

BRIEFING NOTE

Managing Fuel Cost Escalation and Supply Risk

This Briefing Note accompanies the Fuel Risk & Financial Impact: What Councils Need to Know Now Council Information Session held online on 8th April 2026.

Purpose

The purpose of this Briefing Note to Council Executives is to:

- outline the risks associated with escalating fuel costs and possible fuel supply disruption; and
- recommend immediate, short and medium-term actions to maintain service continuity and financial stability.

Councils need to consider their response to this fuel crisis in the context of business continuity - providing essential services to their communities. Failing to provide some of the essential services may adversely impact public health, wellbeing and safety.

It should be noted this Briefing Note will focus on minimising the impact of fuel cost escalation and will not focus on fuel supply. Due to extensive damage to the oil production infrastructure in the Middle East, it's expected that fuel supply will be interrupted. This will limit the sector's ability to continue delivery of community services.

Fuel supply is being dealt with by the Federal Government, and fuel distribution is being dealt with by State Governments. Local Government does not have a role to play with the supply and distribution of fuel, however it must continue to advocate for access to fuel to deliver essential community services.

PM's National Address

The present fuel crisis driven by the Middle East conflict caused the PM to deliver a rare national address, during which he announced immediate relief measures, including a 26-cent-per-litre reduction in fuel excise for three months and a temporary elimination of the heavy vehicle road user charge. He urged consumers to avoid panic buying and recommended working from home where possible and using public transport to conserve fuel. Importantly, he emphasised there was no immediate need for fuel rationing, with the response deliberately avoiding COVID-style restrictions or broader emergency interventions.

Introduction and Background

The head of the International Energy Agency recently said Asia is at the forefront of the current oil crisis. IEA described the current circumstances as "the largest supply disruption in the history of the global oil market" including the oil shocks of the 70s.

The impacts were profound, reshaping economies, policy frameworks, and energy systems across the developed world. If current conflicts continue to significantly damage oil production infrastructure, the short-term impacts would be supply constraints, price spikes and inflationary pressure, which would echo what happened in the 1970s.

The head of the IEA feels that decision-makers do not appreciate the depth of the problem.

While the Commonwealth Government has been running the line that we do not have a supply problem, there have been as many as six shipments of fuel that have been cancelled and replaced. The Commonwealth Government is actively leveraging its regional energy relationships to secure additional fuel shipments to maintain supply continuity. Australia's position as a net energy exporter does not eliminate its exposure to fuel supply risk, given its reliance on imported refined petroleum products. This reinforces the importance of managing supply chain reliability, not just aggregate energy availability.

The Commonwealth's position typically reflects aggregate supply availability. Australia remains integrated into global fuel markets, with access to imports, domestic refining capacity (albeit reduced), and strategic reserves through mechanisms such as the International Energy Agency obligations. On paper, this means there is no systemic shortage of fuel.

Over 600 service stations around the country have run out of at least one fuel at different times.

Councils are not exposed to global supply but are exposed to last-mile availability and distribution. A council can however face real operational disruption even when national supply is technically available and adequate.

Context

Global instability and conflict in the Middle East is placing increasing pressure on oil production and distribution networks, heightening the risk of supply chain disruption and sustained price volatility. While global supply may remain broadly adequate, emerging constraints within logistics, refining capacity and shipping are reducing system resilience, increasing the likelihood of delayed deliveries, localised shortages, and upward pressure on fuel prices.

Even small to medium councils typically spend in excess of \$1 million annually on fuel (\$20,000 per week), with exposure embedded across fleet operations, plant, waste services and contractor-delivered activities.

Since the onset of the conflict, petrol prices have increased by approximately 20–40%, with diesel experiencing even sharper and more volatile increases. National average retail prices for regular unleaded petrol in Australia reached an

unprecedented **\$2.38 per litre** by late March, representing a **27% increase** since the start of the conflict. While the Commonwealth’s decision to halve the fuel excise has delivered short-term relief of around 26 cents per litre, early evidence suggests this benefit is already being eroded by ongoing global supply pressures and price escalation.

Fuel is a critical input to essential services including waste collection, road maintenance, emergency response, and statutory compliance activities. Disruptions to supply or rapid cost escalation present a direct risk to service delivery and council’s financial performance.

While national fuel supply remains adequate, recent postponements of multiple fuel shipments indicate increasing stress within global and regional supply chains. These disruptions reduce system resilience and increase the likelihood of localised shortages and further price volatility. Councils should therefore adopt a precautionary approach, recognising that service delivery risk arises from access and timing of supply, not just total national availability.

Regional councils are facing greater volatility and higher prices due to supply constraints and higher transport costs, placing added pressure on their budgets compared to metropolitan counterparts.

Key Risks

The key risks to councils would present themselves as:

Budget Pressure	Unplanned increases in operating costs across multiple service areas.
Service Disruption	Inability to deliver critical services due to constrained fuel availability.
Contract Exposure	Pass-through of fuel costs from contractors (waste, civil works, facilities etc).

Immediate Actions for Councils

Business Continuity of Essential Services	
Improve Cost Visibility	Consolidating fuel expenditure across all services not just fleet. Establish clear tracking of fuel costs across all services and contracts.
Nominate Essential Services	Identify and prioritise essential services that must be maintained under constrained fuel supply (e.g. waste, emergency response, statutory functions).
Service Level Review	Review non-essential services and reduce levels of services where risk allows (e.g. mowing cycles, inspection intervals).
	Review non-essential services and projects and identify which activity can be deferred.

