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Overview of public sector fuel usage

Date:	19 March 2026	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ- 0029562

Information for Minister(s)

Hon Simon Watts
Minister for Energy

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Scott Russell	Manager, Energy Use Policy	Privacy of natural persons	✓
Hisham Haq	Policy Advisor, Energy Use Policy	-	-

The following departments/agencies have been consulted

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Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



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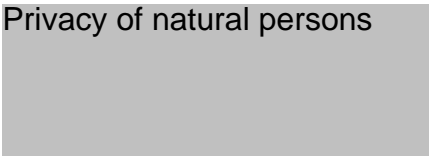
Overview of public sector fuel usage

Date:	19 March 2026	Priority:	High
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0029562

Purpose

To summarise information about public sector fuel use (petrol and diesel), what data is available and the extent to which government could manage its own demand before considering measures that could affect households and businesses.

Privacy of natural persons



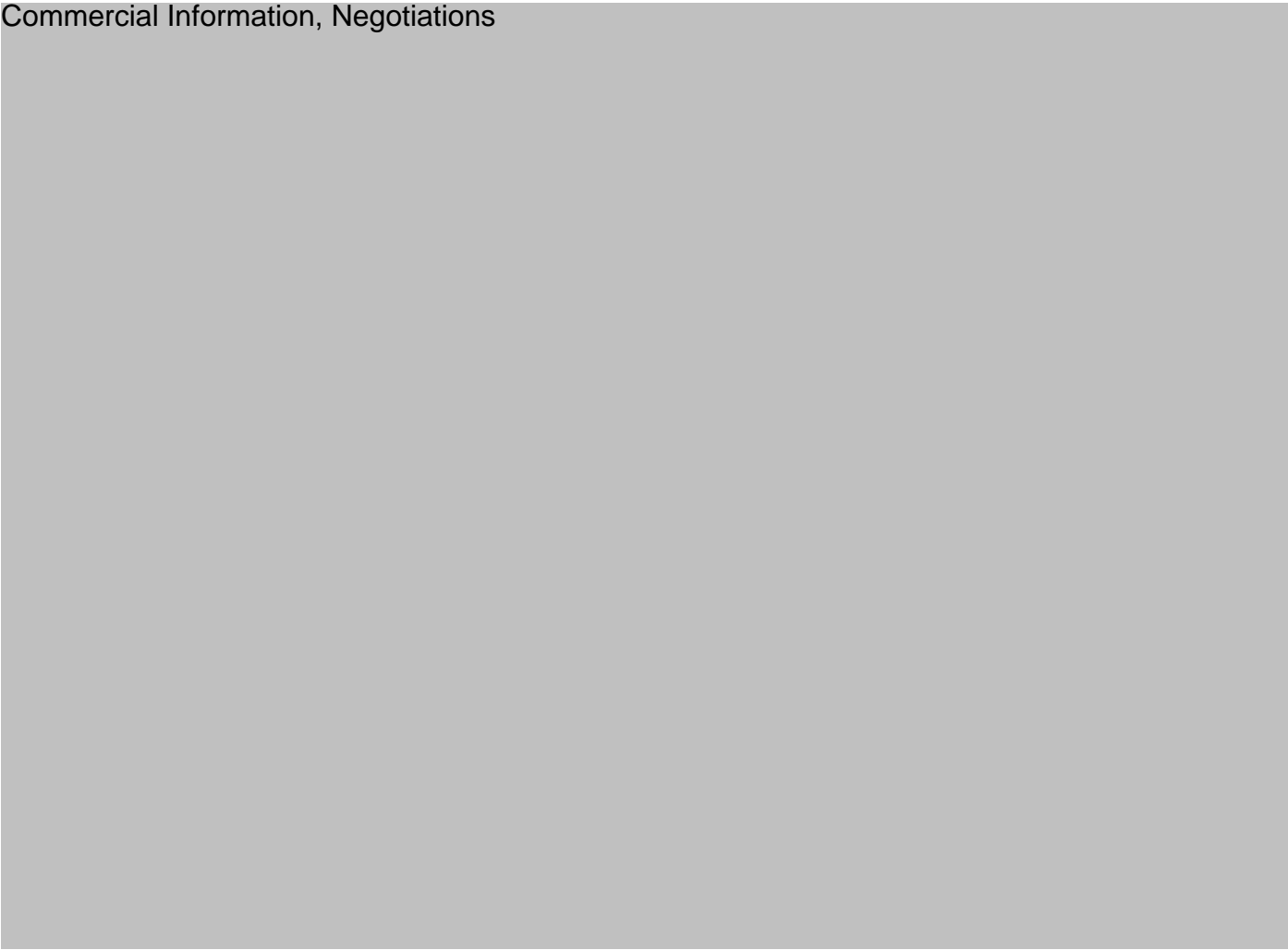
Scott Russell
Manager, Energy Use Policy
Building, Resources and Markets, MBIE

19 / 03 / 2026

Background

1. The public sector uses petrol and diesel for transport related activities and equipment, and in some cases diesel for back up electricity generation, and space and water heating.
2. An open syndicated fuel supply contract managed by New Zealand Defence Force (NSDF) is available to most central government agencies and is widely used by large fuel consuming operational agencies, including New Zealand Police which is one of the largest consumers of fuel in the country.
3. While it does not capture all government fuel use, it provides the most complete and centralised picture currently available, with standard reporting focused on spend and limited volume information available for 2025.

Commercial Information, Negotiations



Summary of key insights

5. Government fuel consumption under the largest collaborative contract uses approximately 39.5 million litres of fuel annually. The volume is stable, but we do expect significant upward price pressure.

6. Diesel accounts for the largest share of government fuel volumes and therefore drives both cost exposure and supply risk. Petrol represents a comparatively smaller share of total government fuel use.
7. A significant proportion of public sector fuel use supports essential services including:
 - a. Police,
 - b. Fire and Emergency,
 - c. Health,
 - d. Defence, and
 - e. Corrections.
8. The syndicated contract does not capture all government fuel use. Some agencies and contractors source their fuel through other arrangements.
9. The Government does not systematically collect fuel usage data across its broader operations beyond procurement reporting, and there is no central data on fuel used by staff commuting to and from work, as this occurs in both private vehicles and public transport.

Scope for government demand management

10. The opportunities for discretionary reductions are largely limited to non-operational travel and lower priority activities in administrative agencies. We don't have an estimate of this currently.
11. The bulk of fuel volume under the syndicated contract is likely to be non-discretionary in the short term.
12. As a result, government managed demand reductions would likely have limited impact on national fuel availability.