

6 March 2026

The Hon. Chris Bowen MP

Minister for Climate Change and Energy
Parliament House, Canberra ACT 2600

SUBJECT: Third and Most Urgent Letter — The Global Liquid Fuel Emergency Has Arrived: Six Immediate Actions Required

Dear Minister Bowen,

This is my third letter on Australia's liquid fuel security, following correspondence of 5 March 2026 and earlier. I write again because the situation has escalated dramatically and the Government has still not acted. Every day of inaction has narrowed our options further. The global disruptions described below are not forecasts — they are current events, each sourced from international reporting as of early March 2026.

⚠ CRITICAL — AdBlue / Urea Supply: Australia's Hidden Tripwire

Virtually all of Australia's heavy diesel trucks (estimated 99%) require AdBlue (diesel exhaust fluid) to operate legally. AdBlue is produced from urea, synthesised from natural gas — a supply chain now severely disrupted. Without AdBlue, trucks cannot legally run. Road freight — food, medicine, fuel itself — could halt faster and more completely than the diesel shortage alone. **The Minister stated in Parliament that Australia holds approximately 7,500 tonnes of urea in stock. At current consumption rates for AdBlue production, this represents approximately 10 days of supply. Ten days.** With the Strait of Hormuz effectively closed and replenishment timelines now measured in weeks, 7,500 tonnes is not a buffer — it is a countdown. The Perdaman urea plant in Karratha (2.3 Mtpa) is not yet complete. This is a critical sovereign vulnerability that must be treated as equal in urgency to the fuel reserve crisis itself.

1. The Global Situation Has Escalated Dramatically

The following disruptions are confirmed by international reporting as of early March 2026:

- **Strait of Hormuz effectively closed (since 28 February 2026):** Iran has reduced tanker transits by 70–80% through threats, drone strikes and military control. This chokepoint handles approximately 20% of global oil and LNG. Vessels are stranded and Persian Gulf flows have largely halted.
- **Qatar halted all LNG and associated product exports:** Qatar supplies approximately 20% of global LNG. Its suspension is the single largest immediate shock to global gas markets in decades.
- **Saudi Ras Tanura refinery (550,000 b/d) struck by drones:** Operations suspended. UAE offshore fields and refineries face simultaneous disruption.

- **Kuwait's Mina Al-Ahmadi refinery operations halted:** Suspended following missile debris damage. Kuwait had already banned food commodity exports from 1 March 2026.
- **Bahrain's Sitra refinery (405,000 b/d) struck by Iranian missiles (5 March 2026):** Fires ignited, operations disrupted, further straining Gulf refining capacity.
- **Thailand bans all petroleum product exports (effective 1 March 2026):** A complete ban on diesel and petrol exports to protect Thailand's own 60-day strategic reserve. As a key Southeast Asian supplier, this directly worsens the regional supply picture for import-dependent nations including Australia.
- **LNG shipping rates surge 750%:** Daily carrier charter rates have risen from approximately \$40,000 to \$300,000 per day. Cape of Good Hope rerouting adds weeks to delivery times.
- **Singapore bunker fuel prices up ~10% in days:** VLSFO at \$589/mt, HSFO at \$508/mt. Singapore is Australia's primary refined product import hub. Rising bunker costs flow directly into Australia's landed fuel prices.
- **Korean petrochemical force majeure declared:** Major firms including Yeochun NCC (YNCC) have declared force majeure due to naphtha feedstock shortages, disrupting global supply of fertilisers, plastics, and industrial inputs that Australia imports.
- **Brent crude above \$100/bbl:** The combined effect of production halts, refinery strikes and shipping disruptions has pushed Brent above \$100/bbl, with analysts forecasting sustained high prices for months.
- **US signals conflict extends to September or beyond:** President Trump and Defense Secretary Hegseth have indicated the conflict could extend far longer than initial estimates. These disruptions are not a temporary spike — they are the new operating environment for months.

The scale of disruption above demands a response proportionate to the threat. The following six measures are all within the Government's existing legal powers and can begin immediately.