These steps will enable councils to have visibility over impact of fuel escalation on budget. This will enable councils to take required governance actions to facilitate budget over-expenditure. These steps will also focus the council's service delivery on essential community services, thereby limiting ongoing exposure to spiking fuel prices.

On-Site Storage Capacity	
Bulk Fuel Facility	Where feasible, increase minimum fuel reserves to support ongoing delivery of essential services.
Establish Fuel Allocation Protocols	Develop internal controls to prioritise fuel use for essential services.
Fuel Pilferage	Implement strengthened controls and monitoring to prevent fuel pilferage.
Review Fuel Supply Arrangements	Engage suppliers to understand supply security and allocation arrangements during shortages.

While councils with on-site bulk fuel storage have some additional operational flexibility, these reserves are typically limited relative to daily consumption. In a constrained supply environment, councils should prioritise the use of bulk fuel facilities to support the ongoing delivery of essential services.

Fleet Operations Activity	
Review Fleet Data	Reduce or eliminate idle time where possible.
	Update the council's Plant Hire Rates to provide for increased fuel allocation/cost.
	Optimise routes for essential services (waste, parks, inspections).
	Eliminate underutilised fleet assets.
Fleet Electrification	Where work has commenced, accelerate electrification of passenger and light commercials and small trucks.
Small Plant and Hand Tools	Introduce low/zero-emission alternatives where operationally viable in small plant and hand tools.
Charging	Assess electrical capacity at various council properties to enable fleet charging.
	Plan staged rollout of charging infrastructure aligned with fleet replacement.

These steps will ensure the council's fleet are performing efficiently and using only the fuel they need. Where councils have committed to electrification of their fleet, this may be an opportune time to progress some of the work to enable this to take place.

Procurement and Contracts	
Contracts	Review fuel indexation clauses to understand implications and financial exposure.
	Incorporate low-emission fleet requirements into future tenders.

	Consider shared-risk approaches to fuel price volatility in future service contracts.
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Councils are exposed to spiking fuel prices directly through fleet usage as well as various contracts where fuel is material to the contracted service delivery. These steps will ensure councils understand the direct and indirect impact of fuel price escalation and ready contracts for the future.

Advocacy	
Advocacy to State and Federal Government	<p>In the event of a significant supply fuel disruption, governments must:</p> <ul style="list-style-type: none"> - ensure essential services provided by councils (and their contractors) continue to have priority access to fuel; - encourage working from home to reduce the consumption of fuel; - reduce the cost of public transport or make free to reduce the consumption of fuel.

Councils should work with their local government associations and local parliamentary members to ensure they have ongoing access to fuel to enable delivery of essential community services.

Governance

Fuel risk should be managed as a whole-of-council issue. Councils should look to establish a cross-functional working group (Fleet, Finance, Procurement, Operations) with clear accountability for implementation and monitoring.

Conclusion

The central economic outlook is based on relatively optimistic assumptions, namely that the Strait of Hormuz reopens within two months and that global oil supply returns to pre-conflict levels by year end.

Under this scenario, forecasts suggest inflation could rise to around 6%, with unemployment increasing to approximately 5%.

However, given the continued escalation in rhetoric and the absence of any de-escalation, there is a material risk that these assumptions do not hold, with the potential for significantly worse economic outcomes.

Fuel supply disruption and price volatility present a material and immediate risk to council operations. Proactive management through prioritisation, demand reduction, financial planning, and transition to alternative energy sources will strengthen service resilience and reduce long-term exposure.



CT Management Group



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Fleet Data Analytics

Fuel Risk & Financial Impact: What Councils Need to Know Now

INFORMATION SESSION

Managing Fuel Cost Escalation and Supply Risk

House Keeping

- This session **will be recorded** and shared with all registered attendees
- Please ensure your **microphones are on mute** throughout the presentation
- You are welcome to have your **cameras on or off**
- If you have any questions, please **submit them via the chat** at any time
- We will have team members monitoring the chat and responding where possible
- A dedicated **Q&A session** will be held at the end of the presentation
- Today's **slides and a summary briefing paper** will be shared with you in your post-session via an information pack
- The information pack will be sent via **email following the session**

The consequences of the current conflict are profound.

Alongside the significant human cost, damage to oil-producing infrastructure is disrupting global energy markets, driving price volatility and weakening supply chain reliability.

The flow-on effects are being felt across global economies and are increasingly impacting local government through rising costs and operational risk.



Information Session - The Purpose

The purpose of this Information Session to Council Executives is to:

Outline the risks associated with escalating fuel costs and possible fuel supply disruption; and

Recommend immediate, short and medium-term actions to maintain service continuity and financial stability.

Your Presenters Today



John Ravlic

John specialises in service planning and the delivery of service reviews—enabling councils to align service delivery with community needs, expectations and willingness to pay.



Grant Andrews

Grant is a specialist fleet business analyst with expertise in financial modelling and asset strategy. He helps organisations to optimise fleet utilisation, reduce lifecycle costs, and implement data-driven financial strategies to reduce cost.



Travis Weir

Travis is a well known strategic and forward-thinking Fleet Manager with 15 years of experience leading high-performing teams and overseeing large-scale fleet operations across Local Government, Rental and hire, logistics, and construction.

Our Focus

This Information Session will focus on minimising the impact of fuel cost escalation and will not focus on fuel supply.

Due to extensive damage to the oil production infrastructure in the Middle East, it's expected that fuel supply will be interrupted.

At some point this will limit the sector's ability to continue delivery of community services.

