



Australian Fuel Supply

2 April 2026

Executive Summary

In response to the ongoing conflict in the Middle East and its escalating impact on the global energy markets, the Australian Government has activated a coordinated national fuel security response.

National Cabinet has agreed to a National Fuel Security Plan, a four-stage escalation framework. Australia is currently operating at Level 2 of this framework, with further stages to be engaged should the situation progress.

The Commonwealth has implemented significant emergency measures, including halving the fuel excise, releasing strategic reserves, and appointing a national Fuel Supply Taskforce.

National Cabinet has acknowledged that the ongoing Middle East conflict is driving heightened volatility in global energy markets, with direct flow-on effects to domestic supply chains, fuel pricing, and the broader Australian economy.

While Australia's fuel supply outlook is secure, the Prime Minister has emphasised that the situation is dynamic and continues to evolve, requiring governments to plan for a range of scenarios.

National Press Club Address

Prime Minister, the Hon. Anthony Albanese MP addressed the National Press Club on 2 April 2026, outlining the government's response to the current geopolitical landscape and its domestic economic consequences. The Prime Minister confirmed that the government's approach is measured and will not replicate the restrictions imposed on Australians during the COVID-19 pandemic.

The address focused on Australia's crisis response, with emphasis placed on strengthening the domestic self-sufficiency, and advancing the broader Future Made in Australia policy agenda. The Prime Minister reiterated the current efforts to tackle

the cost-of-living crises inflated by the fuel crisis, including the reduction of the fuel excise, the removal of the Heavy Vehicle Road User Charge for three months, and the roll out of \$1 billion in interest-free loans for fuel, manufacturing, freight and fertiliser businesses funded via the National Reconstruction Fund.

In addition to the federal fuel excise reduction, the Prime Minister announced that agreement had been reached with all states and territories to return their GST windfall to consumers as a further fuel tax reduction. The combined saving amounts to 32 cents per litre, with the Treasurer signing the legislative change into law on the same day as the announcement.

Beyond immediate relief measures, the Prime Minister also pointed to the government's pre-existing policy directions as further tools for navigating the current landscape. Investments in domestic manufacturing, energy, critical minerals and trade diversifications were referenced, alongside the EU Free Trade Agreement, AUKUS, and bilateral security arrangements as evidence of a strategic pivot to strengthen economic sovereignty and reduce supply chain vulnerability, with the conflict used to reinforce the increasing need for this direction.

To address public concern about a potential repeat of pandemic-era restrictions, the Prime Minister stated that the government has drawn lessons from the response from that period and is deliberately taking a different approach. National Cabinet was presented as the primary mechanisms for ensuring consistency across all levels of government and sides of politics, supporting a unified national response.

The upcoming 2026/27 Federal Budget was flagged as both the most important, and ambitious budget from this government to date. The Budget has been positioned as the primary vehicle for translating the strategic directions outlined in the address into funded policy commitments, with cost-of-living relief and structural economic reform identified as its dual priorities.

The Prime Minister suggested that the current crisis has reinforced the case for the government's pre-existing reform agenda. The concept of progressive patriotism was used to frame Australia's path through global instability as one grounded in domestic investment, regional engagement and the strengthening of institutions that underpin economic and social stability.

The National Fuel Security Plan

National Cabinet has agreed to a four-level escalation framework:

Level	Status
1. Plan and Prepare	Completed
2. Keep Australia Moving	<- Current Level
3. Taking Targeted Action	Standby. To be activated if conditions worse
4. Protecting Critical Services for All Australians	Emergency.

The plan allocates roles and responsibilities across governments and industry partners at each level. Any escalation will be signalled by National Cabinet following consultation with relevant industries and sectors.

Early voluntary action and new supply measures can defer or mitigate the need for stronger interventions. This has encouraged state and territory governments to implement their own strategies to help alleviate the stress on current supply levels.

The government has stated that Levels 3 and 4 are under consideration and may change depending on the circumstances. Governments will continue to work with industry and the community to refine these levels.

Leaders from all jurisdictions reinforced their commitment to assisting federal efforts in coordinating their approach, and to securing supply for industry and households. National Cabinet will continue to assess whether escalation to higher response levels is necessary, with any shift to be signalled in advance and developed in consultation with affected industries and sectors.

Level 1: Plan and Prepare

Situation: Fuel supply operates as normal with governments monitoring the impacts of global factors.

Key Takeaway: Australians can purchase fuel as per usual at the bowser.

Commonwealth Actions:

- Work collaboratively with fuel suppliers and distributors to gather supply chain information at the national level.
- Update supply and price reporting.
- Work with industry to monitor potential impacts.

State and Territory Actions:

- Work collaboratively with fuel suppliers to ensure fuel reaches where it is needed.
- Facilitate voluntary sharing of local supply chain information.

Level 2: Keeping Australia Moving

Situation: Fuel supply continues to operate effectively, but localised supply disruptions are occurring.

Key Takeaway: The government is taking precautionary actions to shore up fuel supply. Australians are advised to only buy the fuel they need and make voluntary choices to use less fuel.

Commonwealth Actions:

- Bilateral engagement with key trading partners to shore up domestic supply.
- Underwrite additional fuel cargos and other vital strategic reserves 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.
- Monitor and report fuel station supply, including diesel availability.
- Monitor economic impacts on certain industries.

Level 3: Taking Targeted Action

Situation: Ongoing supply disruptions require a focus on getting fuel to where it is needed most. Voluntary practical measures to limit fuel use would be adopted.

Key Takeaway: Governments across all jurisdictions will act to secure supply and provide clear guidance on how the community and businesses can help. Practical measures to reduce fuel will be introduced. Reliance on Australians to play their part.

