Australian Government
The Treasury

Ministerial Submission

MS26-000398

FOR INFORMATION - Middle East Update 8 - 15 May 2026

TO: Treasurer - The Hon Jim Chalmers MP

KEY POINTS

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Clearance Officer	Contact Officer
Ineke Redmond	s 22
A/g First Assistant Secretary	s 22
International Economics and Security Division	
15 May 2026	

CONSULTATION

IESD, LEIID, MCPD, FSD, CCPD, CENTID, FNCSD

ATTACHMENTS

s33(a)(iii)

Attachment C. Financial market
Attachment D Supply chain indicators
Attachment E.1 Domestic energy market implications
Attachment E.2 Domestic energy market policy response options
Attachment F. Council of Financial Regulators (CFR) and industry insights

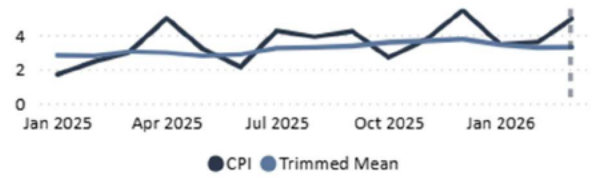
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Headline CPI inflation increased in March, while underlying inflation remained above the RBA's target

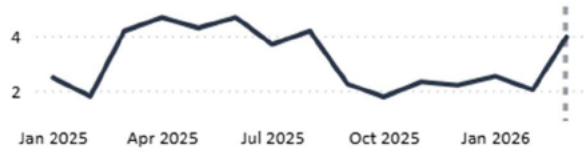
Headline and trimmed mean inflation (per cent, 6-month annualised)



Source: ABS Consumer Price Index

Strong global demand is keeping food prices elevated, they are expected to remain high as increased fuel and fertiliser costs pass through

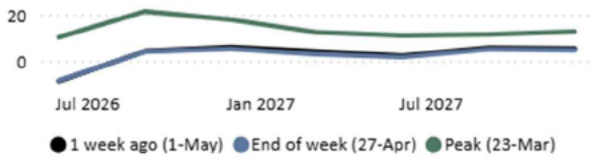
Food and non-alcoholic beverages inflation (per cent, 6-month annualised)



Source: ABS Consumer Price Index

ASX electricity futures prices continue to ease from their peak, but remain above pre-conflict levels

Change in average electricity futures prices relative to pre-conflict levels on 27 Feb (per cent)



Source: ASX Australian Electricity Futures. The average price is a simple average across NSW, QLD, Vic and SA. Note SA's futures market has low trading volume. Futures prices reflect expected average wholesale electricity prices in the coming quarters.

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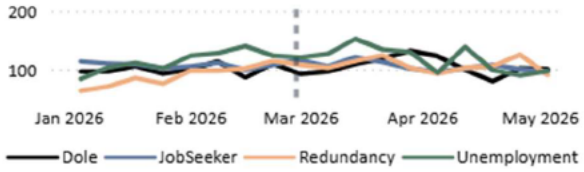
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Google search volumes for unemployment related terms have been broadly stable through the conflict

Chart: Google search volumes (100 = highest search volume during period)



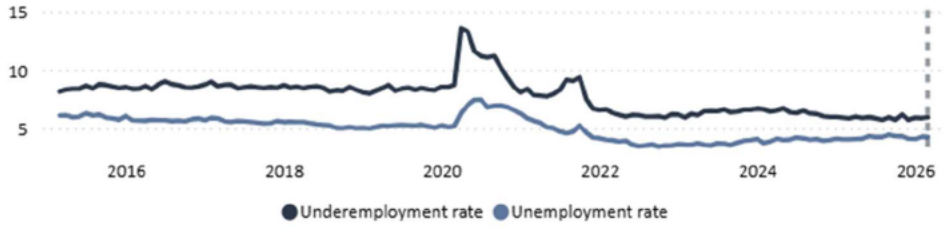
Source: Google

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Unemployment and underemployment remained steady in March

Unemployment and underemployment rates (Per cent)



Source: ABS Labour Force Survey

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ATTACHMENT C – FINANCIAL MARKET AND MACROECONOMIC INDICATORS

- Market sentiment was relatively optimistic overnight, with limited developments in the Middle East. US equities extended gains primarily driven by the tech sector.
  - Brent crude oil prices rose modestly to around US$106 per barrel but remained rangebound through the week, as markets shifted their focus to President Trump's meeting with President Xi in Beijing. Transit of vessels through the Strait remains limited.
  - Overnight, US Treasury yields are up around 2-5 basis points across the curve, following resilient US retail sales and stable jobless claims data. Bond yields were generally lower elsewhere, with political uncertainty pushing down UK gilt yields.
  - FX markets saw further strength in the US dollar, with the US dollar index up 0.4 per cent on solid retail sales data. The pound sterling fell 0.9 per cent against the US dollar amid political uncertainty.

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ATTACHMENT D – SUPPLY CHAIN INDICATORS

Oil and Refined Fuels

- Australia is currently operating at **Level 2** of the National Fuel Security Plan - **"Keep Australia Moving"**.

s 45, s 47C, S 47E(d)

Table 3: Domestic Supply Security

Indicator	Current Value	Pre-Conflict	Change %
MSO Days of Diesel	35	32	+9.4
MSO Days of Petrol	42	38	+10.5
MSO Days of Jet fuel	29	29	0.0
Australian Retail Diesel Price (avg weekly c/l)	247	180	+37.2
Australian Retail Petrol Price (avg weekly c/l)	184	171	+7.6

Sources: PM&C Fuel Supply Taskforce, DCCEEW.

s 45, s 47C, S 47E(d)

Fertiliser, urea and grains

s 45, s 47C, S 47E(d)

- Most grains and oilseeds are exported, and farmers are generally price takers meaning they have limited ability to pass increases in input costs to consumers.
  - Global prices have increased slightly over the last month but are still low compared with the previous highs reached at the start of the Russia-Ukraine conflict.
  - The costs faced by Australian grain and oilseed producers over 2026–27 are likely to be heavily affected by dry seasonal conditions on the east coast, driving increases in feed demand. Dry conditions across the US will influence their exportable supply of grains and push global prices higher. EU and North American biofuel policies are likely to support oilseed prices via increased demand for alternative energy sources to oil.

s 45, s 47C, S 47E(d)

Plastics

s 45, s 47C, S 47E(d)

s 45, s 47C, S 47E(d)

Aviation

- Domestic and international air travel remained steady in April, according to the latest Airservices Australia Aviation Network report released on 13 May.
  - International travel grew by 3 per cent through the year, with reduced services to the Middle East offset by rerouted flights through Asian hubs.
  - Domestic travel volumes were generally steady, though regional travel declined by 4.1 per cent through the year, continuing its pre-existing downward trend since 2025.
  - Airservices Australia is actively working with airlines to develop a Network Fuel Conservation Framework, leveraging Ground Delay Programs to reduce airborne delays and fuel use, aligned with the National Fuel Security Plan.

Road freight – nil updates

Alumina/aluminium – nil updates

Shipping – no significant domestic developments

Insurance – nil updates

SES Contacts:
s 22 IESD s 22

Insurance: Andre Moore, Assistant Secretary, Financial System Division s 22

Alumina/aluminium: s 22 Climate, Energy and Trade Insights Division
s 22 s 22 Climate, Energy and trade Insights Division s 22

Aviation, road freight, shipping, fertiliser, urea, ammonia: s 22 Industry and Infrastructure Branch s 22

ATTACHMENT E.1 – DOMESTIC ENERGY MARKET IMPLICATIONS

Energy Market Dynamics

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- National average retail petrol prices for week ending 10 May were 184 c/l, steady on the week prior. National average retail diesel prices were 247 c/l, a 7 c/l reduction on the previous week.

s 45, s 47C, S 47E(d)

s 45, s 47C, S 47E(d)



*Electricity futures prices (as at market close on **14 May 2026**)*

- Following their peak on 23 March 2026, average ASX electricity futures prices have largely returned to pre-conflict levels.
  - On average, futures prices for 2026 and 2027 are now about **4 per cent** lower than pre-conflict (27 February 2026).
  - At their peak on 23 March, average futures prices for 2026 and 2027 were around 14 per cent higher than on 27 February.

