

Minimising fuel fraud in the public sector

Current risk: Fuel market disruptions

Australia is currently experiencing record fuel prices, driven by conflict in the Middle East and disrupted global oil supplies. There are also some service stations across Queensland and Australia running out of fuel, with regional towns acutely affected by supply chain delays.¹

Current fuel market conditions heighten the risk of fuel being stolen from depots and vehicles, falsification of inventory records and logbooks, the misuse of agency vehicles, and fraudulent use of fuel cards and corporate credit cards.



Tighter access and monitoring controls can help agencies detect and deter fuel theft, fraud and misuse of resources.

Strategies to prevent fuel fraud

The following strategies may help agencies prevent fuel theft and other types of wrongdoing, which may arise with the current fuel market disruptions.

The strategies are being shared to help agencies take action to protect against fuel fraud risks and ensure they can continue to deliver essential services for the Queensland community.

1. Strengthen internal controls during periods of supply constraints

In times of supply constraints and high fuel prices, agencies should consider ways to strengthen their internal controls to proactively respond to the increasing risks of fuel fraud.

Strengthened internal controls include:

- Fitting tanks with an anti-siphon device to prevent fuel from being drained out.
- Maintaining a well-lit site around bulk fuel storage tanks, and strong physical access and security controls to reduce risk of theft.
- Limiting use to confirmed in-stock service stations, requiring odometer and receipt submission more regularly, and flagging purchases exceeding price thresholds during a shortage period.
- Prioritising essential services, imposing kilometre caps for non-critical tasks and requiring additional justification for refuelling for non-essential services during a shortage period.
- Conducting spot audits and cross-checking logs where fuel supply is reduced in cities, towns or areas.
- Issuing clear directives on acceptable use of fuel, fuel and corporate cards and agency vehicles during shortages and reinforcing the consequences of misuse.
- Providing reminders to fuel card and corporate card holders on using public funds in the public interest and increasing audit scrutiny of these expenses.

¹ Armstrong, C. (2026, March 24). [Australia's diesel standards lowered for six months as hundreds of petrol stations run out of certain fuels](#). ABC News.

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2. Remind staff of their obligations

All employees are expected to use their agency's resources appropriately. During periods of market disruption, it is even more important to discuss the issue of fuel fraud with employees and the potential consequences of its misuse.

Remind staff about:

- Their ethical obligations and your agency's values, code of conduct and mechanisms for reporting suspected fraud and corruption.
- How to identify, report and prevent fuel theft, or vehicle and fuel card misuse (including red flags and suspicious activity to be aware of).
- What appropriate and inappropriate use looks like and emphasise that any form of personal use can constitute fraud and corruption.
- The impact of this type of fraud – financial and reputational damage, loss of services for the community, dismissal or criminal charges against the employee.
- Relevant policies and procedures on the use of fuel, fuel and corporate cards, and agency vehicles and the importance of adhering to them.
- Any specific roles and responsibilities of employees, fleet managers and senior management in using, coordinating and overseeing the use of public resources.
- Remaining vigilant when it comes to securing fuel tanks after use. Vehicles with a fuel tank/s mounted on the back of a utility vehicle or truck should be parked in secure places, especially when leaving vehicles unattended.

3. Increase onsite inspections and visibility

Managers and supervisors should increase the number of audits and inspections they do around depots and parked agency vehicles, trucks and plant equipment. This acts as a deterrent and reduces opportunities for fuel theft.

Fleet managers and work unit supervisors should:

- Conduct random and regular checks of the depot and agency vehicles.
- Routinely review video surveillance footage for any inconsistencies.

Viewing video surveillance footage can also help spot changes in employees' behaviour or other trends that may suggest a fuel theft or security problem.

4. Implement physical security measures

A good physical security solution is not one-size-fits-all. Every fleet vehicle carpark, depot, and bulk fuel tank is unique, and security needs will change. Agencies should ensure their security systems protect the perimeter, as well as prevent unauthorised access and fuel theft by employees or members of the public.

Secure carparks, depots or construction sites and workplaces

It's important not to wait until after an incident has occurred to evaluate physical security. Completing a site assessment can help improve the security of depots, construction sites and workplaces by uncovering vulnerabilities and developing the right prevention measures to safeguard agency's fleet vehicles, bulk fuel tanks, and equipment.