Commonwealth Actions:

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

State and Territory Actions:

- Consider additional road usage changes to improve fuel efficiency.
- Use relevant legislative provisions to secure petrol station and bulk supply in accordance with the nationally consistent approach.
- Implement the national approach for practical measures to reduce fuel demand.

Level 4: Protecting Critical Services for All Australians

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

Key Takeaway: All governments will work together to implement stronger demand measurers, ensuring fuel is available for critical users such as life-supporting services, utilities, and emergency services. A nationally consistent framework will support the allocation of fuel, with clear conditions for when measures can be relaxed.

Commonwealth Actions:

- Develop a nationally consistent framework for the prioritisation of fuel supplies to critical sectors.
- Direct fuel supply to ensure national supply is allocate fairly and effectively at state and territory levels.

State and Territory Actions:

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

Federal Government Acton

The Commonwealth has moved quickly to manage both the immediate cost pressures on households and businesses, and the structural risks to Australia's fuel supply chain.

Prime Minister's Address to the Nation

On 1 April 2026, Prime Minister Albanese addressed the nation, detailing the government's intent to manage the economic impacts of the Middle East conflict, specifically concerning fuel. The address informed Australians that the crisis would result in challenging economic conditions for several months, encouraging voluntary fuel conservation efforts through public transport use to help maintain supplies for essential workers and industries.

The Prime Minister directly acknowledged the difficulty Australians are facing due to the increase in petrol prices, noting the impact on farmers, truck drivers, small businesses and families. The address called for Australians to avoid buying more fuel than necessary and consider switching to public transport where possible to build fuel reserves for essential workers and industries.

Support for Small Businesses

On Wednesday 1 April 2026, the Treasurer the Hon. Jim Chalmers, the Assistant Treasurer the Hon. Daniel Mulino and the Minister for Small Business the Hon. Anne Aly announced that the Albanese Government is coordinating action with industry and regulators to ease the economic cost of the war in the Middle East for small businesses.

The Government announced that changes will be made to the tax system, with the ATO providing temporary relief to businesses that are unable to meet their tax obligations because of fuel supply issues. It will include payment plans, remission of interest and penalties and support for PAYG instalments in cases where there has been a downturn in taxable income. A specific channel will be established dedicated for businesses to access the relief provisions.

The Small Business Responsible Lending Obligation exemption will be extended for a further 10 years. Additionally, Australian banks and peak industry have announced that

they have put in place specialist teams to support small business, farmers and communities who are facing supply chain disruptions.

More information regarding this announcement can be found [here](#).

Federal Announcements and Initiatives to Date

Cost Relief

- Fuel excise halved for three months (1 April – 30 June), reducing costs by 26.3 cents per litre.
- Heavy Vehicle Road User Charge reduced to \$0 for three months. The next scheduled increase has been deferred by six months.
- States and territories will not receive a windfall from GST revenues as a result of higher fuel prices, reinforcing a shared commitment to easing cost-of-living pressures.
- \$1bn of interest-free loans for -businesses.
- Small Business Responsible Lending Obligation exemption will be extended for a further 10 years.

Supply

- 20% of Australia's petrol and diesel reserves have been released, with increased supply targeted at regional areas.
- Fuel and diesel standard have changed to increase domestic refinery output.
- Supply agreement has been secured with Singapore.
- Legislation introduced to underwrite private sector fuel purchases.
- Ongoing diplomatic engagement with international partners to maintain fuel and diesel shipments.
- Australian banks and peak industry have announced will appoint specialist teams to support small business, farmers and communities who are facing supply chain disruptions.

Market Oversight and Enforcement

- Penalties doubled for petrol company price gouging.
- ACCC tasked with increased fuel price monitoring and on-the-spot fines.

- ACCC monitoring to ensure excise reduction is fully passed through at the bowser.

Coordination

- Anthea Harris has been appointed as the Fuel Supply Taskforce Coordinator
- National Fuel Supply Taskforce has been established.
- Fuel Supply Coordinators group formed. They will meet twice weekly to ensure alignment across all levels of government, including cross-border considerations.
- Minister Bowen and the Prime Minister continuing to direct international engagement.

State Government Efforts

At the time of publishing, the current measures implemented by state and territory jurisdictions is as follows:

Jurisdiction	Coordination Arrangement
Australian Capital Territory	<ul style="list-style-type: none"> Appointed the ACT Fuel Coordination Team to coordinate local planning and response activities. 50% reduction in monthly fare caps on public transport from 8 April to 30 June. All travel on bus and light rail services will be free for the rest of the month once the cap is reached.
New South Wales	<ul style="list-style-type: none"> Anthony Lean appointed as the NSW Fuel Coordinator. Liquid Fuel Emergency Operations Centre (LFEOC) established in Parramatta and now operational, serving as the headquarters for the state's fuel supply response. Major fuel companies required to disclose supply plans, particularly regarding regional communities.
Tasmania	<ul style="list-style-type: none"> Free travel on all bus routes across the state from 30 March until 1 July 2026.
Victoria	<ul style="list-style-type: none"> Free public transport across the state from 31 March to 30 April 2026. Announced a commitment to introduce legislation immediately to give the government new powers to track the movement of fuel across the state.
Western Australia	<ul style="list-style-type: none"> Rob Cossart appointed as the WA Fuel Coordinator. Fuel Industry Operation Group has been appointed.

Further Information

For more information, please contact Hawker Britton's Director [Emma Webster](mailto:emma.webster@hawkerbritton.com) at emma.webster@hawkerbritton.com.

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