ASX electricity futures price – Average across NEM regions ($/MWh)

Contract Quarter	*Pre-conflict (27 Feb 2026)*	*Latest (14 May 2026)*	*% change*
Q2-26	$94.9	$80.1	-16%
Q3-26	$88.6	$86.4	-3%
Q4-26	$66.8	$66.8	0%
Q1-27	$82.5	$81.8	-1%
Q2-27	$96.5	$91.5	-5%
Q3-27	$87.4	$86.8	-1%
Q4-27	$66.1	$66.1	0%

The average price is a simple average across NSW, QLD, Vic and SA. Please note that SA's futures market has relatively limited trading volume.

- Australia's gas markets remain well supplied and at this stage prices have not been impacted by the conflict, hovering at a level **16.2 per cent** lower than May 2025.On **14** May, the east coast spot price was **$9.36/GJ.**
  - The May-to-date monthly average price for east coast gas is **$8.96/GJ,** which is **61.2** per cent lower than the current Australian Competition and Consumer Commission (ACCC) Liquefied Natural Gas (LNG) netback price of $23.12/GJ.
  - These lower-than-average prices are being driven by domestic conditions - including low seasonal demand and mild weather conditions.

- Higher international LNG prices and increased demand for gas during winter could flow through to higher east coast gas and electricity prices.

Retail fuel prices

Daily average unleaded 91 petrol prices (cents per litre)

	SYD	MEL	BNE	PER	ADL	CBR	HBA	DRW
27 Feb 2026 (before conflict began)								
cents per litre	185.7	200.9	202.3	164.7	175.7	181.2	166.6	179.3
31 March 2026 (before fuel excise cut)								
cents per litre	257.4	259.1	258.8	251.7	259.2	258.1	257.5	264.2
14 May 2026 (latest data)								
cents per litre	**186.2**	**180.7**	**187.4**	**179.8**	**175.1**	**182.7**	**183.5**	**190.8**
% change since conflict began	**0**	**-10**	**-7**	**9**	**0**	**1**	**10**	**6**
% change since fuel excise cut	**-28**	**-30**	**-28**	**-29**	**-32**	**-29**	**-29**	**-28**

Data from Motor Mouth https://motormouth.com.au/ and Informed Sources https://informedsources.com/.
Note: daily data subject to minor revisions as more sources report prices.

Daily average diesel prices (cents per litre)

	SYD	MEL	BNE	PER	ADL	CBR	HBA	DRW
27 Feb 2026 (before conflict began)								
cents per litre	175.9	180.5	182.2	176.8	175.6	187.1	183.4	183.9
31 March 2026 (before fuel excise cut)								
cents per litre	321.7	324.5	322.8	318.4	324.4	320.9	319.1	322.3
14 May 2026 (latest data)								
cents per litre	**230.2**	**238.4**	**232.8**	**221.1**	**229.6**	**259.8**	**234.1**	**239.5**
% change since conflict began	**31**	**32**	**28**	**25**	**31**	**39**	**28**	**30**
% change since fuel excise cut	**-28**	**-27**	**-28**	**-31**	**-29**	**-19**	**-27**	**-26**

Data from Motor Mouth https://motormouth.com.au/ and Informed Sources https://informedsources.com/.
Note: daily data subject to minor revisions as more sources report prices.

SES Contacts:

s 22 Climate, Energy and trade Insights Division s 22
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s 22 Competition and Consumer Policy Division s 22

ATTACHMENT E.2 – DOMESTIC ENERGY MARKET POLICY RESPONSE

Summary of announced government measures

Key Federal Government Actions

13 May 2026 – Legislation introduced in the Senate to create streamlined authorisation and exemption powers for the ACCC in exceptional circumstances to allow businesses to collaborate on coordinated responses. The *Competition and Consumer Amendment (Responding to Exceptional Circumstances) Bill 2026* passed the Senate on 14 May and will be introduced in the House in a later sitting.
12 May 2026 – As part of Budget, Treasurer announced $14.8 billion total for the 'Strengthening Australia's Fuel Resilience Package', including a range of measures to boost Australia's fuel security.
7 May 2026 – Energy Minister Chris Bowen announced a domestic gas reservation scheme requiring major producers to reserve 20 per cent of gas exports for the Australian market.
6 May 2026 – PM announced a $10 billion Fuel Security and Resilience Package, including the establishment of a $7.5 billion Fuel and Fertiliser Security Facility to increase supply and storage of fuel and fertiliser supplies for Australia.
22 April 2026 – the Government announced a partnership with BP Australia, success in securing a further 200 million litres of additional diesel, and commencement of work with leading fertiliser companies to secure more supply for the growing season.
20 April 2026 - the Government announced the Economic Resilience Program, through the National Reconstruction Fund providing $1 billion in zero-interest loans for manufacturing or logistics businesses.
17 April 2026 – Fertiliser announcement to facilitate 250,000 tonnes of additional agricultural grade urea for Australian farmers from Indonesia.
15 April - the Australian Government announced the Trade Resilience Service, provided by AusTrade, which will assist businesses in finding alternative ways to get their goods to and from Australia where disruptions exist in global supply chains due to the war.
12 April - launched "Every Little Bit Helps" information campaign encouraging Australians to reduce car usage.
9 April - PM announced Export Finance Australia has agreed to terms with Viva Energy and Ampol that will enable the government to underwrite the two companies' oil purchases.
2 April - PM announced $6.15 billion in concessional capital to support Australian businesses affected by global disruptions.

- announced states and territories have agreed to provide a further $400m of fuel relief, to be delivered through an additional 10.9 per cent cut to fuel excise for 3 months.

1 April 2026 - PM address to the Nation about Middle East Crisis.

- Treasurer announced measures between government and business/finance sector to ease pressure including: ATO providing temporary relief for impacted businesses; 10-year extension of the Small Business Responsible Lending Obligation; commitments from banks, non-bank lenders and insurers to support customers experiencing hardship; and crisis support measures from BCA members.
- Minister for Resources gave notice of intention to consider powers under the Australian Domestic Gas Security Mechanism (ADGSM). The Minister will consult over the next 30 days with major gas producers regarding domestic supply and make a decision on whether to activate the mechanism by mid-May.

30 March 2026 - announced the National Fuel Security Plan, following agreement by National Cabinet; and halved the fuel excise to 26.3 cents per litre and reduced the heavy vehicle road user charge to zero for three months.
24 March 2026 - temporarily amended diesel quality standards to allow lower minimum flash point level supporting access to international supply and facilitating domestic diesel production.
23 March 2026 - Joint statement on energy security between Singapore and Australia
20 March 2026 - amended Fuel Security Service Payment (FSSP) increasing support for domestic refineries.
19 March 2026 - Appointment of Fuel Supply Taskforce Coordinator.
13 March 2026 - temporary 20% reduction to the MSO to release up to 762 million litres of petrol and diesel from domestic reserves to the local market.

12 March 2026 - temporarily relaxed fuel standards for petrol allowing higher sulphur levels until 31 May 2026 to boost supply by around 100 million litres monthly.
11 March 2026 - increased ACCC powers through doubled maximum penalties for major breaches of competition and consumer laws (received Royal Assent on 27 March), as well as national weekly fuel price monitoring.
Ongoing: proactive engagement with key trading partners to secure supply of liquid fuels.

Key State and Territory Government Actions		
Measure	**State**	**Description**
Freight adjustments	NSW	Temporary freight adjustments to increase access to road network including adjusting load limits to allow larger freight and greater flexibility for night loading and hours of operation.
	WA	A three-month trial allowing 53.5m triple-trailer road-trains, with temporary increases to road-train limits (additional 10 tonnes) for petrol, diesel, fertiliser to priority regions.
	SA	Fast-tracked heavy freight reforms with 100 new network maps across SA roads, allowing more efficient truck and trailer configurations and operational flexibility to reduce fuel use.
Free / subsidised public transport	NSW	The frequency of services on Sydney's M1 metro rail line will be temporarily boosted until 7 June to cater for additional passenger demand.
	Vic	All metro and regional trams, trains and buses free from 31 March until the end of May and then slashed by half for the rest of 2026. Budget measures to expand train and bus services and new upgraded routes.
	Tas	Free bus services statewide and Derwent River ferries.
	ACT	Reduction in monthly fare caps across bus and light rail services, providing free travel once the cap is reached. Measures apply across adult, student and concession fares from April to June.
	WA	Free public transport on Sundays and for students travelling to and from school.
Mandatory reporting of fuel pricing / outages	NSW	Mandatory outage and availability reporting via FuelCheck, requiring retailers to update fuel availability data. Formal information notices compelling fuel companies to provide detailed supply information and established a Liquid Fuel Emergency Operations Centre.
	Vic	Amendments to the *Fuel Emergency Act 1977* requiring fuel businesses to share detailed fuel supply and distribution data (beyond prices), for improved planning and faster intervention.
	WA	Activation of emergency powers under the *Fuel, Energy and Power Resources Act 1972* to compel fuel suppliers to provide detailed, commercially sensitive information on fuel supply. From 1 May all fuel retailers now required to report prices and outages.
	SA	Expansion of real-time fuel availability reporting, showing outlet-level availability and daily statewide stock-out data, supported by increased compliance funding and higher penalties.
	Tas	Passage of the Petroleum Reporting (Miscellaneous Amendments) Bill 2026 strengthening mandatory information-gathering powers, compulsory outage reporting, extended emergency periods, and civil and criminal penalties for non-compliance.
	NT	24-hour price lock. Fuel retailers are not able to increase prices for 24 hrs (but can lower).
	ACT	**Passed legislation to provide government with powers to access timely, accurate information about fuel availability, respond to conditions and safeguard commercial information.**
Airline support	WA	Additional support under the Regional Airfare Zone Cap scheme to cover rising jet-fuel costs for airlines operating critical regional routes and ensure capped airfares stay at current levels.

