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MEDIA RELEASE

ALC WELCOMES LANDMARK \$1.1 BILLION INVESTMENT IN LOW-CARBON FUELS TO DRIVE RESILIENT, COMPETITIVE SUPPLY CHAINS

Melbourne, 17 September 2025 – The Australian Logistics Council (ALC) has welcomed the Federal Government’s \$1.1 billion investment package to accelerate the development and deployment of low-carbon liquid fuels, describing the commitment as a landmark step for Australia’s freight and logistics sector.

ALC Chief Executive Officer, Dr Hermione Parsons, said the announcement directly responds to long-standing ALC advocacy and represents a significant step in strengthening national fuel security, decarbonising supply chains, and enhancing Australia’s global competitiveness.

“Low-carbon fuels are a practical, immediate solution for freight operators,” Dr Parsons said. “They can be used as drop-in replacements in existing vehicles, locomotives, vessels, and equipment, avoiding costly fleet replacement while cutting lifecycle emissions by up to 80 per cent compared to conventional diesel and jet fuel.”

Dr Parsons emphasised that the investment, including the ten-year Cleaner Fuels Program, will enable domestic production of renewable diesel and sustainable aviation fuels from waste oils, tallow, and other biomass feedstocks. This strengthens national fuel security, reduces reliance on imported fuels, and mitigates supply chain exposure to global price fluctuations.

“Reliable access to low-carbon fuels directly supports the efficiency and resilience of our supply chains,” Dr Parsons said. “Operators can maintain high utilisation rates for vehicles, rail services, and port operations without being constrained by emissions regulations or fuel availability. This is particularly critical for long-haul freight, intermodal networks, and end-to-end logistics where delays or unpredictability translate to significant economic costs.”

The program also supports Australia’s global competitiveness. “By developing a domestic low-carbon fuel industry, we are creating regional jobs, fostering innovation, and positioning Australia as a supplier of next-generation fuels to international markets,” Dr Parsons said.

ALC members are already preparing to adopt low-carbon fuels at scale. The Cleaner Fuels Program provides the policy certainty and investment signal required to accelerate this transition across road, rail, and maritime operations.

“Freight underpins the national economy. This investment is not just about emissions reduction—it is about future-proofing Australia’s supply chains, ensuring businesses can continue to move goods efficiently, sustainably, and competitively,” Dr Parsons concluded.

The ALC looks forward to working with the Government and industry partners to ensure the Cleaner Fuels Program delivers widespread adoption and tangible benefits for Australia’s transport and logistics networks.





About the Australian Logistics Council

The ALC is the national peak body representing Australia's end-to-end supply chain logistics industry. ALC plays a critical role in advocating for supply chain productivity and sustainability to build resilience supporting Australia's dynamic future.

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