Fuel supply is being addressed by the Commonwealth Government and fuel distribution is being dealt with by State Governments.

Local Government does not have a role to play with supply and distribution of fuel.

However, the sector will need to advocate for access to fuel to deliver essential community services.

Fuel Supply Taskforce



THE FUEL SUPPLY TASKFORCE WAS CREATED FOLLOWING INCREASED DEMAND AND LOCALIZED FUEL SHORTAGES.



THE AUSTRALIAN GOVERNMENT HAS ALSO APPOINTED A NATIONAL COORDINATOR FOR THE TASKFORCE.



THE TASKFORCE WILL DRIVE COORDINATION BETWEEN THE COMMONWEALTH AND STATE/TERRITORY GOVERNMENTS TO ENSURE FUEL SUPPLY RESILIENCE AND MANAGE SUPPLY CHAIN CHALLENGES.



ITS KEY ROLE IS TO ACT AS A SINGLE CONVENING POINT FOR FUEL SUPPLY PLANNING, PROVIDE UPDATES ON DOMESTIC FUEL DISTRIBUTION, AND SUPPORT REGIONAL FUEL DELIVERY.

National Fuel Security Plan

The National Cabinet has agreed to the National Fuel Security Plan to coordinate a consistent response across the Commonwealth, States and Territories.

The National Cabinet recognises the importance of fuel to the Australian way of life and, in particular, the importance of diesel to the national economy.

The Australian Governments are committed to keeping Australia open, and the economy moving.

The National Cabinet approach is all about **voluntary action**, which together with new supply measures, can reduce the need for stronger measures.

National Fuel Security Plan

The National Cabinet will be guided by the following four levels:

- 1. Plan and Prepare**
Fuel supply operates as normal, with governments monitoring impacts of global factors.
- 2. Keeping Australia Moving (*current settings*)**
Fuel supply continues to operate effectively, but localised supply disruptions occur.
- 3. Taking Targeted Action**
Ongoing supply disruptions mean we will focus on getting fuel to where it's needed most and adopt voluntary practical measures to limit fuel use.
- 4. Protecting critical services for all Australians**
Ongoing supply disruptions require government action to ensure critical users are protected, and the economy remains open and operating.

Measures taken by States/Commonwealth



FUEL EXCISE

THE COMMONWEALTH GOVERNMENT HAS HALVED THE FUEL EXCISE ON PETROL AND DIESEL FOR THREE MONTHS. THE HALVING OF THE FUEL EXCISE WILL REDUCE THE COST OF FUEL BY 26.3 CENTS PER LITRE.



ROAD USER CHARGE

THE COMMONWEALTH GOVERNMENT HAS REDUCED THE HEAVY VEHICLE ROAD USER CHARGE ON TRUCKING COMPANIES TO ZERO FOR THREE MONTHS



PUBLIC TRANSPORT

SOME STATE JURISDICTIONS HAVE MOVED TO REDUCE OR REMOVE PUBLIC TRANSPORT FEES.



WORKING FROM HOME ARRANGEMENTS

THE AUSTRALIAN FEDERAL GOVERNMENT IS ENCOURAGING EMPLOYERS TO ALLOW STAFF TO WORK FROM HOME WHERE POSSIBLE, WITH ENERGY MINISTER CHRIS BOWEN DESCRIBING IT AS A "SENSIBLE THING TO DO," THOUGH NOT ENFORCING A BLANKET MANDATE.



THE GOVERNMENT IS EXERCISING ITS FUEL SECURITY POWERS TO UNDERWRITE FUEL PURCHASES ON THE INTERNATIONAL MARKETS. THE ADDITIONAL SUPPLY WILL HELP ADDRESS REGIONAL SHORTAGES AND ANY CRITICAL SUPPLY GAPS.

Key Risks



Don't assume the fuel price will reduce in the foreseeable future we need to assume fuel prices will remain high for at least 12 – 36 months. In the 70's there was a similar energy crisis, it took 5 years for the world to recover.

So, what does this mean to you?

Overall internal fleet hire rates (including depreciation) will need to increase by 10 – 14% to fully recover the cost of the fuel increase.

Expect contractors to increase their rates by at least 10% however if they are billing hourly rates not tied to utilisation of the asset this may be a lot lower.

Budget Pressure: Unplanned increases in operating costs across multiple service areas

Contract exposure: Pass through of fuel costs from contractors (waste, civil works, facilities, etc.)

Improve Cost Visibility

Consolidate expenditure across services.

Establish protocols for clear tracking of fuel costs across all services and contracts.

If you do not use PHR to recover your fleet costs you need to understand your Total Fleet Cost will increase.

Business Continuity Essential Services

By aggregating cost of fuel over all the services you deliver (not just fleet enabled services) you will be able to identify and track the full impact of escalating fuel prices on the council's finances.

It's good business governance to closely scrutinise every drop of fuel your organisation uses. Overall fuel has to be effectively managed.

