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AMPOL

Productivity Commission

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Interim Report-Productivity Commission

Introduction

Ampol Limited (**Ampol**) welcomes the opportunity to contribute and provide input to the Productivity Commission's final report.

As one of Australia's leading fuel suppliers, with more than 120 years of operational experience, Ampol manages the nation's largest fuel and convenience network, and is actively engaged in refining, importing, and marketing fuels and lubricants.

Ampol operates within a complex and evolving energy landscape. While our core business remains fuel supply, we are also committed to supporting our customers in their transition to a low-carbon future. We believe Ampol has a critical role to play in enabling Australia's transport energy transition, providing the energy solutions our customers rely on today, while investing in the technologies and infrastructure they will need tomorrow.

We have limited our response to the issues in the consultation paper where we have specific comments.

1. Reducing the cost of meeting emissions target

The Safeguard Mechanism should cover more industrial facilities and carbon leakage provisions should be improved

Ampol supports the proposal to expand the coverage of the Safeguard Mechanism (SGM) to include more industrial facilities and to strengthen carbon leakage provisions. However, this support is contingent on the implementation of greater interoperability between the SGM, the National Greenhouse and Energy Reporting Scheme (NGERS), and state-based reporting requirements, particularly in alignment with Australian Accounting Standards Board (AASB) climate-related financial disclosures.

This interoperability must not result in divergent reporting periods or inconsistent requirements.

Ampol is concerned that the proliferation of reporting obligations—including ASRS, NGERS, state-based schemes, voluntary initiatives, and financial disclosures, risks imposing disproportionate compliance burdens on businesses if not harmonised effectively. This risk is exacerbated as states introduce new reporting frameworks that may overlap or conflict with existing federal obligations.

To mitigate these risks, Ampol recommends:

- **Enhanced coordination between Federal and State Governments**, including cross-departmental alignment, to ensure consistency and avoid duplication.
- **Streamlined reporting frameworks** that allow for shared data inputs across schemes, reducing administrative overhead and improving data integrity.
- **Aggregation of climate-related data** across jurisdictions to support streamlined policy development and implementation.

Strategic coordination across climate-related policy instruments, including the SGM, sectoral decarbonisation pathways under the Net Zero Plan, carbon leakage mitigation measures, and sustainable finance frameworks, is a critical short-term priority for our industry.

Introduce an emissions-reduction incentive for heavy vehicles and phase-out policy overlaps for light vehicles

Ampol supports a technology-neutral approach to heavy transport sector decarbonisation, recognising that different modes and operational contexts require tailored solutions. This flexibility is recommended to ensure that all viable technologies, whether emerging or established, are given equal opportunity to contribute to emissions reduction.

For heavy vehicles on long-haul routes, battery electric vehicles (EVs) are currently impractical due to range and payload constraints, and hydrogen infrastructure is not yet available at scale. In these cases, low carbon liquid fuels (LCLF) offer the most feasible pathway to decarbonisation in the near term.

Ampol also agrees that overlapping policy frameworks should be avoided. The New Vehicle Efficiency Standard (NVES) should remain the central legislative instrument for regulating light vehicle emissions. Introducing additional or conflicting requirements at the state level risks undermining national consistency and increasing compliance burdens.

To support effective and coherent policy implementation, Ampol recommends:

- **Preserving technology neutrality** across all transport decarbonisation initiatives, allowing industry to deploy the most suitable solutions for each segment.
- **Maintaining NVES as the primary framework** for light vehicle emissions, with complementary measures aligned to its objectives.
- **Ensuring coordination between federal and state governments**, to prevent duplication and promote consistent regulatory outcomes.

A harmonised, flexible policy environment will enable industry to respond effectively to decarbonisation challenges across diverse transport applications.

Apply frameworks to achieve emissions targets at least cost and improve transparency

Ampol supports the application of robust and transparent frameworks to achieve emissions reduction targets efficiently and credibly. A well-functioning market for Australian Carbon Credit Units (ACCUs) is essential to enable flexible and effective abatement across the economy.

Firstly, state-imposed constraints, such as Queensland's requirement for local sourcing of ACCUs, introduce administrative complexity and restrict access to viable offsets. Where local ACCUs are unavailable, facilities must seek government dispensation, which is granted only in limited circumstances. This creates uncertainty and undermines the flexibility needed for efficient emissions management.

To improve transparency and effectiveness, Ampol recommends:

- **Establishing a credible and scalable ACCU framework**, with clear rules for project eligibility, verification, and public disclosure.
- **Removing restrictive state-level sourcing requirements**, allowing facilities to access the most appropriate and effective offsets regardless of location.
- **Clarifying the Federal Government's position on Article 6 of the Paris Agreement**, to enable recognition of internationally generated offset units under the Safeguard Mechanism. This would expand the pool of eligible offsets and support more efficient emissions reductions.

