a valid credential reissued.	**High:** significant user data could be recorded to identify possible misuse and understand demand patterns could provide differing allocations if greater controls necessary; if misuse identified credential could be revoked and a valid credential reissued.

Annex Two: Application and credential issuance processes (Options A and B)

Credential access process (option A)



Credential access process (option B)



Annex Three: Credential use processes (Options A and B)