Option 1 Budget variation for fuel escalation, which for many of you will be significant

Option 2 Adjust your PHR by 10-14%

Fleet Operations Activity



- Internal plant hire rates will need to be reviewed to adjust for full recovery
- Reduce vehicle idling this can have a big impact on your fuel consumption
 - Modern vehicles automatically switch off when idling at traffic lights this is to conserve fuel
 - Often operational teams will idle their vehicles to keep the battery charged while they are using ancillary power for lights, fridges, compressors etc – use a high capacity dual battery system
- Optimise routes for services – doing this can result in significant savings in fuel consumption
- Where possible reduce the size of your fleet by removing underutilised assets – vehicles that travel less than 15,000km per year are considered underutilised
- Monitor vehicle fuel consumption and mentor drivers to conserve fuel, data shows that aggressive drivers use up to 20% more fuel

Fuel consumption data analytics

Car	Toyota	RAV4	Cruiser	Petrol/Hybrid (MA-M1)	2022	Auto	SUV	4x2	3.7
Car	Toyota	RAV4	Cruiser	Petrol/Hybrid (MA-M1)	2022	Auto	SUV	4x2	5.7
Car	Toyota	RAV4	Cruiser	Petrol/Hybrid (MA-M1)	2022	Auto	SUV	4x2	5.7
Car	Toyota	RAV4	Cruiser	Petrol/Hybrid (MA-M1)	2022	Auto	SUV	4x2	2.5
Car	Toyota	RAV4	Cruiser	4 Cylinder (MA-M1)	2022	Auto	SUV	4x2	5.7
Car	Mitsubish	ASX		4 Cylinder (MA-M1)	2018	Auto	SUV	4X2	9.3
Car	Mitsubish	ASX		4 Cylinder (MA-M1)	2018	Auto	SUV	4X2	9.4
Car	Nissan	QASHQAI		4 Cylinder (MA-M1)	2019	Auto	SUV	4X2	7.8
Car	Nissan	QASHQAI	Ti	4 Cylinder (MA-M1)	2019	Auto	SUV	4X2	7.8
Car	Mitsubish	ASX		4 Cylinder (MA-M1)	2018	Auto	SUV	4X2	8.0
Car	Nissan	QASHQAI	ST	4 Cylinder (MA-M1)	2020	Auto	SUV	4X2	7.7
Car	Mitsubish	ASX		4 Cylinder (MA-M1)	2018	Auto	SUV	4X2	8.5
Car	Mitsubish	ASX		4 Cylinder (MA-M1)	2018	Auto	SUV	4X2	11.0



These individuals are increasing your fuel cost by up to 30%!

Utility	Toyota	Hilux	SR	4 Cyl >3,500kg (NA-N1)	2025	Auto	Single C/Chas	4x4	Flat tray	12.0
Utility	Toyota	Hilux	SR	4 Cyl >3,500kg (NA-N1)	2023	Auto	Dual Cab	4x4	Dropside Tray	17.5
Utility	Toyota	Hilux	SR	4 Cyl >3,500kg (NA-N1)	2023	Auto	Extended Cab	4x4	Dropside Tray	17.4
Utility	Toyota	Hilux	SR	4 Cyl >3,500kg (NA-N1)	2018	Auto	Extended Cab	4x4	Dropside Tray	17.2
Utility	Toyota	Hilux	WORKMATE (4x4)	4 Cyl >3,500kg (NA-N1)	2018	AUTO	EXTENDED CAB	4X4	Dropside Tray	15.4
Utility	Toyota	Hilux	SR	4 Cyl >3,500kg (NA-N1)	2023	Auto	Single C/Chas	4x4	Dropside Tray	9.9
Utility	Toyota	Hilux	WORKMATE (4x4)	4 Cyl >3,500kg (NA-N1)	2018	AUTO	EXTENDED CAB	4X4	Dropside Tray	9.8
Utility	Toyota	Hilux	SR	4 Cyl >3,500kg (NA-N1)	2023	Auto	Extended Cab	4x4	Custom	11.2
Utility	Toyota	Hilux	SR	4 Cyl >3,500kg (NA-N1)	2020	AUTO	SINGLE C/CHAS	4X4	Dropside Tray	12.3
Utility	Toyota	Hilux	WORKMATE	4 Cyl >3,500kg (NA-N1)	2018	AUTO	EXTENDED CAB	4X4	Dropside Tray	11.8

Truck	Isuzu	NNR	45-150 MWB	LR <3.5T >4.5T (NB1-N2)	2024	AMT	Single C/Chas	4x2	Flat tray	17.5
Truck	Isuzu	NNR	45-150 MWB	LR <4.51T >8T (NB-02)	2024	AMT	Single C/Chas	4x2	Flat tray	19.3
Truck	Isuzu	NNR	45-150 MWB	LR <3.5T >4.5T (NB1-N2)	2023	AMT	Single C/Chas	4x2	Flat tray	12.0
Truck	Isuzu	NNR	45-150 SWB	LR <3.5T >4.5T (NB1-N2)	2024	AMT	Single C/Chas	4x2	Flat tray	16.4
Truck	Isuzu	NNR	45-150 MWB	LR <4.51T >8T (NB-02)	2024	AMT	Single C/Chas	4x2	Flat tray	16.9
Truck	Isuzu	NNR	45-150	LR <4.51T >8T (NB-02)	2020	AUTO	DUAL CAB	4x2	Flat tray	17.1



Data Intelligence Engine

Business Continuity – Essential Services

These steps will focus the council's service delivery on essential community services, thereby limiting ongoing exposure to spiking fuel prices.

Nominate Essential Services

Identify and prioritise essential services that must be maintained under constrained fuel supply including waste, emergency response, cemeteries, Meals-on-Wheels etc.

Service Level Review

Review non-essential services and reduce levels of services where risk allows (e.g. mowing cycles, inspection intervals).

Review non-essential services and projects and identify which activity can be deferred.

Fuel protocols

Establish fuel allocation protocols.

Ensure your internal audit mechanism is robust enough to detect fuel pilferage especially with jerry cans and fuel trailers.

