



14 October 2026

The Hon Chris Bowen MP
Minister for Climate Change and Energy
Parliament House
CANBERRA ACT 2600
Via: minister.bowen@dcceew.gov.au

Regional Fuel Storage Scheme and priority diesel access

Dear Minister,

I write on behalf of the Livestock, Bulk and Rural Carriers Association (LBRCA), representing rural carriers across Australia. I note your recent comments at the national fuel update on 10 October regarding Australia's fuel security and the forthcoming decisions on the design and delivery of the Australian Fuel Security Reserve (AFSR).

LBRCA welcomes the Australian Government's commitment to establishing a one-billion-litre sovereign fuel reserve. However, as the Government moves towards finalising the reserve's operational arrangements, it is critical that regional fuel storage and priority access for essential rural freight are embedded in its design.

Australia's fuel security cannot be measured solely by the volume of diesel held nationally. It must also be measured by whether essential freight operators and farmers can access that fuel when and where it is needed.

The distinction is particularly important for regional Australia, where livestock, bulk commodity and agricultural freight operators depend on reliable diesel supplies to sustain food production, maintain animal welfare and service communities that have limited transport alternatives.

A national fuel reserve that cannot be accessed by these operators during a supply disruption will deliver limited practical protection to regional supply chains. As you are aware, these are the communities first impact by supply disruptions, as happened earlier this year.

LBRCA's Regional Fuel Storage Scheme

As outlined in LBRCA's submission to the government's Fuel Security and Resilience Package consultation, the Association has proposed a Regional Fuel Storage Scheme (RFSS) to establish an additional 250 million litres of strategically distributed regional diesel storage.



The RFSS would complement the AFSR by providing a practical mechanism for ensuring fuel is available closer to the industries, freight corridors and communities that depend upon it.

LBRCA proposes that the government:

1. Commit to 250 million litres of additional regional diesel storage, developed progressively over five years, including an initial 50-million-litre pilot.
2. Integrate the RFSS into the AFSR, with a defined regional diesel storage allocation and investment in genuine additional capacity rather than simply reclassifying existing commercial stocks.
3. Support commercially operated storage infrastructure through targeted capital grants and reserve-management payments, enabling regional fuel distributors, transport depots and other suitable operators to participate.
4. Establish transparent regional release arrangements, allowing strategic fuel stocks to be activated in response to localised shortages and supply disruptions, even where national fuel holdings remain adequate.
5. Prioritise regional storage locations using evidence of freight demand, supply-chain vulnerability, distance from major terminals and essential industry requirements.

The scheme is intended to work with existing commercial distribution networks, not replace them, while ensuring that regional fuel resilience is treated as a national strategic priority. It is also intended to avoid market distortion or further enhance the position of major providers and disproportionate allocation of fuel reserves at east coast terminals.

Priority diesel access for essential rural freight

The government must also establish clear arrangements determining which industries and operators receive priority access when fuel supplies become constrained. The existing public guidance by NOSEC is insufficient and does not provide sufficient access or necessary protections for rural carriers.

As you know, rural carriers face longer travel distances and increase fuel burn. Therefore having the same access arrangements as urban freight in any hypothetical rationing environment is not sustainable. LBRCA is particularly concerned that, without an agreed prioritisation framework, essential rural freight operators may be forced to compete for limited diesel supplies despite performing functions critical to national food security, agricultural production and animal welfare.

The lessons of the COVID-19 pandemic provide us with a clear understanding of the impacts of unclear direction and lack of communication on arrangements and changed settings.

Livestock cannot simply remain on a truck indefinitely. Agricultural inputs must reach farms when required, harvested commodities must move within narrow operational windows, and essential goods must continue reaching regional and remote communities.



These are essential freight movements, not discretionary transport activities.

LBRCA is seeking for the broader national fuel emergency arrangements to explicitly recognise essential road freight as a priority fuel user. This should include:

- Priority access for livestock transport, agricultural inputs, food and bulk commodity movements, fuel distribution and essential regional supply chains.
- A nationally consistent framework for identifying eligible operators and verifying essential freight movements.
- Regional fuel allocation and distribution arrangements that can be activated rapidly during shortages.
- Clear coordination between the Commonwealth, states and territories, fuel distributors and freight operators.
- Direct representation of livestock, bulk and rural freight operators in the development of emergency fuel allocation protocols.

LBRCA recognises that fuel prioritisation must also account for community safety, defence, emergency services, health care, rail, and other critical community needs. Our proposal is to ensure essential rural freight is explicitly recognised within that framework, rather than being left to compete for whatever supplies remain available.

The Government has already recognised the importance of regional fuel supply through its existing fuel security measures. The forthcoming decisions on the AFSR provide an opportunity to translate that recognition into permanent infrastructure and operational arrangements.

Australia's fuel security arrangements must work not only at our ports and major terminals, but also on the regional roads and freight corridors that keep the country supplied.

LBRCA would welcome the opportunity to engage with yourself, your office and the department to discuss our priorities and support the development of a sustainable ASFR and broader liquid fuel policies. If you require any further information or wish to contact LBRCA, you can reach our General Manager of Policy and Advocacy, Mr Scott O'Connell on 0413 424 384 or via scott.oconnell@lbrca.org.au.

Yours sincerely,

Wade Lewis
President
Livestock, Bulk and Rural Carriers Association