



19 December 2025

Marisa Purvis-Smith  
Deputy Secretary, Transport  
Department of Infrastructure, Transport, Regional Development, Communications and the Arts  
111 Alinga Street,  
Canberra City ACT 2601

Dear Deputy Secretary

### **Consultation on Cleaner Fuels Program**

The Minerals Council of Australia (MCA) representing Australia's minerals exploration, mining and processing industry appreciates the opportunity to provide feedback to the consultation on the *Cleaner Fuels Program*.

The mining industry recognises the need to reduce emissions globally, nationally and at the sites and facilities driving Australia's resources industry. In June 2020, the MCA and members launched the *Climate Action Plan* as a clear commitment to do the work needed to achieve net zero emissions by 2050 in support of the goals of the Paris Agreement.

It is important that Australia maintains a competitive advantage in the supply of minerals and metals during the clean energy transition. The clean energy transition will be resource and energy intensive. Incentivising investment in the production and processing of copper, nickel, lithium, uranium and other metals and minerals that are essential for global decarbonisation efforts and Australia's clean energy transformation should be a primary objective of policy.

Given Australia's responsible mining credentials, policy settings must ensure that Australia captures to the greatest extent possible the benefits that will accrue from the increased supply of metals and minerals to enable the clean energy transition necessary for reducing global emissions to net zero.

To reach this objective, member companies continue to invest in the technologies and practices that will be necessary to achieve decarbonisation across the sector.

Low carbon liquid fuel could present an opportunity for the mining industry to reduce emissions in operations in the short to medium term but is currently not cost competitive. The MCA supports policy measures that promote supply of sustainable low carbon liquid fuels and a narrowing of the price gap with diesel.

While the Australian Government has committed to prioritising a domestic low carbon liquid fuel (LCLF) industry, as part of its Future Made in Australia agenda, it is important that policy incentives focus on responsibly developing an affordable supply of low carbon liquid fuels instead of on demand side measures.

In mining, electrification is the long-term solution to decarbonising mining vehicles and equipment currently reliant on traditional diesel, although mass deployment of battery electric haul trucks throughout operations is not expected to be technically or commercially feasible before 2030.

The MCA supports the development of a low carbon liquid fuels policy, focusing on supply side incentives, that:

- Provides guidelines to define the sustainability of low carbon fuels in Australia including lifecycle emissions, direct and indirect impacts on land use, biodiversity and waste management and related co-benefit opportunities
- Provides support for workforce development to sustainably grow the industry through technical education and industry linkages, creating pathways for well-paid and secure employment
- Supports targeted measures to incentivise the development of a domestic liquid low carbon fuel market and increases competitiveness of Australian low carbon liquid fuel products
- Ensures the industry sustains a strong social licence and avoids inefficient distortionary effects within the economy
- Is based on a comprehensive evaluation of the economic viability of low carbon liquid fuels in Australia. This analysis is needed before embarking on potentially costly policy measures.

While the MCA supports the development of a low carbon liquid fuels industry, we do not support mandates or other demand measures that risk distorting the efficient operation of the safeguard mechanism.

The design of safeguard mechanism ensures that greenhouse gas emissions (including diesel related emissions) of facilities covered by the safeguard mechanism will decline. For industrial users of diesel fuel, the design of the safeguard mechanism economically incentivises emissions reduction in covered scope 1 (including diesel-related) emissions.

Additional demand side measures such as, mandating fuel emissions reductions, including low carbon fuel mandates or polices such as the European Emissions Trading Scheme II (EU ETS II) or the California Low Carbon Fuel Standard (LCFS) could increase operating costs for safeguard facilities on already covered emissions at a time when alternative fuel sources are not competitively available at the scale required due to supply constraints.

Implementing policy that may result in the adverse consequence of creating an import dependence on foreign sourced low carbon liquid fuels will do nothing for the broader government objectives of enhancing local fuel security and may create future competitive pressures on any local LCLF industry if overseas suppliers do not meet Australia's high environmental standards for low carbon liquid fuels.

### **Australian mining has an important role to play**

Mining is a large-scale, capital-intensive activity. Unlike other industrial enterprises, geology dictates activities and can significantly influence emissions profiles. Flexible application of policy to recognise these elements is vital to maintain the international competitiveness of Australian mining operations on the national path through 2030 to net zero emissions by 2050.

Australia has a significant role to play in supporting the global clean energy transition. In FY25, Australia's exports of minerals, metals and energy commodities was worth \$377 billion and accounted for 58 per cent of the nation's export revenue.

Over the last decade, the industry has paid [\\$394 billion](#) in taxes and royalties. These contributions support stronger communities by helping to fund hospitals, schools, doctors, nurses, police, teachers and other essential services and infrastructure.

The industry is also critical in supporting regions and communities, including providing 1.1 million jobs in Australia supported by the mining, mining equipment, technology and services sectors.

Government and the mining industry must continue to work together to develop appropriate enabling policy frameworks to achieve net zero goals and maintain Australian industry competitiveness.

The pathway will not be linear for all industries, but great progress is being made across mining.

Achievement of the 2030 and 2035 targets and the 2050 net zero target will require close consultation and collaboration with all stakeholders.

The industry seeks change that is manageable, orderly, and establishes an appropriate regulatory framework for industry and the nation to achieve medium- and long-term emissions targets.

We thank you again for the opportunity to comment and look forward to engaging constructively with the Government on these important reforms. We stand ready to help put Australia on the path to meeting its emissions reduction targets and contribute to the achievement of the Paris Agreement goals.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tania Constable', written in a cursive style.

**TANIA CONSTABLE PSM**  
**CHIEF EXECUTIVE OFFICER**