Key State and Territory Government Actions		
Measure	**State**	**Description**
Food relief	Vic	$2.7 million food-relief package delivered through Foodbank Victoria, regional food-shares, OzHarvest and community organisations to support households facing rising cost pressures. An additional $8.5 million to deliver another round of the Community Food Security Program.
	Tas	One-off $500,000 funding boost for food-relief services ahead of Easter to support Tasmanians experiencing cost-of-living pressures.
	SA	$2.8 million through the Social Supermarket Program to increase hours, dedicated food delivery vehicle and longer-term service sustainability.
	WA	$3.8 million to sustain food relief services amid fuel price surges. $2 million Food Relief and Access Support grant applications of up to $10,000 per organisation in metro, regional, remote locations to support cost of transport.
Enacting emergency declarations	WA	Activation of emergency powers under the *Fuel, Energy and Power Resources Act 1972*, to compel fuel suppliers to provide detailed information. Significant penalties for non-compliance.
	Tas	Passage of the *Petroleum Reporting (Miscellaneous Amendments) Bill 2026*, strengthening emergency powers during declared fuel emergencies.
	NT	Enactment and use of the *Price Exploitation Prevention Act*, granting powers to compel disclosure of fuel cost structures and margins and to regulate price exploitation.
Accelerating EV uptake	NSW	$100 million in funding linked to NSW's 2026 Electric Vehicle Strategy. The strategy aims to reduce emissions and make EVs and their cost-of-living benefits accessible to more people—focusing on charging gaps in regional, remote, suburban areas.
Fuel supply	WA	WA has secured an agreement with local independent fuel supplier Cambridge Gulf to purchase and store diesel. Total amount owned by the state is now **20** million litres.
	Tas	Establishment of an on-island strategic fuel reserve.
	Vic	**Vic has secured 10 million litres of diesel as a strategic fuel reserve for the agriculture sector – only to be released under level 4 of the National Fuel Security Plan.**
	SA	**SA has reached a commercial agreement to source and store 10 million litres of diesel, with an option to secure and store up to 20 million litres to support primary production.**
Waived / subsidised fees	Vic	20% car registration discount from 1 June for the 2025/26 year.
	NSW	25% reduction in the Community Services Portable Long Service Leave levy in 2025/26.
	NT	Short term adjustments to eligible construction contracts. Invoices paid during March to May 2026 will see fuel-related adjustments calculated monthly rather than quarterly or annually.
	WA	$198 million for a $100 'Fuel Support Payment' to each WA driver's licence holder.

SES Contacts:
Penny Sirault, Assistant Secretary, Labour Markets, Environment, Industry & Infrastructure Division s 22
s 22 First Nations and Commonwealth-State Division s 22
s 22 Competition and Consumer Policy Division s 22

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ATTACHMENT F: COUNCIL OF FINANCIAL REGULATORS & INDUSTRY INSIGHTS

CFR financial system update (8 May)

- Markets remained volatile but orderly last week, with no evidence of disorderly trading, market dysfunction, or clearing stress.
  - Yields ended the week lower, alongside declines in oil prices, as risk sentiment improved on indications of progress toward de-escalation in the Middle East. However, part of the move was unwound following news of US strikes against Iran (on 7 May).
  - The Monetary Policy Board's decision to increase the cash rate was widely expected by market participants and economists, and generated only modest movements in yields on the day.
  - Australian equities have rose slightly over the week since Friday 1 May, with the ASX200 taking cues from offshore moves on optimism of de-escalation of the Iran conflict. The index remains around 5 per cent lower since the start of the conflict and expected volatility is just below its long-term average.
  - Australian corporate CDS spreads have tightened by 5 bps since last Friday. Corporate bond issuance was strong with three of the major banks raising $15 billion in total following their semi-annual results and associated blackout periods.

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Stakeholder insights

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SES Contacts:
CFR financial system update: Tim Baird, Assistant Secretary, Financial System Division s 22
Industry Insights: Penny Sirault, Assistant Secretary, Labour Markets, Environment, Industry & Infrastructure Division
s 22

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Australian Government
The Treasury

Ministerial Submission

MS26-000398

FOR INFORMATION - Middle East Update 15 - 25 May 2026

TO: Treasurer - The Hon Jim Chalmers MP

KEY POINTS

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- Global energy prices declined, and equities rallied over the week as expectations for a US-Iran deal to reopen the Strait of Hormuz lifted market sentiment.
  - Brent crude oil futures are 11 per cent lower over the week while the European natural gas benchmark is trading 10 per cent lower. This reflects market expectations for a bounce in global supply following the reopening of the Strait.
  - The S&P500 ended the week 0.9 per cent higher in its eighth-straight weekly advance to be just below an all-time high. Futures are tracking higher on Monday on risk-on sentiment following developments over the weekend.
- The US Treasury yield curve flattened over the week, with short-dated yields rising with firmer near-term policy rate expectations and longer-dated yields falling as investors re-assessed the longer-term outlook for US yields and monetary policy.
  - The Australian yield curve shifted lower over the week, driven by a softer-than-expected labour force report pointing to a potential easing of tightness in the labour market.

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Clearance Officer
Ineke Redmond
A/g First Assistant Secretary
International Economics and Security Division
25 May 2026

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CONSULTATION

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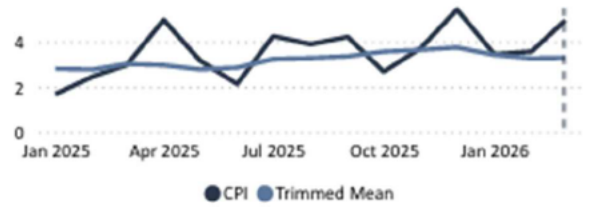
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Headline CPI inflation increased in March, while underlying inflation remained above the RBA's target

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Source: ABS Consumer Price Index

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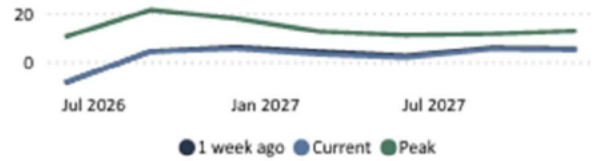
Food and non-alcoholic beverages inflation (per cent, 6-month annualised)



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Change in average electricity futures prices relative to pre-conflict levels on 27 Feb (per cent)

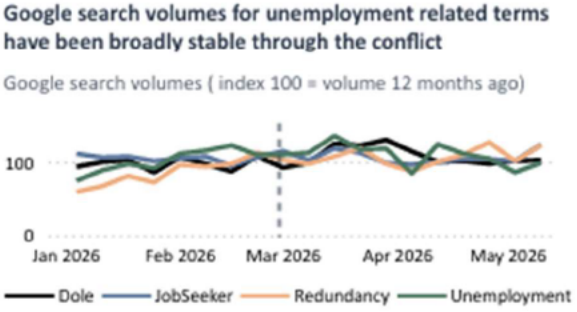


Source: ASX Australian Electricity Futures. Note: The average price is a simple average across NSW, QLD, Vic and SA. SA's futures market has low trading volume. Futures prices reflect expected average wholesale electricity prices in the coming quarters.