Physical security measures include:

- Access controls for entry to and exit from the depot, construction site and workplace.
- Video surveillance cameras at key entry points throughout the depot, construction site and workplace.
- Automatic alerts to notify of any potential intrusions.
- Barriers around the bulk fuel tank, perimeter fencing and after-hours security.
- Having exterior lighting near entrances and around walkways – well-lit grounds can deter theft.

Secure bulk fuel tanks

Physical security of bulk fuels helps protect against those attempting to gain unauthorised access to fuels. Agencies should ensure a suitable level of physical security around bulk fuel tanks to minimise security risks.

Bulk fuel tank security measures include:

- Keeping the area around the bulk fuel tank clear of equipment and other obstructions to ensure clear visibility and minimise hiding places.
- Always locking the fuel pump compartment, even when left unattended for a short time.
- Closing and locking all valves on bulk fuel tanks when not in use.
- Never leaving the battery connection unsecured and unattended or lending fob keys or access cards to the bulk fuel tank.
- Dipping bulk fuel tanks regularly and monitoring fuel usage to quickly identify any unexplained loss, and installing a flow meter to supervise fuel use.
- Watching where fuel is being moved to (e.g., to public resources and not to personal assets/containers).
- Reporting broken locks and other security deficiencies.



5. Monitor fuel consumption, access and vehicle use

A lack of security over fuel consumption, coupled with opportunities to access fuel, fuel cards and agency vehicles can increase the risk of employees doing the wrong thing. An effective way to improve the security of agency-supplied fuel is to use automated management systems and conduct regular audits on the use of fuel cards and vehicles.

Fuel stock levels

Dipping bulk fuel tanks is good business practice as it reconciles the fuel left in the tank with what has been removed. It assists in identifying variances, fuel theft or leakage.

Monitoring fuel consumption and use can include:

- Reviewing the agency's use of fuel, existing storage tanks and fuel management systems. Consider investing in a modern fuel data monitoring and management system that automates monitoring, access control, reporting and provides real time data.
- Ensuring bulk fuel tanks have fuel dipping features installed to enable accurate auditing of stock levels.
- Conducting a physical inventory by regularly fuel dipping bulk fuel, commensurate to the level of use and risk, to check stock levels. (Note: fuel dipping should occur daily if theft is suspected.)
- Conducting regular reconciliations of fuel stock and the use of fuel to ensure consumption is in line with approved use and purchased quantity.
- Investigating variances between actual and recorded stock levels and taking immediate action to prevent future variance.

Logbooks and fuel cards

The use of an agency's vehicles and fuel cards are for official purposes only, unless agreed to through other established policy arrangements. It's important to have processes in place to monitor the use of vehicles and fuels (or credit cards when travelling) to detect and prevent fraud and corruption.

Key controls over agency vehicles and fuel cards include:

- Ensuring you have a policy and procedures on use of agency vehicles and fuel cards and that staff are aware of them.
- Maintaining a register of all vehicles and fuel cards, including a register of active, inactive or cancelled fuel cards.
- Linking fuel cards to specific vehicles to detect unusual transactions and discrepancies.
- Reminding authorised drivers to never share individual PINs for fuel cards.
- Setting transaction limits (daily, volume, spend) on fuel cards.
- Requiring an accurate odometer reading at the time of payment for fuel and that all receipts be obtained relating to fuel card use.
- Recording the odometer reading at the start and end of a trip in logbooks to support use.
- Performing fuel card expenditure reconciliations against logbooks and tax invoices, and checking the fuel type purchased matches vehicle requirements.
- Conducting random and regular checks or audits to monitor fuel and vehicle use and compliance with the policy and procedure.
- Investigating unusual or abnormal transactions or vehicle uses.
- Segregating duties where possible (i.e. delegations are separate and different staff issue, approve and reconcile).



Related publications

Read more about fraud and corruption prevention relating to the use of public resources.

- This guide was originally produced in 2022 following a corruption audit. View the summary – [Misuse of public resources: how effectively are agencies minimising risk](#) (Jun 2022).
- Corruption Prevention Advisory – [Use of official resources](#) (Dec 2024).
- [Understanding Fraud: Identifying and reporting fraud in the public sector](#) (Oct 2025).

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