Prioritise fuel issues to essential services.





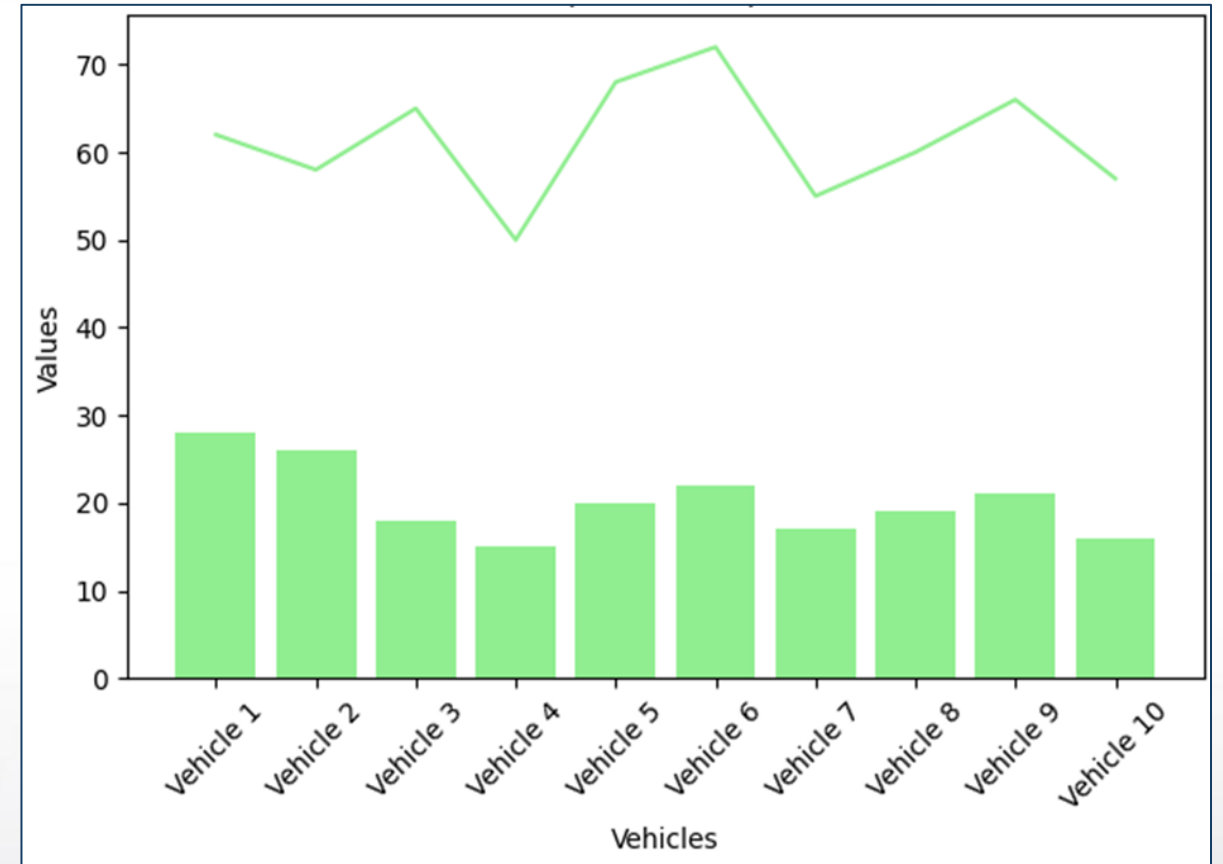
GEOSECURE

Fuel cost reduction through targeted idling controls

Geosecure supports over **300 clients across Australia**, delivering detailed fuel data reporting and actionable insights to reduce fuel consumption and operational costs.

A recent example from an NSW council showed **idling exceeding 28 hours per asset per fortnight**, with some assets recording **over 70% of operational time spent idling** prior to optimisation.

Through targeted configuration, rules are written to aligned to with organisational objectives. In this case, a rule was implemented to **capture idling events exceeding 5 minutes within operational zones**, enabling improved monitoring and behavioural change.