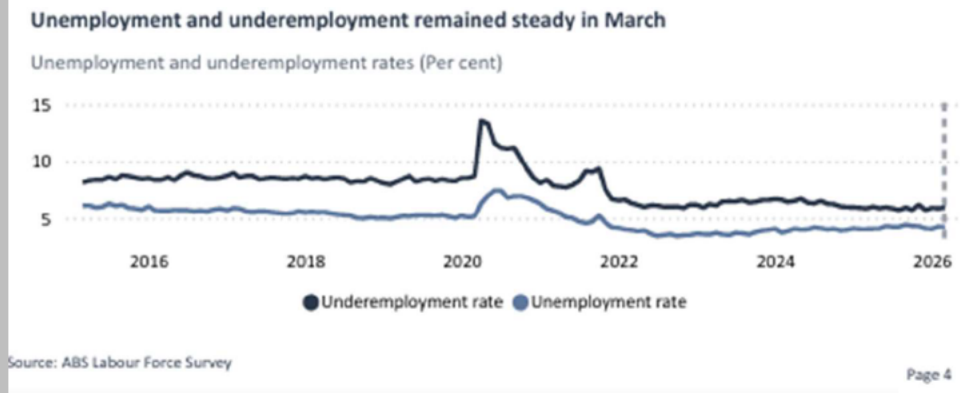
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s 47C, S 47E(d)



ATTACHMENT C – FINANCIAL MARKET AND MACROECONOMIC INDICATORS

- **Oil prices fell 3.5 per cent at the open and equities are trading higher as a US-Iran deal edges closer.**
  - Brent crude oil futures opened 3.5 per cent lower this morning and are now trading below US$100 per barrel (Chart 1).
  - S&P500 futures are tracking 0.5 per cent higher this morning after closing up 0.9 per cent over the week, with Asian equities also opening higher on the news.
  - Australian government bond yields are lower across the curve this morning, reflecting the risk-on sentiment.

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ATTACHMENT D – SUPPLY CHAIN INDICATORS

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Sources: PM&C Fuel Supply Taskforce, DCCEEW.

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s 47C, s 47E(d)

Fertiliser, urea and grains

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- Most grains and oilseeds are exported, and farmers are generally price takers meaning they have limited ability to pass increases in input costs to consumers.
  - Global prices have increased slightly over the last month but are still low compared with the previous highs reached at the start of the Russia-Ukraine conflict.
  - The costs faced by Australian grain and oilseed producers over 2026–27 are likely to be heavily affected by dry seasonal conditions on the east coast, driving increases in feed demand. Dry conditions across the US will influence their exportable supply of grains and push global prices higher. EU and North American biofuel policies are likely to support oilseed prices via increased demand for alternative energy sources to oil.

s 45, s 47C, S 47E(d)

Plastics

s 45, s 47C, S 47E(d)

Aviation

- On 25 May Qantas announced a delay to Project Sunrise which aims to enable non-stop travel from the east coast of Australia to London and New York. The delay comes after Airbus was unable to deliver the first A350-1000ULR aircraft, citing supply chain disruptions that were exacerbated by the outbreak of war in the Middle East.
  - The conflict in the Middle East has highlighted the significance of Project Sunrise and long haul flights as a way to reduce Australia's reliance on traditional stopover hubs such as Dubai, Doha, and Abu Dhabi.

Road freight – nil updates

Alumina/aluminium – nil updates

Shipping – no significant domestic developments

Insurance – nil updates

SES Contacts:
Paul Cotterill, Assistant Secretary, IESD s 22

Insurance: Andre Moore, Assistant Secretary, Financial System Division s 22

Alumina/aluminium: s 22 Climate, Energy and Trade Insights Division
s 22 s 22 Climate, Energy and trade Insights Division s 22

Aviation, road freight, shipping, fertiliser, urea, ammonia: s 22 Industry and Infrastructure Branch s 22

ATTACHMENT E.1 – DOMESTIC ENERGY MARKET IMPLICATIONS

Energy Market Dynamics

s 47C, s 47E(d)

- National average retail petrol prices for week ending 17 May were 184 c/l, steady on the week prior. National average retail diesel prices were 237 c/l, a 11 c/l reduction on the previous week.

s 45, s 47C, S 47E(d)

- As of 19 May 2026, stocks held under the MSO were equivalent to 43 days of petrol, 31 days of jet fuel and 38 days of diesel, the highest level of diesel supply since the MSO began in 2023. s 47C, S

s 45, s 47C, S 47E(d)



*Electricity futures prices (as at market close on **21 May 2026**)*

- Following their peak on 23 March 2026, average ASX electricity futures prices have largely returned to pre-conflict levels.
  - On average, futures prices for 2026 and 2027 are now about **4 per cent** lower than pre-conflict (27 February 2026).
  - At their peak on 23 March, average futures prices for 2026 and 2027 were around 14 per cent higher than on 27 February.

ASX electricity futures price – Average across NEM regions ($/MWh)

Contract Quarter	*Pre-conflict (27 Feb 2026)*	*Latest (21 May 2026)*	*% change*
Q2-26	$94.9	$82.1	-13%
Q3-26	$88.6	$84.7	-4%
Q4-26	$66.8	$65.5	-2%
Q1-27	$82.5	$80.6	-2%
Q2-27	$96.5	$91.5	-5%
Q3-27	$87.4	$86.9	-1%
Q4-27	$66.1	$66.1	0%

The average price is a simple average across NSW, QLD, Vic and SA. Please note that SA's futures market has relatively limited trading volume.

- Australia's gas markets remain well supplied and at this stage prices have not been impacted by the conflict, hovering at a level **16.1 per cent** lower than May 2025.On **24** May, the east coast spot price was **$8.91/GJ.**
  - The May-to-date monthly average price for east coast gas is **$8.97/GJ,** which is **61.2** per cent lower than the current Australian Competition and Consumer Commission (ACCC) Liquefied Natural Gas (LNG) netback price of $23.12/GJ.

- These lower-than-average prices are being driven by domestic conditions - including low seasonal demand and mild weather conditions.

- Higher international LNG prices and increased demand for gas during winter could flow through to higher east coast gas and electricity prices.

Retail fuel prices

Daily average unleaded 91 petrol prices (cents per litre)

	SYD	MEL	BNE	PER	ADL	CBR	HBA	DRW
27 Feb 2026 (before conflict began)								
cents per litre	185.7	200.9	202.3	164.7	175.7	181.2	166.6	179.3
31 March 2026 (before fuel excise cut)								
cents per litre	257.4	259.1	258.8	251.7	259.2	258.1	257.5	264.2
24 May 2026 (latest data)								
cents per litre	**187.2**	**186.1**	**187.5**	**181.6**	**177.1**	**184.6**	**187.3**	**191.8**
% change since conflict began	**1**	**-7**	**-7**	**10**	**1**	**2**	**12**	**7**
% change since fuel excise cut	**-27**	**-28**	**-28**	**-28**	**-32**	**-28**	**-27**	**-27**

Data from Motor Mouth https://motormouth.com.au/ and Informed Sources https://informedsources.com/.
Note: daily data subject to minor revisions as more sources report prices.

Daily average diesel prices (cents per litre)

	SYD	MEL	BNE	PER	ADL	CBR	HBA	DRW
27 Feb 2026 (before conflict began)								
cents per litre	175.9	180.5	182.2	176.8	175.6	187.1	183.4	183.9
31 March 2026 (before fuel excise cut)								
cents per litre	321.7	324.5	322.8	318.4	324.4	320.9	319.1	322.3
24 May 2026 (latest data)								
cents per litre	**224.3**	**231.6**	**226.7**	**216.4**	**223.1**	**258.0**	**229.3**	**233.6**
% change since conflict began	**28**	**28**	**24**	**22**	**27**	**38**	**25**	**27**
% change since fuel excise cut	**-30**	**-29**	**-30**	**-32**	**-31**	**-20**	**-28**	**-28**

Data from Motor Mouth https://motormouth.com.au/ and Informed Sources https://informedsources.com/.
Note: daily data subject to minor revisions as more sources report prices.

