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## Taylor rules out delay over fuel standards

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Page 1 of 1

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### Exclusive

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The Morrison government will not delay tighter fuel standards for the four remaining oil refineries in Australia, due to come into effect in 2027, but has flagged possible exemptions for the sector to guarantee domestic supplies.

With Australia's oil refineries struggling to stay afloat during the COVID-19 pandemic, federal Energy Minister Angus Taylor has been in negotiations to ensure they can help make Australia less reliant on overseas suppliers.

While Mr Taylor has left the door open for possible exemptions for the sector, delaying the 2027 fuel changes – which is aimed at cleaning up Australia's petrol which is 15 times “dirtier” than the US and Europe – will not be one of them.

“A competitive refining capability in Australia helps to lower local fuel prices and stimulate jobs across the economy,” Mr Taylor said in a statement to *AFR Weekend*. “We recognise

that the future refining sector in Australia will not look like the past, but that balance is important to lock in fuel security.”

However, there is an expectation the refineries in Australia continue to tighten their belt to become more competitive and to secure their long-term future.

### Boosting domestic capability was worth \$4.9 billion over 10 years to consumers.

Analysis conducted during a strategic review of the sector found internal efficiency measures, including advanced analytics, logistics optimisation, energy efficiency and cost management could save up to \$1.9 billion over 10 years for the domestic industry.

The same analysis showed the benefits of boosting domestic refinery capability – apart from giving Australia more flexibility during emergencies

and protecting national security – was worth about \$4.9 billion over 10 years to Australian consumers in the form of keeping prices down.

Mr Taylor and his officials have been in negotiations with the oil refinery sector for the past few months, with options being raised to ensure domestic supplies, including a possible levy on fuel at the pump.

He is adamant the oil refining sector needs to do more to secure its own future, but has told the companies the federal government is willing to look at the regulatory and legislative settings to give senior executives greater confidence in the long-term.

Australia's four remaining oil refineries are struggling to survive given the shock to demand for transport fuels during the COVID-19 pandemic and persistently weak margins.

Viva Energy warned last week its Geelong refinery in Victoria would close without government support, while ExxonMobil said its Altona refinery was also running in the red.