2. Six Immediate Actions Required

1. **Halt the scheduled Lytton refinery shutdown immediately.** The Ampol Lytton refinery (Queensland's sole remaining facility, processing approximately 110,000 b/d) is scheduled for a 10-week maintenance shutdown. Proceeding with a planned closure during a global supply crisis would be an entirely preventable own-goal, removing 5–7 days of additional national reserve capacity at the worst possible moment. Under s.11 of the Liquid Fuel Emergency Act 1984, the Government has power to issue stockholding directions. This should be invoked immediately to postpone the shutdown indefinitely.
2. **Fast-track the Perdaman urea plant in Karratha and establish an emergency AdBlue protocol.** The Minister's own statement in Parliament acknowledged Australia holds only approximately 7,500 tonnes of urea — around 10 days of AdBlue supply at current consumption. With Hormuz closed and replenishment routes disrupted, that stock could be exhausted

before replacement shipments arrive. The Perdaman urea project (2.3 Mtpa, Karratha WA) is projected for completion in mid-2027. Emergency funding, targeted regulatory waivers under national security provisions, and workforce mobilisation should be applied immediately to bring this forward. In parallel, the Government must urgently establish an emergency urea import and AdBlue rationing protocol, prioritising freight essential to food and medicine supply chains. The road freight network cannot function without it.

3. **Deploy ADF assets to protect domestic gas-producing infrastructure.** Position ADF assets — Navy patrols, Air Force surveillance, and ground security — at key LNG and gas production hubs: North West Shelf (WA), Gladstone (QLD), and Darwin (NT). These facilities represent approximately 80% of Australia's gas exports and a significant share of domestic supply. With regional instability elevated, pre-emptive protection is prudent and justified. Coordinate with US forces under ANZUS for intelligence sharing. Invoke Defence Act 1903 powers for domestic critical infrastructure protection.
4. **Mobilise national fuel reserves and implement emergency rationing.** Immediately activate national fuel reserves under the NLFERP, prioritising allocation to essential users: defence, emergency services, food supply chains, agriculture, mining, and remote community power generation. Implement rationing protocols under ss.21–24 of the Act. Establish a National Fuel Emergency Coordination Centre under DISR with real-time reserve monitoring authority, drawing on NOSEC expertise. Call up logistics reservists to support distribution planning.
5. **Suspend spot market fuel and LNG exports; redirect uncommitted volumes to domestic stockpiling.** Immediately suspend all spot market sales of transport fuels, LNG, ethanol, and biodiesel and redirect these volumes to domestic reserve building. Existing long-term contracted LNG deliveries to Japan, South Korea and other allies should be honoured in full to preserve critical diplomatic and trade relationships — only uncommitted and discretionary spot volumes should be redirected. Invoke trade restriction powers under the Customs Act 1901 and emergency powers under the Liquid Fuel Emergency Act 1984.
6. **Implement targeted fuel subsidies and economic relief — not rate increases.** The fuel price shock underway will drive significant inflation across transport, food, and goods. The Government should implement immediate targeted fuel subsidies for essential sectors (agriculture, freight, remote communities) and direct financial relief for households. The Government should formally advise the Reserve Bank of Australia that the current fuel crisis constitutes an extraordinary external inflationary shock — one that cannot be resolved by domestic rate increases and would be compounded by them. Price monitoring and anti-profiteering enforcement should be activated immediately.

3. Further Suggested Actions — Additional Measures the Government Should Consider

Beyond the six immediate actions above, the following measures would meaningfully strengthen Australia's position. They are grouped by category for ease of assessment.

Stockpile & Supply Security

- **Emergency urea procurement from non-Middle East sources immediately.** India, China, and Eastern European suppliers remain available — but this window may close within days as other nations compete for the same stocks. Every day of delay narrows Australia’s options and drives up cost.
- **Negotiate emergency fuel stockholding agreements with the US, Japan and South Korea.** All three hold strategic petroleum reserves Australia could draw on under existing defence and trade frameworks. These agreements should be initiated at the diplomatic level immediately.
- **Charter dedicated fuel tankers now.** LNG freight rates have already risen 750%. Every day of delay adds cost and reduces vessel availability as global operators compete for the same ships. Pre-committing tanker capacity now — even at elevated rates — is far cheaper than paying spot rates in a full supply emergency.
- **Direct Geelong and Lytton refineries to maximise throughput immediately.** Both Ampol and Viva Energy should be directed under emergency powers to run their refineries at maximum commercial utilisation rather than normal market-optimised rates, prioritising diesel and AdBlue precursor output.
- **Mandate minimum fuel stockholding at petrol station level.** Currently there is no minimum holding requirement for individual service stations — they can legally run to empty. Emergency regulations requiring minimum onsite reserves would buffer against rapid drawdown during a public panic.
- **Commission an emergency feasibility study on reactivating the Kwinana refinery site.** BP closed Kwinana in 2021 but the infrastructure remains on site. A rapid feasibility assessment of recommissioning timelines and costs should be initiated immediately. This is a sovereign capability question that cannot wait for normal commercial timeframes.

