FUEL SOVEREIGNTY AND THE TRANSPORT TRANSITION

Ending Australia's fuel import dependency, restoring sovereign refining, and building the energy transport economy of the next century

23 days	21 days	141 days	$59.9B
Current diesel reserve	Current jet fuel reserve	IEA member average	Annual refined petroleum imports

> *"Australia is the world's largest LNG exporter and the only IEA member that fails its fuel reserve obligations. We export our oil and import theirs. We closed our refineries and pay Singapore to process what we grow. We hold 23 days of diesel and call it energy policy. This is not a policy position. It is a national security emergency."* — MMP Federal Platform

Section 1 — The Diagnosis

In 2003 Australia had seven operating oil refineries. Today it has two — both on government life support, both facing closure. The country that exports more LNG than almost anyone on earth cannot refine enough fuel to keep its farms running, its trucks moving, or its defence forces fuelled from domestic production.

The fuel supply chain runs through some of the most contested maritime corridors on earth — Hormuz, the Red Sea, Taiwan. Diesel is not one fuel among many. Australia uses more energy from diesel alone than from all electricity generation combined. A hostile actor could cut this supply within weeks. Twenty-three days of diesel is all that stands between normal operations and a national emergency.

Australia also produces crude oil — and exports over 94 percent of it to South Korea and Japan who pay premium prices for it as excellent refining feedstock. Meanwhile our two remaining refineries run on imported crude from the Middle East. We export premium crude, import inferior crude, and import most of our refined fuel from Singapore anyway. Maximum cost, maximum supply chain risk, minimum sovereign control. Geoscience Australia projects domestic crude production ceases entirely within approximately seven years.

The biofuel situation is the same problem in miniature. Australia exports $5.76 billion in canola seed annually to European biodiesel producers. It ships tallow to Singapore for renewable diesel. It runs its own trucks on imported fuel made from feedstocks that grow in Australian paddocks. The feedstocks for a substantial domestic biofuels industry have always existed. The policy to capture them has not.

> *"We export canola to Europe so they can make biodiesel. We ship tallow to Singapore so they can make renewable diesel. We send our sugarcane derivatives overseas while running our own trucks on imported fuel. This is industrial self-sabotage repeated annually, at scale, with a straight face."* — MMP Federal Platform

Section 2 — What the Current System Costs

Cost category	Annual cost	Sovereign risk
Refined petroleum imports	**$37.7B/yr**	Largest single import. Price set offshore. Supply through contested waters.
Road freight diesel	**~$18–22B/yr**	Every freight tonne exposed to Rotterdam spot pricing.
Aviation fuel	**~$7–9B/yr**	8 billion litres/yr almost entirely imported. No

		domestic alternative.
East coast gas premium (manufacturing loss)	**$15–25B/yr**	Australians pay more for Australian gas than Japanese LNG buyers. Manufacturing competitiveness destroyed.
Biofuel feedstock exports (value lost)	**$5–8B/yr**	Canola, tallow, sugarcane exported raw. Processing value captured offshore.
TOTAL SOVEREIGN FUEL EXPOSURE	**>$80B/yr**	More than the entire federal health and education budget combined. All preventable.

Section 3 — The MMP Direction: Seven Pathways to Fuel Sovereignty

MMP's response operates across seven simultaneous pathways. The direction is set. The fast-track mandate is legislated. The funding is the REL. The specific implementation — procurement, construction sequencing, technology selection — is for government to work through with industry once in office.

1 — Develop Australia's Own Resources

Australia has significant identified and potential hydrocarbon resources that are either undeveloped, under-explored, or blocked by regulatory delay. The presumption changes: production under appropriate environmental conditions is the default, not indefinite delay by attrition.

- **Onshore and offshore exploration fast-tracked —** Cooper-Eromanga Basin (SA/QLD), Beetaloo Basin (NT unconventional gas), Canning and Perth Basins (WA), and the offshore Carnarvon, Browse, and Bonaparte basins. Known resources left in the ground while Australia imports their equivalent.
- **Great Australian Bight —** estimated 6 billion barrels of recoverable oil. Leases reissued. Exploration recommences.
- **Domestic gas reservation —** a minimum proportion of all new gas production is reserved for Australian consumers and industry before export contracts are written. Australians should not pay more for Australian gas than Japanese buyers. That arrangement ends.

2 — Restore Sovereign Refining

A country that cannot refine its own fuel is not a sovereign nation in any meaningful industrial sense. Two refineries remain. They are kept open. More are built.