SES Contacts:

s 22 Climate, Energy and trade Insights Division s 22
s 22 Climate, Energy and trade Insights Division s 22
s 22 Competition and Consumer Policy Division s 22

ATTACHMENT E.2 – DOMESTIC ENERGY MARKET POLICY RESPONSE

Summary of announced government measures

Key Federal Government Actions - *nil update*

13 May 2026 – Legislation introduced in the Senate to create streamlined authorisation and exemption powers for the ACCC in exceptional circumstances to allow businesses to collaborate on coordinated responses. The *Competition and Consumer Amendment (Responding to Exceptional Circumstances) Bill 2026* passed the Senate on 14 May and will be introduced in the House in a later sitting.
12 May 2026 – As part of Budget, Treasurer announced $14.8 billion for the 'Strengthening Australia's Fuel Resilience Package', including a range of measures to boost Australia's fuel security.
7 May 2026 – Energy Minister Chris Bowen announced a domestic gas reservation scheme requiring major producers to reserve 20 per cent of gas exports for the Australian market.
6 May 2026 – PM announced a $10 billion Fuel Security and Resilience Package, including the establishment of a $7.5 billion Fuel and Fertiliser Security Facility to increase supply and storage of fuel and fertiliser supplies for Australia.
22 April 2026 – the Government announced a partnership with BP Australia, success in securing a further 200 million litres of additional diesel, and commencement of work with leading fertiliser companies to secure more supply for the growing season.
20 April 2026 - the Government announced the Economic Resilience Program, through the National Reconstruction Fund providing $1 billion in zero-interest loans for manufacturing or logistics businesses.
17 April 2026 – Fertiliser announcement to facilitate 250,000 tonnes of additional agricultural grade urea for Australian farmers from Indonesia.
15 April - the Australian Government announced the Trade Resilience Service, provided by AusTrade, which will assist businesses in finding alternative ways to get their goods to and from Australia where disruptions exist in global supply chains due to the war.
12 April - launched "Every Little Bit Helps" information campaign encouraging Australians to reduce car usage.
9 April - PM announced Export Finance Australia has agreed to terms with Viva Energy and Ampol that will enable the government to underwrite the two companies' oil purchases.
2 April - PM announced $6.15 billion in concessional capital to support Australian businesses affected by global disruptions.

- announced states and territories have agreed to provide a further $400m of fuel relief, to be delivered through an additional 10.9 per cent cut to fuel excise for 3 months.

1 April 2026 - PM address to the Nation about Middle East Crisis.

- Treasurer announced measures between government and business/finance sector to ease pressure including: ATO providing temporary relief for impacted businesses; 10-year extension of the Small Business Responsible Lending Obligation; commitments from banks, non-bank lenders and insurers to support customers experiencing hardship; and crisis support measures from BCA members.
- Minister for Resources gave notice of intention to consider powers under the Australian Domestic Gas Security Mechanism (ADGSM). The Minister will consult over the next 30 days with major gas producers regarding domestic supply and make a decision on whether to activate the mechanism by mid-May.

30 March 2026 - halved the fuel excise to 26.3 cents per litre and reduced the heavy vehicle road user charge to zero for three months; announced the National Fuel Security Plan, agreed by National Cabinet
24 March 2026 - temporarily amended diesel quality standards to allow lower minimum flash point level supporting access to international supply and facilitating domestic diesel production.
23 March 2026 - Joint statement on energy security between Singapore and Australia
20 March 2026 - amended Fuel Security Service Payment (FSSP) increasing support for domestic refineries.
19 March 2026 - Appointment of Fuel Supply Taskforce Coordinator.
13 March 2026 - temporary 20% reduction to the MSO to release up to 762 million litres of petrol and diesel from domestic reserves to the local market.

12 March 2026 - temporarily relaxed fuel standards for petrol allowing higher sulphur levels until 31 May 2026 to boost supply by around 100 million litres monthly.
11 March 2026 - increased ACCC powers through doubled maximum penalties for major breaches of competition and consumer laws (received Royal Assent on 27 March), as well as national weekly fuel price monitoring.
Ongoing: proactive engagement with key trading partners to secure supply of liquid fuels.

Key State and Territory Government Actions		
Measure	**State**	**Description**
Freight adjustments	NSW	Temporary freight adjustments to increase access to road network including adjusting load limits to allow larger freight and greater flexibility for night loading and hours of operation.
	WA	A three-month trial allowing 53.5m triple-trailer road-trains, with temporary increases to road-train limits (additional 10 tonnes) for petrol, diesel, fertiliser to priority regions.
	SA	Fast-tracked heavy freight reforms with 100 new network maps across SA roads, allowing more efficient truck and trailer configurations and operational flexibility to reduce fuel use.
Free / subsidised public transport	NSW	The frequency of services on Sydney's M1 metro rail line will be temporarily boosted until 7 June to cater for additional passenger demand.
	Vic	All metro and regional trams, trains and buses free from 31 March until the end of May and then slashed by half for the rest of 2026. Budget measures to expand train and bus services and new upgraded routes.
	Tas	**Free bus services statewide and Derwent River ferries until 30 June 2027 costing $24 million.**
	ACT	Reduction in monthly fare caps across bus and light rail services, providing free travel once the cap is reached. Measures apply across adult, student and concession fares from April to June.
	WA	Free public transport on Sundays and for students travelling to and from school.
	SA	Public transport fare increases have been paused for 3 months from 1 July.
Mandatory reporting of fuel pricing / outages	NSW	Mandatory outage and availability reporting via FuelCheck, requiring retailers to update fuel availability data. Formal information notices compelling fuel companies to provide detailed supply information and established a Liquid Fuel Emergency Operations Centre.
	Vic	Amendments to the *Fuel Emergency Act 1977* requiring fuel businesses to share detailed fuel supply and distribution data (beyond prices), for improved planning and faster intervention.
	WA	Activation of emergency powers under the *Fuel, Energy and Power Resources Act 1972* to compel fuel suppliers to provide detailed, commercially sensitive information on fuel supply. From 1 May all fuel retailers now required to report prices and outages.
	SA	Expansion of real-time fuel availability reporting, showing outlet-level availability and daily statewide stock-out data, supported by increased compliance funding and higher penalties.
	Tas	Passage of the Petroleum Reporting (Miscellaneous Amendments) Bill 2026 strengthening mandatory information-gathering powers, compulsory outage reporting, extended emergency periods, and civil and criminal penalties for non-compliance.
	NT	24-hour price lock. Fuel retailers are not able to increase prices for 24 hrs (but can lower).
	ACT	Passed legislation to provide government with powers to access timely, accurate information about fuel availability, respond to conditions and safeguard commercial information.
Airline support	WA	Additional support under the Regional Airfare Zone Cap scheme to cover rising jet-fuel costs for airlines operating critical regional routes and ensure capped airfares stay at current levels.

Key State and Territory Government Actions		
Measure	**State**	**Description**
Food relief	Vic	$2.7 million food-relief package delivered through Foodbank Victoria, regional food-shares, OzHarvest and community organisations to support households facing rising cost pressures. An additional $8.5 million to deliver another round of the Community Food Security Program.
	Tas	One-off $500,000 funding boost for food-relief services ahead of Easter to support Tasmanians experiencing cost-of-living pressures.
	SA	$2.8 million through the Social Supermarket Program to increase hours, dedicated food delivery vehicle and longer-term service sustainability.
	WA	$3.8 million to sustain food relief services amid fuel price surges. $2 million Food Relief and Access Support grant applications of up to $10,000 per organisation in metro, regional, remote locations to support cost of transport.
Enacting emergency declarations	WA	Activation of emergency powers under the *Fuel, Energy and Power Resources Act 1972*, to compel fuel suppliers to provide detailed information. Significant penalties for non-compliance.
	Tas	Passage of the *Petroleum Reporting (Miscellaneous Amendments) Bill 2026*, strengthening emergency powers during declared fuel emergencies.
	NT	Enactment and use of the *Price Exploitation Prevention Act*, granting powers to compel disclosure of fuel cost structures and margins and to regulate price exploitation.
Accelerating EV uptake	NSW	$100 million in funding linked to NSW's 2026 Electric Vehicle Strategy. The strategy aims to reduce emissions and make EVs and their cost-of-living benefits accessible to more people—focusing on charging gaps in regional, remote, suburban areas.
Fuel supply	WA	WA has secured an agreement with local independent fuel supplier Cambridge Gulf to purchase and store diesel. Total amount owned by the state is now **20** million litres.
	Tas	Establishment of an on-island strategic fuel reserve.
	Vic	Vic has secured 10 million litres of diesel as a strategic fuel reserve for the agriculture sector – only to be released under level 4 of the National Fuel Security Plan.
	SA	SA has reached a commercial agreement to source and store 10 million litres of diesel, with an option to secure and store up to 20 million litres to support primary production.
Waived / subsidised fees	Vic	20% car registration discount from 1 June for the 2025/26 year.
	NSW	25% reduction in the Community Services Portable Long Service Leave levy in 2025/26.
	NT	Short term adjustments to eligible construction contracts. Invoices paid during March to May 2026 will see fuel-related adjustments calculated monthly rather than quarterly or annually.
	WA	$198 million for a $100 'Fuel Support Payment' to each WA driver's licence holder.