Demand Reduction — Buying Time

- **Mandate working from home for all non-essential office workers immediately.** Post-COVID data shows a 15–16% reduction in commuter fuel use when workers are remote. Applied nationally to office-based roles, this directly extends petrol reserves without any rationing or disruption to essential services. This can be activated within 48 hours.
- **Suspend all non-essential government vehicle use.** Redirect those fuel allocations to priority sectors immediately. Government should lead by example before asking the public to conserve.
- **Implement emergency highway speed reductions.** Reducing highway speed limits from 110 to 90 km/h reduces heavy vehicle fuel consumption by approximately 20%. Coordinating this with state governments through National Cabinet would have an immediate, measurable impact on diesel demand across the freight network.
- **Temporarily suspend non-essential aviation routes.** Jet fuel reserves (currently 32 days) are the thinnest of all fuel categories. Suspending discretionary leisure and charter routes would preserve jet fuel for freight,

emergency services, and essential passenger services while reserves are rebuilt.

Agriculture-Specific Measures

- **Establish a dedicated agricultural diesel reserve and priority allocation system.** Farmers cannot defer planting or harvest for rationing queues — the seasons are fixed. A ring-fenced agricultural fuel allocation, administered through farm fuel accounts, would ensure food production continues even if general rationing is implemented.
- **Fast-track approval of higher biodiesel blends for agricultural equipment.** Current regulations limit biodiesel blend rates for many agricultural applications. Emergency approvals for B20 and B50 blends would immediately reduce diesel demand in the agricultural sector, drawing on domestically produced canola-based and tallow-based biodiesel.
- **Pre-position fuel reserves in rural distribution hubs now.** Before urban demand spikes strip distribution networks, the Government should direct fuel distributors to pre-fill storage at regional and rural depots. Remote and agricultural communities are always last in line during a supply crisis and cannot access emergency imports independently.

Infrastructure & Domestic Gas Redirection

- **Invoke the National Gas Transmission Network to redirect gas to domestic power generation.** Redirecting gas from export-designated fields to domestic electricity generation reduces diesel demand for backup and off-grid power. Australia is the world's largest LNG exporter — the irony of running diesel generators while gas ships offshore must not be allowed to persist during a national emergency.

Communication & Governance

- **Establish a public daily fuel reserve dashboard.** Transparent, real-time public data on reserve levels reduces panic buying more effectively than ministerial reassurances. New Zealand implemented exactly this approach during COVID supply disruptions and it demonstrably reduced public anxiety. Opacity breeds panic; transparency builds trust.
- **Convene an emergency National Cabinet meeting specifically on fuel security.** Fuel security cannot be managed by a single minister. It requires coordinated state and federal action on transport, agriculture, emergency services, and public communications. A dedicated National Cabinet session elevates the issue to the level of seriousness it demands and creates a joint accountability structure.

4. A Demand for Immediate Action

Australia's 97% import dependency and 34–36 day reserves — already critically low — now sit against a global backdrop where major production, refining, and shipping routes have been simultaneously disrupted. This is not a hypothetical risk scenario. It is the current reality.

It is the solemn and non-negotiable duty of this Government to safeguard the safety, security, and survival of its citizens from foreseeable national threats. The six

immediate actions and further measures above are all within existing legal powers. None requires new legislation. All can begin today.

If this is mishandled, it is a slippery slope to catastrophe for every Australian — food shortages, blackouts in remote communities, mining halts, healthcare failures, and economic collapse. Those in positions of power will be held fully responsible — politically, publicly, and in the judgment of the nation — for every preventable hardship and every day of dangerous inaction.

I request a written response by 13 March 2026 (five business days), addressing the six immediate actions and the further measures outlined above. I also renew my call for an urgent Senate inquiry into Australia's liquid fuel security.

Yours sincerely,

Brett Murrell

Moral Majority Party (MMP) — Australia

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