2. Speeding up approvals for new energy infrastructure

Reform national environment laws

Ampol supports reform of national environment laws to promote consistency, reduce duplication, and streamline compliance across jurisdictions. A nationally consistent approach will help businesses navigate complex requirements, support better environmental outcomes, and enable more effective engagement with stakeholders across the country.

For example, in the absence of a federal packaging law, Ampol has opted to become a signatory to the Australian Packaging Covenant Organisation (APCO). This nationally coordinated framework helps avoid the need to submit separate packaging reports to each State and Territory. As an active APCO member, Ampol ensures that its own retail brand packaging aligns with the Australian Government's 2025 National Packaging Targets, demonstrating its commitment to sustainable packaging and national environmental objectives.

To improve regulatory efficiency and support industry compliance, Ampol recommends:

- **Establishing national environmental standards** that provide clear and consistent expectations across jurisdictions.
- **Ensuring that national frameworks, such as APCO, offer genuine relief from State and Territory reporting obligations**, rather than layering additional requirements.
- **Exploring mechanisms for harmonisation**, even where environmental licences continue to be issued by State and Territory EPAs. While jurisdictional autonomy must be respected, greater alignment in reporting and compliance processes would reduce duplication and improve transparency.

Consider the energy transition in approval decisions

Ampol supports the integration of energy transition considerations into environmental and planning approval processes. This approach ensures that regulatory decisions reflect Australia's broader decarbonisation goals and provides clarity for long-term investment planning.

Doing so would help unlock new opportunities, accelerate innovation, and align industrial activity with national climate targets. This includes initiatives such as the rollout of electric vehicle (EV) charging bays, renewable fuel[1] development, and broader transition-aligned infrastructure.

1 The term 'renewable fuels' is used by the industry to describe liquid hydrocarbons made from biomass materials or feedstocks, such as tallow, canola and used cooking oil. Sustainable Aviation Fuel (or SAF), and Renewable Diesel, (or RD), are industry terms used to describe fuels manufactured by using said feedstocks and form the common vernacular. There are other terminologies utilised when defining renewable fuels, including low-carbon liquid fuels

For example, the establishment of EV charging bays highlights the urgent need for a national, uniform grid connections guideline to support timely infrastructure deployment and reduce delays. In some cases, Ampol has experienced installation timelines of up to 18 months, largely due to inefficiencies in the grid connection process. Two key areas for reform include:

- **Reduced Time from Approval to Energisation**: DNSPs should be encouraged to minimise the time between inspection, approval, and energisation to accelerate infrastructure rollout.
- **Support for Anticipatory Investment**: Networks should be enabled to invest ahead of demand in areas where capacity will soon be required to support e-mobility and the renewable energy transition.

Recent environmental rulings and case law indicate that consideration of climate impacts and energy transition pathways is increasingly being established as legal precedent. This evolution reflects a growing expectation that regulatory decisions align with Australia's climate commitments and long-term decarbonisation objectives.

Ampol welcomes any measure that provides clear guidance and consistency across jurisdictions, enabling businesses to plan with confidence and contribute meaningfully to Australia's energy transition.

3. Addressing barriers to private investment in adaptation

Set up a climate risk information database covering all climate hazards

Ampol supports the establishment of a national climate risk information database that consolidates data across all climate hazards and sectors. A centralised, publicly accessible platform would enhance transparency, improve risk planning, and support informed decision-making for both government and industry.

A good example of this could be the public availability of company performance records under climate-related schemes, like how state governments currently enable stakeholders to access environmental permits and authorities. If implemented appropriately, this approach would streamlined and transparent reporting across jurisdictions will reduce administrative burden, enhance stakeholder visibility, and clearly demonstrate industry progress toward national climate targets.

Give the Climate Change Authority responsibility for monitoring, evaluation and learning regarding adaptation policy

Ampol supports assigning the **Climate Change Authority (CCA)** responsibility for monitoring, evaluation, and learning related to adaptation policy. Centralising this function within the CCA would strengthen national oversight, improve policy coherence, and ensure that adaptation efforts are informed by evidence and best practice.

We also advocate for enhancing the expertise and resourcing of the CCA, enabling it to provide robust, independent advice and drive continuous improvement in Australia's climate resilience strategy.

4. Conclusion

Ampol would like to thank the Productivity Commission for the opportunity to comment on the interim report on investing in cheaper, cleaner energy and the net zero transformation.

Ampol welcomes future opportunities to engage with the Commission and the Government on these matters.

Should you wish to discuss this submission further, please contact [REDACTED] at governmentaffairs@ampol.com.au.