SES Contacts:
Penny Sirault, Assistant Secretary, Labour Markets, Environment, Industry & Infrastructure Division s 22
s 22 First Nations and Commonwealth-State Division s 22
s 22 Competition and Consumer Policy Division s 22

ATTACHMENT F: COUNCIL OF FINANCIAL REGULATORS & INDUSTRY INSIGHTS

CFR financial system update (22 May)

- Key markets in Australia and internationally remain functional.
  - RBA, APRA and ASIC note there have been no material changes or key developments in market conditions or funding markets since last week. No key insights from stakeholder engagement or outreach.
  - APRA generally note there are stable levels in hardship applications, with most customers 'planning' for if things worsen.
- On short selling positions, ASIC observed a decrease in overall number of securities shorted throughout the trading week of Mon 11 May – Fri 15 May (-29 securities including ETFs, -5 for sectors only) and mild increase in overall short exposure (+61.3m securities and +$182.9m in value).
  - Ongoing short position volume increases in sectors further up the consumer supply chain, such as Consumer Distribution & Retail (+7.32% or +20m securities), likely as a continued demonstration of possible market correction driven by supply-side constraints, stemming from oil supply shocks in the Middle East.

s 47C, S 47E(d)

s 45, s 47C, S 47E(d)

s 45, s 47C, S 47E(d)

Government Data

s 47C, S 47E(d)

- Employer Sentiment – JSA Survey (May 2026 – n*ote this data is currently embargoed)*
  - Cost pressures emerged as the leading employer concern in early 2026, rising from under 10% in early March to around 30% by mid-April 2026. This has replaced the previously high level of employers reporting 'no concerns' in 2025.
  - Impacts from higher fuel costs/supply disruptions are reportedly widespread but typically moderate. 64% of employers report some impact, while only around 10% report severe impacts.
  - Small businesses report cost pressures more frequently than larger firms, rising to just under 32% (compared to around 25% for medium and large businesses) by mid-April.

s 45, s 47C, S 47E(d)

Stakeholder insights

s 45, s 47C, S 47E(d)

s 45, s 47C, S 47E(d)

SES Contacts:
CFR financial system update: Tim Baird, Assistant Secretary, Financial System Division s 22
Industry Insights: Penny Sirault, Assistant Secretary, Labour Markets, Environment, Industry & Infrastructure Division
s 22

FOI 4459
Document 3

Australian Government
The Treasury

Ministerial Submission

MS26-000398

FOR INFORMATION - Middle East Update 26 May – 3 June 2026

TO: Treasurer - The Hon Jim Chalmers MP

KEY POINTS

s 33

- Oil market sentiment has remained volatile over the last week. The shifts reflect persistent mixed signals from the US and Iran and intermittent regional attacks. Other asset classes have been more optimistic.
  - Brent oil futures fell around 2.7 per cent over the week but rebounded in recent days as market sentiment shifted. On 2 June, it rose 1.1 per cent and is trading around US$97 per barrel this morning, up from late last week low of US$92 per barrel.
  - On 2 June, U.S. West Texas Intermediate (WTI) crude also rose around 1.7%, and is trading around US$95 per barrel.
  - US 10-year Treasury yields fell around 3 basis points over the week as markets priced in hopes that a ceasefire deal may soften inflationary pressures.
  - US equities extended gains for nine consecutive days as investors focused on AI optimism despite mixed signals on the Middle East.
- Freight insurance premiums remain elevated and global supply chains continue to face delays.
- In Australia, petrol and diesel prices remain stable but exposed to conflict developments. LNG export prices remain high.
  - Domestic electricity and gas markets remain stable and below a year-ago levels, with electricity futures down since the crisis began.

s 47C, S 47E(d)

Clearance Officer
Ineke Redmond
A/g First Assistant Secretary
International Economics and Security Division
3 June 2026

Contact Officer
s 22
s22

CONSULTATION

IESD, LEIID, MCPD, FSD, CCPD, CENTID, FNCSD

ATTACHMENTS

s33(a)(iii)

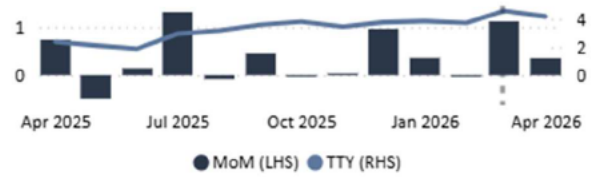
Attachment C. Financial market
Attachment D Supply chain indicators
Attachment E.1 Domestic energy market implications
Attachment E.2 Domestic energy market policy response options
Attachment F. Council of Financial Regulators (CFR) and industry insights

s 45, s 47C, S 47E(d)

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Headline CPI inflation softened in April, while underlying inflation remained above the RBA's target

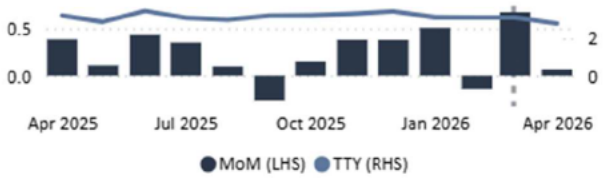
Headline inflation (month-on-month and through-the-year growth) (per cent)



Source: ABS Consumer Price Index

Food prices are elevated and expected to remain high due to strong global demand and increased fuel and fertiliser costs

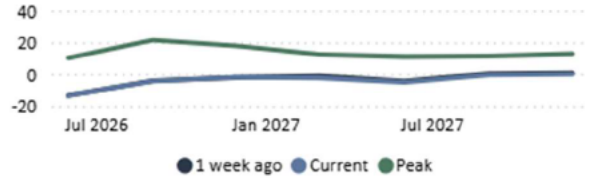
Food and non-alcoholic beverages inflation (month-on-month and through-the-year growth) (per cent)



Source: ABS Consumer Price Index

ASX electricity futures prices continue to ease from their peak

Change in average electricity futures prices relative to pre-conflict levels on 27 Feb (per cent)

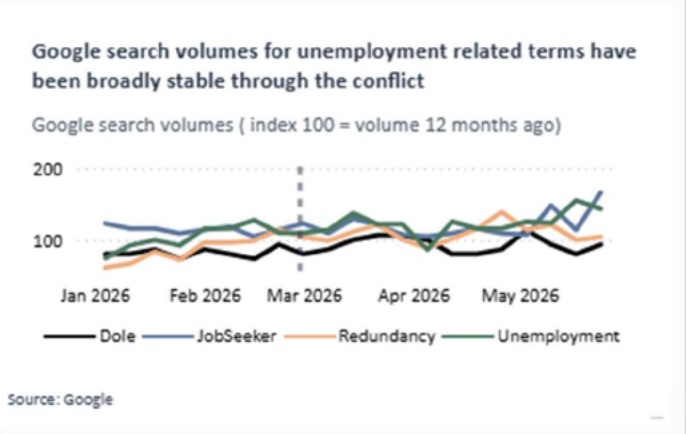


Source: ASX Australian Electricity Futures. Note: The average price is a simple average across NSW, QLD, Vic and SA. SA's futures market has low trading volume. Futures prices reflect expected average wholesale electricity prices in the coming quarters.

Page 1

s 45, s 47C, S 47E(d)

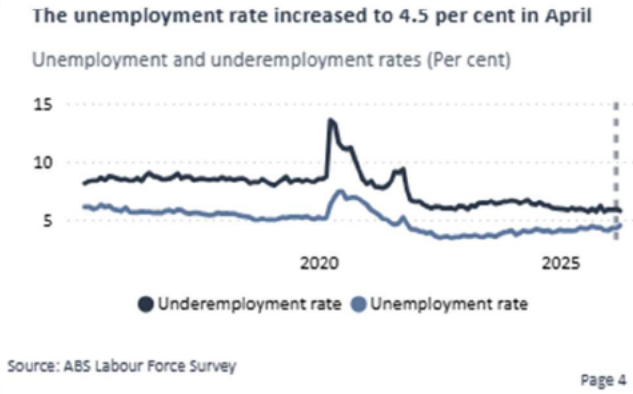
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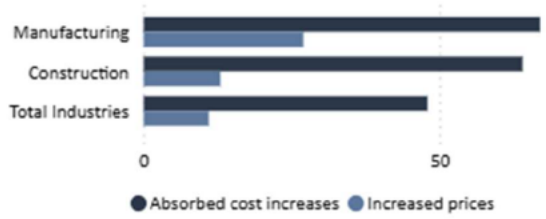
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s 45, s 47C, S 47E(d)

Most affected industries (excluding agriculture) by fuel prices or availability in May

Share of businesses reporting changes to business operations



Source: ABS Business Conditions and Sentiments

s 45, s 47C, S 47E(d)

ATTACHMENT C – FINANCIAL MARKET AND MACROECONOMIC INDICATORS

- **Markets were broadly subdued while oil prices rose overnight amid ongoing uncertainty around negotiations in the Middle East.**
  - Brent crude oil futures rose overnight settling around US$97 per barrel, as attacks continued with limited signs of an imminent resolution on key points of contention
  - US equities appeared to largely look through developments on the Middle East, as the S&P500 continued its ninth consecutive daily gain supported by sustained AI enthusiasm.