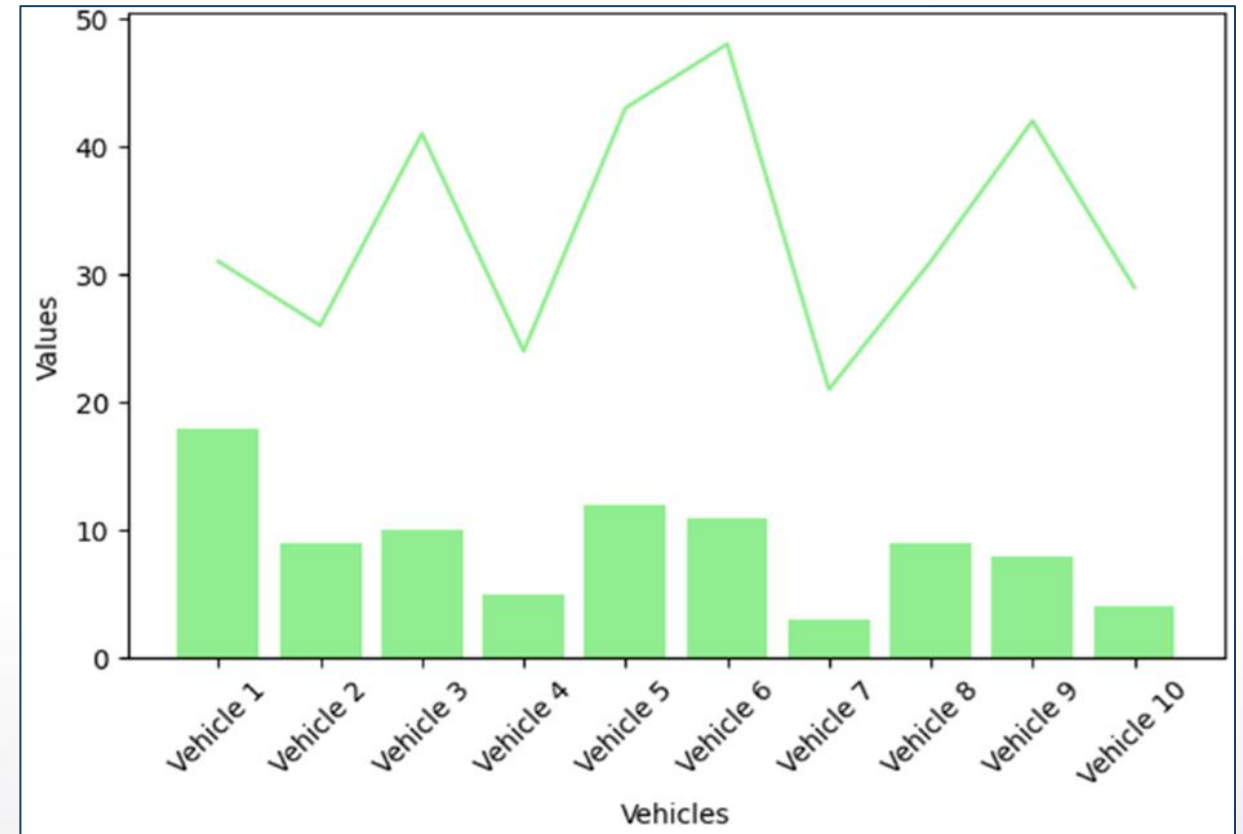
GEOSECURE

Fuel cost reduction through targeted idling controls

Through targeted configuration, the Council reduced total idling from **202 hours to 89 hours**, achieving a **113-hour reduction per reporting period**.

This equates to an approximate **56% improvement in overall idling performance and a projected saving of \$31,200 for the 10 vehicles per annum**.

By implementing simple, operational rulesets, the Council enabled effective behavioural change across the fleet, resulting in reduced idle time, extended asset life, and improved control over long-term financial planning and maintenance programs.



