



AIDE MEMOIRE

Assessing the effectiveness of Carless Days Scheme

Date:	7 May 2026	Priority:	Medium
Security classification:	In Confidence	Tracking number:	BRIEFING-REQ-0032456

Action sought		
	Action sought	Deadline
Hon Nicola Willis Minister of Finance	Note the contents of this briefing	15 May 2026
Hon Shane Jones Associate Minister for Energy	Note the contents of this briefing	15 May 2026

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Sarah Deblock	Manager, Fuel Response	Privacy of natural persons	✓
Hisham Haq	Policy Advisor	-	

The following departments/agencies have been consulted

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☐ Withdrawn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 assess the effectiveness of the 1979 Carless Days Scheme in reducing petrol consumption.

Summary

The Carless Days Scheme was introduced in 1979 as part of a broader government response to fuel shortages. It was a scheme wherein private vehicle owners were required to nominate one day of the week where they could not drive their vehicles.

While petrol consumption declined during its operation, evidence suggests that the scheme's impact was limited, as reductions in fuel use were primarily driven by petrol price rather than the scheme itself. Its effectiveness was constrained by exemptions, low enforcement, and behavioural responses such as rescheduling travel.

Overall the scheme played a supporting role, with price and supply measures having a greater impact on reducing fuel demand.

Recommended action

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

- a **Note** the contents of this briefing

Noted

Privacy of natural persons

Sarah Deblock
Manager, Fuel Supply Policy
Fuel Response, MBIE

7 May 2026

Hon Nicola Willis
Minister of Finance

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Hon Shane Jones
Associate Minister for Energy

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Background

1. The Carless Days scheme (the Scheme) was introduced in July 1979 as a response to oil supply disruptions following the Iranian Oil Crisis which reduced global oil supply. At the time, New Zealand had a significant reliance on oil imports from Iran - it is estimated that, prior to the disruption, around 39 per cent of New Zealand's oil imports came from Iran. This prompted the Government to introduce demand-restraint measures to conserve fuel and manage limited domestic supply.
2. The Scheme required vehicle owners to nominate one day per week on which their car could not be used. This was indicated through a sticker displayed on the vehicle.
3. The Scheme was applied primarily to private petrol vehicles. It did not restrict diesel use which is used in freight, commercial transport, and essential economic activity.
4. The Scheme was one component of a broader package of demand-restraint measures introduced around the same time in response to fuel supply pressures. As a result, it is difficult to attribute the estimated petrol consumption reduction directly to the Carless Days scheme.
5. Prior to its introduction, the Ministry of Energy had aimed to achieve a reduction of around 10 per cent, suggesting an indicative benchmark for the level of savings expected.
6. The Scheme was in place for less than a year. It was suspended in May 1980 and later revoked in December 1980 following growing public opposition.

Effectiveness of the Scheme

7. Available data suggests that Carless Days, along with other demand-restraint measures contributed to a reduction in petrol consumption of around 4 per cent over the period of about 10 months in which it operated. This was relatively successful in comparison to similar schemes run by other countries, which had an average success rate of 3-5 per cent.
8. Since the Scheme was only applicable to petrol powered private vehicles, a large share of fuel consumption in the economy, particularly in logistics and industry, remained outside the scope of the policy.
9. While the Scheme had some effect on consumption behaviour, the reduction itself was modest, particularly relative to the level of disruption associated with the policy.
10. In 2007, a report published by NZTA tested the Scheme as a policy variable in petrol demand models and found its effect to be statistically insignificant, indicating no measurable reduction in petrol consumption attributable to the Scheme. The analysis showed that petrol prices had a clear and significant impact on demand, while the effect of the Scheme could not be distinguished from background variation in the data.