Financial Market Indicators

s 45, s 47C, S 47E(d)

FOI 4459
Document 3d

ATTACHMENT D – SUPPLY CHAIN INDICATORS

Oil and Refined Fuels

- Australia is currently operating at **Level 2** of the National Fuel Security Plan - **"Keep Australia Moving"**.

s 45, s 47C, S 47E(d)

Table D.3: Domestic Supply Security

Indicator	Current Value	Pre-Conflict	Change %
MSO Days of Diesel	36	32	+12.5
MSO Days of Petrol	48	38	+26.3
MSO Days of Jet fuel	30	29	+3.4
Australian Retail Diesel Price (avg weekly c/l)	225	180	+25
Australian Retail Petrol Price (avg weekly c/l)	183	171	+7.0

Sources: PM&C Fuel Supply Taskforce, DCCEEW.

s 47C, S 47E(d)

Fertiliser, urea and grains

s 47C, S 47E(d)

- Most grains and oilseeds are exported, and farmers are generally price takers meaning they have limited ability to pass increases in input costs on to consumers if global process do not rise.
  - Global prices have increased slightly over the last month but are still low compared with the previous highs reached at the start of the Russia-Ukraine conflict.
- ABARES June Quarter Commodities report update forecasts gross value of Australian crop production will be $681 million less than the March 2026 forecast of around $51.5 billion.
  - Similarly average broadacre farm business profit is forecast to fall in 2026–27, down by 70 per cent or $151,000 in real terms, from $216,000 in 2025–26 to $65,000 per farm.

s 45, s 47C, S 47E(d)

Plastics

s 47C, S 47E(d)

s 45, s 47C, S 47E(d)

Aviation – nil updates

Road freight – nil updates

Alumina/aluminium

- On Monday 1 June, the aluminium price reached a 4 year peak at USD $3707.50 a tonne on the London Metals Exchange due to supply chain disruptions and curtailed production from Middle Eastern smelters.

Shipping

- On 29 May, the government announced the first vessel of the Maritime Strategy Fleet, the ANL Kokoda.
  - The ANL Kokoda is a large cargo ship that can transport containerised goods and breakbulk cargo with a deadweight capacity of 23,000 metric tonnes.
  - As part of the five-year pilot that will support up to 3 vessels, the ANL Kokoda will be made available to Government agencies to requisition in times of need, emergency or crises, such as natural disasters and supply chain disruptions.

Insurance – nil updates

s 45, s 47C, S 47E(d)

SES Contacts:
Paul Cotterill, Assistant Secretary, IESD s 22

Insurance: Andre Moore, Assistant Secretary, Financial System Division s 22

Alumina/aluminium: s 22 Climate, Energy and Trade Insights Division
s 22 s 22 Climate, Energy and trade Insights Division s 22

Aviation, road freight, shipping, fertiliser, urea, ammonia: s 22 Industry and Infrastructure Branch s 22

ATTACHMENT E.1 – DOMESTIC ENERGY MARKET IMPLICATIONS

Energy Market Dynamics

s 47C, S 47E(d)

- National average retail petrol prices for week ending 31 May were 183 c/l, down from last week. National average retail diesel prices were 225 c/l, also a reduction on the previous week.

s 45, s 47C, S 47E(d)

- As of 26 May 2026, stocks held under the MSO were equivalent to 48 days of petrol, 30 days of jet fuel and 36 days of diesel.s 47C, S 47E(d) .

s 45, s 47C, S 47E(d)

*Electricity futures prices (as at market close on **2 June 2026**)*

- Following their peak on 23 March 2026, average ASX electricity futures prices are now below their pre-conflict levels.
  - Futures prices for 2026 and 2027 are now about 7 per cent lower, on average, than pre-conflict (27 February 2026).
  - At their peak on 23 March, average futures prices for 2026 and 2027 were around 14 per cent higher than on 27 February.

ASX electricity futures price – Average across NEM regions ($/MWh)

Contract Quarter	*Pre-conflict (27 Feb 2026)*	*Latest (2 June 2026)*	*% change*
Q2-26	$94.9	$75.5	-20%
Q3-26	$88.6	$81.3	-8%
Q4-26	$66.8	$63.6	-5%
Q1-27	$82.5	$80.2	-3%
Q2-27	$96.5	$90.3	-6%
Q3-27	$87.4	$86.3	-1%
Q4-27	$66.1	$65.2	-1%

The average price is a simple average across NSW, QLD, Vic and SA. Please note that SA's futures market has relatively limited trading volume. Note: Futures data in the dashboard above is as at 28 May 2026 ('current') and 21 May 2026 ('1 week ago'), so it will not match the figures in the table.

- Australia's gas markets remain well supplied and at this stage prices have not been impacted by the conflict, hovering at a level **28.8 per cent** lower than June 2025. On **2** June, the east coast spot price was **$9.44/GJ.**
  - The June-to-date monthly average price for east coast gas is **$9.53/GJ,** which is **52.7** per cent lower than the current Australian Competition and Consumer Commission (ACCC) Liquefied Natural Gas (LNG) netback price of $20.15/GJ.
  - These lower-than-average prices are being driven by domestic conditions - including low seasonal demand and mild weather conditions.
- Higher international LNG prices and increased demand for gas during winter could flow through to higher east coast gas and electricity prices.

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2 June 2026 (latest data)								
cents per litre	**175.7**	**177.7**	**178.6**	**166.2**	**168.7**	**182.0**	**182.4**	**183.8**
% change since conflict began	**-5**	**-12**	**-12**	**1**	**-4**	**0**	**9**	**3**
% change since fuel excise cut	**-32**	**-31**	**-31**	**-34**	**-35**	**-29**	**-29**	**-30**

Data from Motor Mouth https://motormouth.com.au/ and Informed Sources https://informedsources.com/.
Note: daily data subject to minor revisions as more sources report prices.

Daily average diesel prices (cents per litre)

	SYD	MEL	BNE	PER	ADL	CBR	HBA	DRW
27 Feb 2026 (before conflict began)								
cents per litre	175.9	180.5	182.2	176.8	175.6	187.1	183.4	183.9
31 March 2026 (before fuel excise cut)								
cents per litre	321.7	324.5	322.8	318.4	324.4	320.9	319.1	322.3
2 June 2026 (latest data)								
cents per litre	**209.0**	**217.6**	**216.3**	**203.9**	**210.8**	**225.2**	**221.3**	**218.4**
% change since conflict began	**19**	**21**	**19**	**15**	**20**	**20**	**21**	**19**
% change since fuel excise cut	**-35**	**-33**	**-33**	**-36**	**-35**	**-30**	**-31**	**-32**

Data from Motor Mouth https://motormouth.com.au/ and Informed Sources https://informedsources.com/.
Note: daily data subject to minor revisions as more sources report prices.