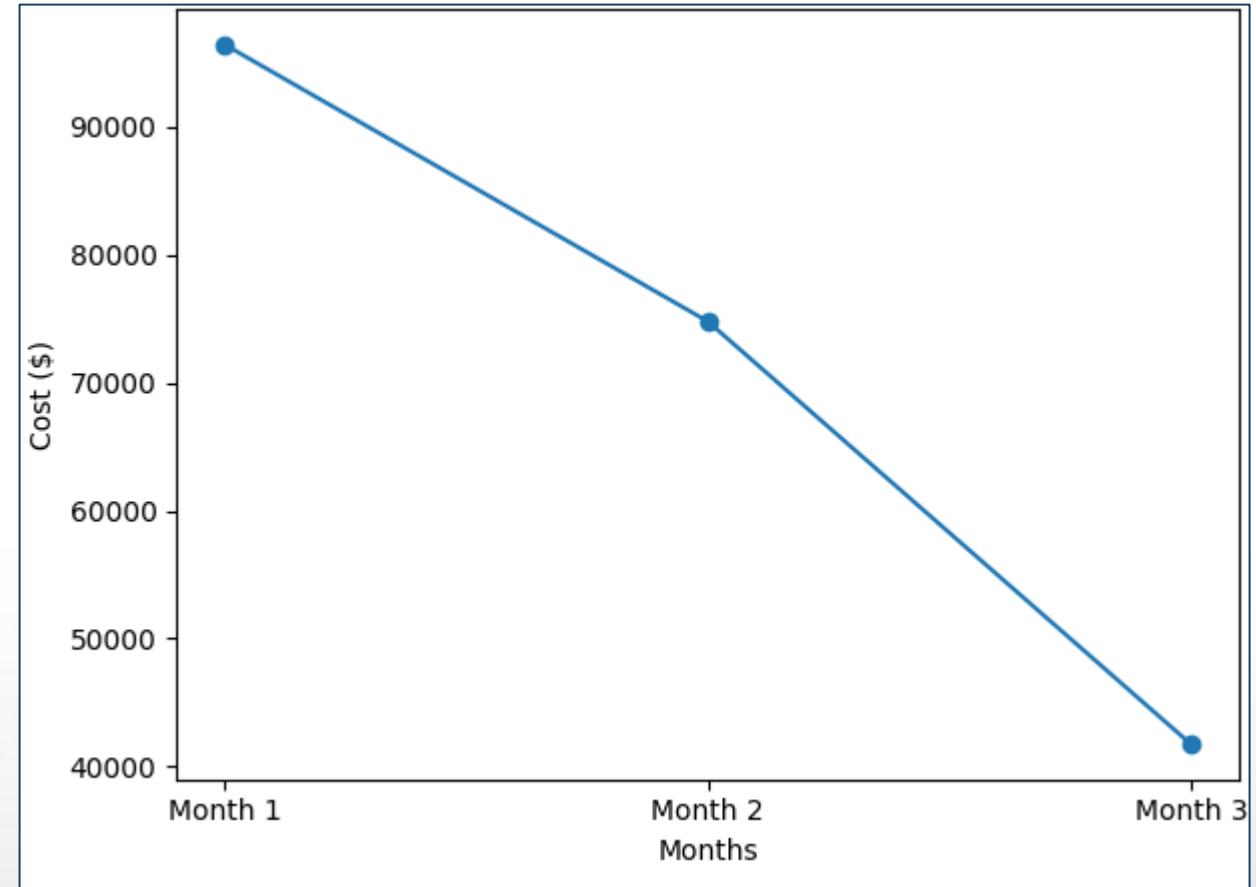


GEOSECURE

Fuel cost reduction through targeted idling controls

Supporting a council in QLD, Geosecure implemented a ruleset focused on capturing idling events exceeding 5 minutes, linking this directly to fuel consumption (litres) and associated cost impact. Initial analysis showed monthly fuel spend exceeding **\$90,000**.

Through ongoing monthly reporting, organisational visibility, and operational engagement, the council achieved a **reduction of over \$50,000 within three months**, with costs continuing to decline as these practices remain embedded.



Fleet Operations Activity

Small Plant and Hand Tools

Introduce low/zero emission alternatives where operationally viable in small plant and hand tools

- Small plant and hand tools are readily available in electric prioritise the replacement of your small engine plant

Concrete Saw



Snipper



Chainsaw



Generator



- No special charger required simply charge overnight for all day performance

Fleet Operations Activity

Fleet Electrification

Where work has commenced, accelerate electrification of passenger and light commercials and small trucks

Electrifying your fleet is complex and needs to be a carefully managed process.

Kneejerk reactions to market disruptions can result in extremely costly outcomes.



94 battery electric vehicles are on the market in Australia, if you are considering replacing your fleet stick to brands with local support MG, KIA, BYD, Hyundai

Electric trucks include, Hyundai, Fuso, Foton, JAC, Mercedes Benz, Iveco, and Volvo

If BEV are not a consideration look to Hybrid options to reduce fuel consumption, Toyota, Subaru, Nissan (e-power), Hyundai

NOTE Plug in Hybrids have a reputation for high fuel consumption unless drivers are disciplined enough to charge every night

Fleet Operations Activity - futureproof

1

Assess the electrical supply capacity at various council properties to enable fleet charging

2

Be aware most vehicles will not need daily charging unless their daily use is more than 300km ie more than 60,000km per year

3

Don't assume vehicles need fast charging a 22kw charger will refill vehicles at approx. 130km and hour, in fact many vehicles may only accept a lower charge rate

4

Plan a roll out of chargers compatible with your vehicle replacement cycle

5

Lack of electrical supply while frustrating can be accommodated with new solar powered battery storage delivering power to chargers

Advocacy

In the event of a significant fuel supply disruption, governments must:

- ensure essential services provided by councils (and their contractors) continue to have priority access to fuel;
- encourage working from home to reduce the consumption of fuel;
- reduce the cost of public transport or make free to reduce the consumption of fuel.

Councils should work with their local government associations and local parliamentary members to ensure they have ongoing access to fuel to enable delivery of essential community services.

Governance

Fuel risk should be managed as a **whole-of-council** issue. Councils should look to establish a cross-functional working group with clear accountability for implementation and monitoring.

- Fleet
- Finance
- Procurement
- Operations
- Asset Management,
- Service Delivery Specialists



Conclusion

The central economic outlook is based on relatively optimistic assumptions—namely that the Strait of Hormuz reopens within two months and that global oil supply returns to pre-conflict levels by year end.

Under this scenario, forecasts suggest inflation could rise to around 6%, with unemployment increasing to approximately 5%.

However, given the continued escalation in rhetoric and the absence of any de-escalation, there is a material risk that these assumptions do not hold, with the potential for significantly worse economic outlook.

Conclusion

Fuel supply disruption and price volatility present a material and immediate risk to council operations. Proactive management through --

- prioritisation
- demand reduction
- financial planning, and
- transition to alternative energy sources

will strengthen service resilience and reduce long-term exposure to fuel escalating costs and supply uncertainty.

Next Steps

- All registered attendees will receive a **follow-up email**, including access to a dedicated landing page
- From this page, you will be able to **download today's presentation** and a **detailed briefing pack** to support your next steps
- The briefing pack includes practical guidance to help you **respond to fuel risk, cost escalation and service impacts**
- Will we also announce a **follow-up session** for those of you who wish to attend.

Ongoing Support

- We are available to support councils through **one-on-one advisory sessions**, tailored to your organisation's specific challenges and priorities
- This includes helping you:
 - Assess your **fuel exposure and financial impact**
 - Identify **practical actions and cost-saving opportunities**
 - Support decision-making across **service delivery, fleet and financial planning**

Targeted Support - Plant Hire Rates (PHR)

- For councils needing to **update Plant Hire Rates (PHR)** to reflect current fuel pricing impacts:
 - We can support this quickly in collaboration with **Uniqco**
- If your council **does not currently have Plant Hire Rates in place**:
 - We can develop these with you in preparation for the **new financial year**

Next Steps

Get in Touch

- Access your resources and request support here:
<https://ctman.com.au/thank-you-for-attending-fuel-risk-financial-impact-what-councils-need-to-know/>



QUESTIONS, COMMENTS AND OBSERVATIONS



National Fuel Security Plan

Global conflict is causing an unprecedented shock to global oil and gas supply, pushing up fuel prices for Australian consumers and businesses. The global outlook remains unpredictable and volatile. While Australia is in a secure position currently, it's the responsibility of all governments to plan for every scenario.