- **Geelong and Lytton kept open —** commercially supported beyond 2027. Strategic insurance assets, not commercial charity.
- **Carbon levy removed from sovereign refining operations —** Australian refineries currently pay the federal Safeguard Mechanism carbon charge on their emissions. This is a direct cost on the two facilities keeping Australian fuel supply alive, suppressing their commercial viability and accelerating the closure decisions that have already cost Australia five refineries in twenty years. MMP removes the carbon levy from sovereign refining operations designated as national strategic infrastructure. A refinery that is keeping Australia sovereign is not a pollution problem to be taxed out of existence. It is a strategic asset to be supported.
- **New sovereign refining capacity —** a third major refinery on the SBC corridor, processing Australian crude into diesel for mining and agriculture and aviation fuel for the northern defence posture.
- **Micro-refinery network —** modular, distributed, resilient. Commercially available technology. Units co-located with domestic production fields and regional consumption centres. Fast-track approvals legislated. No community more than a day's road transport from a domestically-produced fuel source.
- **Coal-to-Liquids —** 76 billion tonnes of recoverable coal. Fischer-Tropsch CTL is proven commercial technology, operational at scale. Assessed and built as a sovereign bridge fuel that does not depend on foreign oil.

3 — Fill the Tanks: 90 Days on Australian Soil

Australia will meet its IEA 90-day reserve obligation. The practice of counting fuel stored in the United States toward the IEA reserve ends. Strategic reserves mean fuel physically present in Australia, in Australian storage, accessible to Australians. Northern Australia — Darwin, Tindal, Learmonth, the Pilbara bases — is the priority. Pre-positioned. Available. Sovereign.

The reserve is built from Australian crude. As domestic production is restored and expanded under Pathway 1, a mandated proportion of that output flows directly into the strategic reserve before any export contract is written. Australian crude fills Australian tanks. The reserve is not purchased on foreign markets at foreign prices — it is produced here, refined here through the restored sovereign refining network, and held here. The sovereign crude that Australia currently exports at premium prices begins, for the first time, serving Australia first.

4 — Harden the Supply Chain

The import supply chain is hardened: bilateral supply agreements with multiple sovereign counterparties, diversification away from a single refining hub, and Australian-flagged tanker capacity for strategic movements. The Visionway inland freight spine serves as a distribution backbone for strategic fuel pre-positioning that does not depend on coastal ports and just-in-time road tankers.

5 — Grow Our Own: The National Biofuels Mandate

A mandatory blending requirement creates the domestic market. Without the mandate, private investment is speculative. With it, investment is underwritten by guaranteed demand.

- **Biodiesel mandate —** minimum percentage biodiesel in all diesel sold in Australia, rising over time. Feedstocks: canola (WA, NSW, VIC canola belt), tallow and used cooking oil (meatworks corridors), advanced feedstocks through CSIRO commercialisation.
- **Bioethanol mandate —** minimum percentage ethanol in all petrol sold in Australia, rising over time. Brazil achieved 25% ethanol blending through exactly this mechanism. Australia has better feedstocks and has done less with them.
- **Distributed plant network —** biofuel and bioethanol production facilities co-located with feedstocks in agricultural regions. Fast-track approvals. Every margin in the chain is Australian.
- **Sustainable Aviation Fuel —** the same feedstock network produces SAF through established HEFA and ATJ pathways. At SPC power and hydrogen prices, Australian SAF costs a fraction of the current import price. The government has already committed $735M to SAF development. MMP builds the framework that delivers it at scale.

6 — Electrify Road Freight and Transport

The economics of electric road freight in Australia are more compelling than anywhere on earth — because no other freight market has SPC wholesale power at the charging depot.

Vehicle type	Diesel (current)	Electric at 15c/kWh	Electric at SPC 3–6c/kWh
Semi-trailer (per km)	**45–55c**	15–20c	**5–8c**
Passenger car (per 100km)	**$12–18**	$4–6	**$1–2**
Mining haul fleet (annual)	**$300–700M/yr diesel**	60–80% reduction	**Near-zero fuel cost**

The SPC builds the national EV charging network as public infrastructure. Manufacturing joint ventures produce electric trucks and buses in Australia — SPC brings power, land, and guaranteed government fleet offtake; partners bring technology; Australia holds minimum 30% equity. Government fleet goes electric first. Commercial fleet follows as the economics are self-evident.

Simultaneously, Australian factories begin producing conversion kits and parts for the existing diesel fleet. Not every vehicle needs to be replaced — a diesel truck with years of service life remaining is converted to electric or hydrogen at a fraction of the cost of a new vehicle. Australian-manufactured conversion kits: the battery pack, the motor, the power electronics, the hydrogen fuel cell module. Produced in the same corridor manufacturing facilities that supply the new vehicle joint ventures. The conversion workshops that service mine fleets and road freight operators draw on Australian parts, assembled by Australian workers, delivered from Australian factories. The supply chain is sovereign end to end.

7 — Hydrogen and Green Ammonia: What Can't Yet Be Electrified

Green hydrogen produced at SBC corridor precincts from solar-powered electrolysis covers what battery electric cannot yet serve: ultra-long-haul haulage, road trains in the outback, heavy mining equipment on extended shifts, ships, and aviation. Delivered at a price competitive with diesel.