SES Contacts:

s 22 Climate, Energy and trade Insights Division s 22
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ATTACHMENT E.2 – DOMESTIC ENERGY MARKET POLICY RESPONSE

Summary of announced government measures

Key Federal Government Actions
25 May 2026 – The *Competition and Consumer Amendment (Responding to Exceptional Circumstances) Bill 2026* passed the Parliament to create streamlined authorisation and exemption powers for the ACCC in exceptional circumstances to allow businesses to collaborate on coordinated responses. **12 May 2026** – As part of Budget, Treasurer announced $14.8 billion for the 'Strengthening Australia's Fuel Resilience Package', including a range of measures to boost Australia's fuel security. **7 May 2026** – Energy Minister Chris Bowen announced a domestic gas reservation scheme requiring major producers to reserve 20 per cent of gas exports for the Australian market. **6 May 2026** – PM announced a $10 billion Fuel Security and Resilience Package, including the establishment of a $7.5 billion Fuel and Fertiliser Security Facility to increase supply and storage of fuel and fertiliser supplies for Australia. **22 April 2026** – the Government announced a partnership with BP Australia, success in securing a further 200 million litres of additional diesel, and commencement of work with leading fertiliser companies to secure more supply for the growing season. **20 April 2026** - the Government announced the Economic Resilience Program, through the National Reconstruction Fund providing $1 billion in zero-interest loans for manufacturing or logistics businesses. **17 April 2026** – Fertiliser announcement to facilitate 250,000 tonnes of additional agricultural grade urea for Australian farmers from Indonesia. **15 April** - the Australian Government announced the Trade Resilience Service, provided by AusTrade, which will assist businesses in finding alternative ways to get their goods to and from Australia where disruptions exist in global supply chains due to the war. **12 April** - launched "Every Little Bit Helps" information campaign encouraging Australians to reduce car usage. **9 April** - PM announced Export Finance Australia has agreed to terms with Viva Energy and Ampol that will enable the government to underwrite the two companies' oil purchases. **2 April** - PM announced $6.15 billion in concessional capital to support Australian businesses affected by global disruptions. • announced states and territories have agreed to provide a further $400m of fuel relief, to be delivered through an additional 10.9 per cent cut to fuel excise for 3 months. **1 April 2026** - PM address to the Nation about Middle East Crisis. • Treasurer announced measures between government and business/finance sector to ease pressure including: ATO providing temporary relief for impacted businesses; 10-year extension of the Small Business Responsible Lending Obligation; commitments from banks, non-bank lenders and insurers to support customers experiencing hardship; and crisis support measures from BCA members. • Minister for Resources gave notice of intention to consider powers under the Australian Domestic Gas Security Mechanism (ADGSM). The Minister will consult over the next 30 days with major gas producers regarding domestic supply and make a decision on whether to activate the mechanism by mid-May. **30 March 2026** - halved the fuel excise to 26.3 cents per litre and reduced the heavy vehicle road user charge to zero for three months; announced the National Fuel Security Plan, agreed by National Cabinet **24 March 2026** - temporarily amended diesel quality standards to allow lower minimum flash point level supporting access to international supply and facilitating domestic diesel production. **23 March 2026** - Joint statement on energy security between Singapore and Australia **20 March 2026** - amended Fuel Security Service Payment (FSSP) increasing support for domestic refineries. **19 March 2026** - Appointment of Fuel Supply Taskforce Coordinator. **13 March 2026** - temporary 20% reduction to the MSO to release up to 762 million litres of petrol and diesel from domestic reserves to the local market. **12 March 2026** - temporarily relaxed fuel standards for petrol allowing higher sulphur levels until 31 May 2026 to boost supply by around 100 million litres monthly.

11 March 2026 - increased ACCC powers through doubled maximum penalties for major breaches of competition and consumer laws (received Royal Assent on 27 March), as well as national weekly fuel price monitoring.
Ongoing: proactive engagement with key trading partners to secure supply of liquid fuels.

Key State and Territory Government Actions		
Measure	**State**	**Description**
Freight adjustments	NSW	Temporary freight adjustments to increase access to road network including adjusting load limits to allow larger freight and greater flexibility for night loading and hours of operation.
	WA	A three-month trial allowing 53.5m triple-trailer road-trains, with temporary increases to road-train limits (additional 10 tonnes) for petrol, diesel, fertiliser to priority regions.
	SA	Fast-tracked heavy freight reforms with 100 new network maps across SA roads, allowing more efficient truck and trailer configurations and operational flexibility to reduce fuel use.
Free / subsidised public transport	NSW	The frequency of services on Sydney's M1 metro rail line will be temporarily boosted until 7 June to cater for additional passenger demand.
	Vic	All metro and regional trams, trains and buses free from 31 March until the end of May and then slashed by half for the rest of 2026. Budget measures to expand train and bus services and new upgraded routes.
	Tas	Free bus services statewide and Derwent River ferries until 30 June 2027 costing $24 million.
	ACT	Reduction in monthly fare caps across bus and light rail services, providing free travel once the cap is reached. Measures apply across adult, student and concession fares from April to June.
	WA	Free public transport on Sundays and for students travelling to and from school.
	SA	Public transport fare increases have been paused for 3 months from 1 July.
Mandatory reporting of fuel pricing / outages	NSW	Mandatory outage and availability reporting via FuelCheck, requiring retailers to update fuel availability data. Formal information notices compelling fuel companies to provide detailed supply information and established a Liquid Fuel Emergency Operations Centre.
	Vic	Amendments to the *Fuel Emergency Act 1977* requiring fuel businesses to share detailed fuel supply and distribution data (beyond prices), for improved planning and faster intervention.
	WA	Activation of emergency powers under the *Fuel, Energy and Power Resources Act 1972* to compel fuel suppliers to provide detailed, commercially sensitive information on fuel supply. From 1 May all fuel retailers now required to report prices and outages.
	SA	Expansion of real-time fuel availability reporting, showing outlet-level availability and daily statewide stock-out data, supported by increased compliance funding and higher penalties.
	Tas	Passage of the Petroleum Reporting (Miscellaneous Amendments) Bill 2026 strengthening mandatory information-gathering powers, compulsory outage reporting, extended emergency periods, and civil and criminal penalties for non-compliance.
	NT	24-hour price lock. Fuel retailers are not able to increase prices for 24 hrs (but can lower).
	ACT	Passed legislation to provide government with powers to access timely, accurate information about fuel availability, respond to conditions and safeguard commercial information.
Airline support	WA	Additional support under the Regional Airfare Zone Cap scheme to cover rising jet-fuel costs for airlines operating critical regional routes and ensure capped airfares stay at current levels.

Key State and Territory Government Actions		
Measure	**State**	**Description**
Food relief	Vic	$2.7 million food-relief package delivered through Foodbank Victoria, regional food-shares, OzHarvest and community organisations to support households facing rising cost pressures. An additional $8.5 million to deliver another round of the Community Food Security Program.
	Tas	One-off $500,000 funding boost for food-relief services ahead of Easter to support Tasmanians experiencing cost-of-living pressures.
	SA	$2.8 million through the Social Supermarket Program to increase hours, dedicated food delivery vehicle and longer-term service sustainability.
	WA	$3.8 million to sustain food relief services amid fuel price surges. $2 million Food Relief and Access Support grant applications of up to $10,000 per organisation in metro, regional, remote locations to support cost of transport.
Enacting emergency declarations	WA	Activation of emergency powers under the *Fuel, Energy and Power Resources Act 1972*, to compel fuel suppliers to provide detailed information. Significant penalties for non-compliance.
	Tas	Passage of the *Petroleum Reporting (Miscellaneous Amendments) Bill 2026*, strengthening emergency powers during declared fuel emergencies.
	NT	Enactment and use of the *Price Exploitation Prevention Act*, granting powers to compel disclosure of fuel cost structures and margins and to regulate price exploitation.
Accelerating EV uptake	NSW	$100 million in funding linked to NSW's 2026 Electric Vehicle Strategy. The strategy aims to reduce emissions and make EVs and their cost-of-living benefits accessible to more people—focusing on charging gaps in regional, remote, suburban areas.
Fuel supply	WA	WA has secured an agreement with local independent fuel supplier Cambridge Gulf to purchase and store diesel. Total amount owned by the state is now 20 million litres.
	Tas	Establishment of an on-island strategic fuel reserve.
	Vic	Vic has secured 10 million litres of diesel as a strategic fuel reserve for the agriculture sector – only to be released under level 4 of the National Fuel Security Plan.
	SA	SA has reached a commercial agreement to source and store 10 million litres of diesel, with an option to secure and store up to 20 million litres to support primary production.
Waived / subsidised fees	Vic	20% car registration discount from 1 June for the 2025/26 year.
	NSW	25% reduction in the Community Services Portable Long Service Leave levy in 2025/26.
	NT	Short term adjustments to eligible construction contracts. Invoices paid during March to May 2026 will see fuel-related adjustments calculated monthly rather than quarterly or annually.
	WA	$198 million for a $100 'Fuel Support Payment' to each WA driver's licence holder.

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ATTACHMENT F: COUNCIL OF FINANCIAL REGULATORS & INDUSTRY INSIGHTS

CFR financial system update (nil update – next update 5 June 2026)

Industry Insights

ABS Business Conditions and Sentiments *(May 2026)*

- Fuel prices or availability issues negatively impacted around three quarters of businesses (72%) in May. One in six businesses (16%) experienced a supply chain disruption.
- Over one third of businesses (36%) reported revenue had dropped over the past four weeks, while just over a quarter (27%) expect revenue to fall over the next few weeks.
- About two thirds of businesses (60%) reported making changes to business operations due to fuel prices or availability in May.

s 47C, S 47E(d)

s 45, s 47C, S 47E(d)

s 47C, S 47E(d)

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