Limitations of the Scheme

11. **Weak enforcement:** The scheme relied on legal penalties to enforce compliance, with fines of up to \$400 for noncompliance. In practice, enforcement was limited. Approximately 3,136 prosecutions were recorded over the duration of the scheme, equivalent to around 76 cases per week across the country.
 - a. When compared with the estimated number of motorists who continued to drive on their Carless day, which was 5-10 per cent of total motorists, this indicates that **only around 0.2 per cent of violations resulted in prosecution.**

12. **Behavioural responses:** A key limitation of the scheme was that it constrained when vehicles could be used, rather than directly reducing overall travel demand. Evidence indicates that trips were rescheduled to nonrestricted days, which reduced the net effect on fuel consumption.
 - a. While private vehicle use remained dominant, the share of work trips by car decreased from around 88 percent to 66 percent on carless days. This was offset by increases in carpooling (5 per cent to 19 per cent), bus use (2 per cent to 7 per cent), motorbike use (2 per cent to 7 per cent), and cycling (7 per cent to 12 per cent).
13. **Individual vehicles, not households:** Households with access to more than one vehicle were also able to adapt by using alternative vehicles on their carless day to circumvent the restriction or consolidating trips.
14. **Forgery:** The Scheme relied on a sticker system to indicate restricted days and exemption status. While this was administratively straightforward, it created scope for avoidance. Stickers were forged or misused, and together with exemptions and behavioural adjustments, this reduced the extent to which the restriction was binding in practice.
15. **Exemptions:** The design of the Scheme further affected its impact, as a substantial proportion of vehicles were exempt from the restriction. Estimates suggest that around 43 per cent of vehicles were exempt. This included those used for essential services, commercial activity and hardship, and were given stickers accordingly. While exemptions were intended to preserve necessary activity, they reduced the number of vehicles subject to the policy and limited its overall reach.

Other demand restraint schemes at the time

16. Carless Days was only one component of a broader package of measures introduced in response to fuel supply pressures in 1979. The reduction in petrol consumption observed over the period reflects the combined effect of these measures, rather than Carless Days in isolation.

Fuel purchase ban on weekends

17. An accompanying measure was a ban on weekend petrol sales, introduced in 1979. It restricted the ability to purchase fuel on Saturdays and Sundays.
18. While this may not have reduced total fuel demand in isolation, it constrained flexibility in fuel use and reinforced broader conservation behaviour across the week.

Petrol price increases

19. There were significant increases to fuel prices, including a rise of around 25 per cent in May 1979. The high cost of fuel was felt across vehicles and directly increased the cost of driving, which evidence suggests had a stronger and more consistent impact on reducing fuel demand than regulations.
20. Estimates indicate that petrol price increases during this period may have contributed a larger share of the overall reduction in consumption than Carless Days, with demand responding to higher costs across all types of usage rather than through timing restrictions alone.

Speed limit reductions

21. The Government reduced the open-road speed limit from 100km/h to 80 km/h during the 1973 oil crisis. This measure remained in place until 1986 and reduced fuel use by lowering vehicle consumption rates.

Support for alternative fuels

22. The Government promoted the uptake of compressed natural gas (CNG) and liquified petroleum gas (LPG), including through interest-free loans for vehicle conversions and subsidies for refuelling infrastructure. By the mid-1980s, around 7 per cent of vehicles had been converted to run on CNG.

Promotion of voluntary conservation

23. In March 1979, the Government launched a campaign encouraging motorists to reduce petrol use by around 10 per cent, signalling that stronger measures such as Carless Days would be introduced if reductions were not achieved.

Annexes

Annex One: Table of international comparison

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Country	Time period	Approximate reduction in petrol consumption	Notes
Netherlands	Car-free Sundays from 4 Nov 1973 to 6 Jan 1974	3-5%	Widely seen as one of the more successful symbolic cases. High public compliance. However, reductions came from a broader package of energy controls, not just Sunday bans. The policy was temporary and ended once oil supply pressures eased.
West Germany	Car-free Sundays on 25 Nov, 2 Dec, 9 Dec, 16 Dec 1973	2%	Limited impact because of numerous exemptions and because driving demand shifted to other days. Free and frank opinions
Switzerland	Car-free Sundays on 25 Nov, 2 Dec, 9 Dec 1973	2-3%	Strong compliance due to emergency framing. Short duration limited long-term impact. Savings were temporary and reversed after restrictions ended.
Denmark	Car-free Sundays from 25 Nov 1973 to 10 Feb 1974	Figure by Clean City Campaign estimates 3-5% for European countries	Implemented as part of broader oil crisis response. Lack of isolated data makes effectiveness difficult to measure precisely.
Italy	Multiple car-free Sundays from Dec 1973 into early 1974		Enforcement varied regionally. Public frustration and inconsistent compliance reduced effectiveness in some areas.
Belgium	Car-free Sundays beginning Nov 1973		Temporary emergency measure. Little evidence of sustained behavioural change after restrictions ended.