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31 March 2026

MEDIA RELEASE

## FUEL RELIEF WELCOME, BUT SYSTEM PRESSURE REMAINS

The Australian Logistics Council has acknowledged and welcomes the Australian Government's announcement to temporarily halve fuel excise, reduce the Road User Charge, and activate national fuel security measures to support supply.

The package includes halving fuel excise for three months, reducing the Road User Charge to zero over the same period, and deferring the scheduled increase until 1 January 2027.

These measures sit alongside the activation of fuel security powers and Australia's National Fuel Security Plan, aimed at maintaining supply and managing disruption if conditions escalate.

Together, the changes reduce the effective tax paid by heavy vehicle operators by 32.4 cents per litre over the next three months. This reflects a 26.3-cent reduction in fuel excise and an additional 6.1 cents returned through fuel tax credits.

ALC CEO Dr Hermione Parsons said the decision recognises the pressure across the freight transport task but does not resolve it.

"This provides immediate relief for operators dealing with sustained cost increases," Dr Parsons said.

"But this is a system under pressure, not just a price issue."

She said the Government's use of fuel security powers reinforces the need to focus on distribution, not just supply.

"Fuel only matters if it can be transported to where it needs to be used. The system that moves it needs to be part of the response."

Australia's fuel supply chain relies on long-distance movement across a dispersed national network, with road transport especially carrying the bulk of the task.

*"The supply chain runs on diesel, including the movement of fuel itself," she said.*

*"You cannot prioritise fuel without prioritising the operators who move it."*

While welcoming the temporary reduction in the Road User Charge and the deferral of its increase, Dr Parsons said the current conditions also highlight the need to better use existing freight rail capacity.



*“Freight rail can move volume at scale with less pressure on fuel and workforce. That matters in a constrained environment.”*

*“We are not getting full value from the existing freight rail network, and this needs to be sorted with the help of the government.”*

She said lifting freight rail utilisation would ease pressure on road freight, improve surge capacity, and strengthen the system without requiring new infrastructure.

Freight rail uses 4-5 times less fuel per tonne of freight and emits 4-5 times less carbon.

A 600 metre freight train can transport 80 containers – whereas the same task by road requires 40-80 trucks, 40-80 drivers plus 4-5 times the quantity of fuel (per tonne klm). *“This is an immediate opportunity, not a long-term concept.”*

The ALC will continue to work with the Australian Government on measures that strengthen fuel security and support a more resilient supply chain.

*“This is a step forward,” Dr Parsons said.*

*“But resilience comes from how the system is set up, the extent that it withstands shock, and how long it takes to ‘bounce’ back.”*

## **ENDS**

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