- **Heavy transport —** hydrogen fuel cell prime movers and B-doubles for routes and operations where battery electric is not yet optimal. Australian-manufactured under joint venture. Australian-fuelled from corridor hydrogen.
- **Green ammonia for shipping —** the IMO has mandated zero-emission shipping by 2050. Green ammonia is the leading candidate replacement fuel. Australia has the solar resource, the water, and the corridor infrastructure to be the world's lowest-cost producer. The Perdaman urea plant at Karratha is fast-tracked as sovereign food security and green ammonia infrastructure. A multi-billion-dollar annual export revenue stream.
- **Rail and ports —** hydrogen fuel cell locomotives for non-electrified lines. Hydrogen-powered harbour tugs and port equipment. Diesel retired progressively.

Section 4 — The Legislated Electricity Price

MMP legislates electricity at 15 cents per kilowatt-hour by the end of the first term for every Australian household, business, and industrial operation. The natural consequence of building 1,000GW of renewable generation at \$20–30/MWh and removing the transmission and retail margins that currently inflate the final price. At 15c/kWh, every electric vehicle pays for itself against a diesel alternative in under five years. At SPC corridor rates of 3–6c/kWh, the payback is under three years. The legislated price is the floor. The corridor price is what efficiency looks like.

Section 5 — Sovereign Supply: Beyond Fuel

The fuel crisis is the most urgent instance of a broader problem. Australia discovered during COVID that it could not produce its own paracetamol. A nation that cannot make its own paracetamol is not sovereign. An annual National Sovereignty Audit assesses every critical import category against one question: if this supply chain disrupted for 12 months, what happens? The audit is published in full. Every gap identified has a funded remediation plan.

- **Urea and nitrogen fertiliser —** 2 million tonnes imported annually. Without it, grain production collapses within one season. Sovereign production from domestic gas and green hydrogen. 12-month strategic reserve.
- **Pharmaceuticals —** Australia manufactures almost no active pharmaceutical ingredients. Sovereign manufacturing capacity for the most critical active ingredients. 12-month medicine reserve.
- **Seed stock, critical chemicals, medical devices —** national seed bank, sovereign stockpiles, Australian manufacturing capacity for critical equipment. A nation that can build anything can build its own ventilators.

Section 6 — The Vision: Fuel Independence

Australia produces the fuel it needs from the feedstocks it grows, the sun it generates from, and the water it captures from the north. Every freight truck runs on electricity from Australian solar or hydrogen from Australian water. Every domestic flight runs on Australian SAF. Every ship in Australian waters burns green ammonia made in Australia.

The \$59.9 billion annual fuel import bill falls to zero. In its place: a domestic biofuel industry, a SAF export industry, a green ammonia export industry generating tens of billions per year. A transport economy that costs 5–8 cents per kilometre to run instead of 45–55 cents. The technology exists. The feedstocks exist. The solar resource exists. The corridor infrastructure is being built. What has been missing is the plan, the mandate, and the political will. MMP provides all three.

WHAT MMP COMMITS TO	WHAT AUSTRALIA GETS
Fast-track domestic oil and gas development — Cooper-Eromanga, Beetaloo, Bight reopened. Restore sovereign refining — Geelong and Lytton kept open, carbon levy removed from sovereign refining operations, new refinery on SBC corridor, micro-refinery network, Coal-to-Liquids. 90-day physical reserve on Australian soil — built from Australian crude, no more US-stored paper reserves. Harden supply chain — bilateral agreements, Australian-flagged tankers, Visionway inland backbone. National biofuels mandate — biodiesel and ethanol blending, distributed plant network, SAF at scale. Electrify road freight — SPC charging network, EV manufacturing joint ventures, Australian conversion kit and parts factories, government fleet electric first. Hydrogen and green ammonia — heavy transport, shipping, rail, ports. Perdaman Karratha fast-tracked.	Fuel supply that cannot be cut by a conflict in waters Australia does not control. $59.9B annual import bill falling to zero over the transition. Electricity at 15c/kWh legislated — transport electrification economically rational for every operator. Domestic biofuel industry generating billions per year in regional communities. SAF and green ammonia export industries. New revenue streams from sun, wind, and water. Australian conversion kit and parts industry. Existing diesel fleets converted at fraction of replacement cost. Supply chain sovereign end to end. Transport that costs 5–8c/km instead of 45–55c/km. A sovereign nation that fuels itself and defends itself — not dependent on foreign goodwill for either.

> *“Fuel sovereignty is not optional for a continent-sized nation at the edge of a contested region. It is the floor of everything else. The technology is there. The feedstocks are there. The mandate is the only thing that has been missing. Now it is here.”* — MMP Federal Platform