All governments are planning ahead so we are ready to act together to support Australians through the impact of the global energy shock.

The community can have confidence that we are working together through these challenges, step by step, with a comprehensive and staged approach.

The National Cabinet has agreed to the National Fuel Security Plan (the Plan) to coordinate a consistent response across the Commonwealth, States and Territories.

The National Cabinet recognises the importance of fuel to the Australian way of life and, in particular, the importance of diesel to the national economy. All of us are committed to keeping Australia open, and the economy moving.

The National Fuel Security Plan is designed to keep the community and business updated and provide an early understanding of further fuel security measures that may be required.

Voluntary action, together with new supply measures, can reduce the need for stronger measures.

All Australians are in this together. We can all play our part to make sure fuel gets to those who need it most.

Our collective approach is guided by four levels:

1. Plan and prepare
2. Keeping Australia moving (*current settings*)
3. Taking targeted action
4. Protecting critical services for all Australians

The Plan outlines the indicative settings in each level.

Responsibilities sit across different levels of government and industry partners. We will all work together to deliver for the community and keep the economy moving for everyone.

Each stage in the Plan is flexible, not fixed. At times we may move up and down the levels, depending on the circumstances.

All governments will be closely monitoring the evolving situation, and responding to what emerges. Operational plans will be prepared as a precaution in the case the situation deteriorates.

The types of indicators that will inform this work include:

- Global market supply conditions, and the outlook for fuel arrivals
- Minimum Stockholding Obligation holdings
- Insights and data from industry and major users
- Retail and distribution trends
- Community need and supporting economic activity.

Any shift in response levels will include consultation with relevant industries and sectors, to ensure additional measures are well designed and have the greatest impact.

All governments must build fuel and energy resilience as we work through the immediate challenges, to shield the Australian community and industry from future global shocks.

Affordable and sovereign energy can underpin Australian industry, keep power prices down and maintain Australia's status as a trusted and reliable energy exporter.

Level 1: Plan and Prepare

What's happening:

Fuel supply operates as normal, with governments monitoring impacts of global factors.

What you need to know:

- Australians can purchase fuel normally

Commonwealth Actions:

- Work collaboratively with fuel suppliers and distributors to gather supply chain information at the national level
- Supply and price reporting will be updated, and the government will work with industry to monitor possible impacts.

State and Territory Actions:

- Work collaboratively with fuel suppliers to ensure fuel gets to where it is needed and local supply chain information is shared voluntarily.

Current status

Level 2: Keeping Australia Moving

What's happening:

Fuel supply continues to operate effectively, but localised supply disruptions occur.

What you need to know:

- The Government is taking precautionary actions to shore up fuel supply
- Only buy the fuel you need. Make voluntary choices to use less and avoid the impact of higher fuel prices.

Commonwealth Actions:

- Bilateral engagement with key trading partners to shore up domestic supply
- Underwrite additional fuel cargoes and other vital strategic reserves, such as urea and plastic resins, as needed
- Monitor, report and share data and information, including the status of fuel imports
- Divert supply to the domestic market through changes to fuel standards
- Manage reserves under the Minimum Stockholding Obligation and deliver equity in jurisdictional allocations.

State and Territory Actions:

- Use relevant legislative provisions to ensure timely data and information from industry and distributors
- Consider regulatory reforms to improve freight efficiency (e.g. longer trailers, trucks able to deliver later hours)
- Monitor and report fuel station supply, including the availability of diesel
- Monitor economic impacts on fuel-exposed industries.

Level 3: Take Targeted Action

What's happening:

Ongoing supply disruptions mean we will focus on getting fuel to where it's needed most and adopt voluntary practical measures to limit fuel use.

What you need to know:

- Governments will act to secure supply. Clear guidance will be provided on how you can help make sure fuel gets to where it's needed most
- All Governments will look for practical measures to help you reduce your use
- All Australians are in this together, and we will need to play our part to help fuel get to where it's needed most.

Commonwealth Actions:

- Step up government to government engagement to secure supply from strategic partners
- Further releases of supply as needed from the Minimum Stockholding Obligation to meet distribution challenges
- In consultation with States and Territories, and with agreement from National Cabinet, develop a nationally consistent approach for practical measures to reduce fuel demand.

State and Territory Actions:

- Consider additional road usage changes to improve efficiency in fuel use (e.g. longer hours for trucking)
- Use relevant legislative provisions to secure petrol station and bulk supply, in accordance with a nationally consistent approach
- Implement a national approach for practical measures to reduce fuel demand.

Level 4: Protecting Critical Services For All Australians

What's happening:

Ongoing supply disruptions require government action to ensure critical users are protected, and the economy remains open and operating.

What you need to know:

- All Governments will work together to implement stronger demand measures, making sure fuel is available for critical users, such as life supporting services, utilities or emergency services
- There will be a nationally consistent framework to support the allocation of fuel, with clear conditions for when the measures can be relaxed.

Commonwealth Actions:

- Engage further with international partners
- In consultation with States and Territories, and with agreement from National Cabinet, develop a nationally consistent framework for the prioritisation of fuel supplies to critical sectors
- Directing fuel supply to ensure national supply is allocated fairly and effectively at the State and Territory level.

State and Territory Actions:

- Implement the national framework for the prioritisation of fuel supplies at the local level
- Targeted public transport solutions for key workforces and those most in need.

Level 3 and 4 are under consideration and may change, depending on circumstances. Governments will continue to work with industry and community.