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TROPICAL NORTH



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FNQ Fuel Impacts

Roundtable Convened 16.07.2026
Summary of Findings

August 2026

Local people creating local opportunities rdatropicalnorth.org.au

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Evidence and methodology note

This report is a qualitative regional intelligence product prepared from the roundtable discussion, meeting records and additional stakeholder contributions. Quantitative examples reflect information provided by participants during and following the roundtable, are indicative and have not been independently audited by RDATN.

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1. EXECUTIVE SUMMARY

Regional Development Australia Tropical North (RDATN) convened the FNQ Fuel Impacts Roundtable on 16 July 2026 to gather place-based evidence on how fuel supply uncertainty, price volatility and the Australian Government's temporary fuel excise reduction measures were affecting Tropical North Queensland.

This report should be read in the context of the [Tropical North Queensland Economic Development Strategy 2024–2029 \(TEDS\)](#), RDATN's five-year strategic regional plan developed in collaboration with regional partners. TEDS identifies productivity, resilience, liveability and connectivity among the interrelated priorities shaping the region's economic development and is intended to inform government investment and policy decisions.

Thirty representatives contributed regional intelligence across tourism, aviation, freight and logistics, agriculture, small business, local government, health and community services, remote retail and food security, First Nations service delivery, infrastructure and government.

The roundtable confirmed that physical fuel supply was largely maintained. However, maintaining supply did not prevent significant economic and service impacts across the region. Higher fuel and freight costs, price volatility and uncertainty were compounded by Tropical North Queensland's distance from major markets, reliance on road, air and marine freight, limited transport alternatives and diesel dependence in many remote communities.

Key impacts identified include:

- significant reductions in tourism demand and visitor expenditure during the peak of the disruption;
- increased aviation costs and potential longer-term impacts on regional connectivity;
- higher agricultural production, input and freight costs, with some produce left unharvested where costs exceeded expected returns;
- margin pressure, reduced investment confidence and delayed recruitment across small businesses;
- increased costs for councils, health and community services, with some resources redirected from maintenance, capital works and outreach;
- disproportionate impacts on remote and First Nations communities, where freight, food, energy and service delivery costs are already high; and
- uncertainty around essential-service priorities, demand management and regional contingency arrangements.

Taken together, the evidence demonstrates that fuel security in Tropical North Queensland is not solely a transport or supply issue. It directly affects regional productivity, food security, tourism, workforce participation, service delivery, infrastructure and liveability.

Based on the evidence gathered, RDATN recommends that governments consider **five priority areas**:

- 1. Regional contingency planning and essential-service protocols**
- 2. Strategic fuel storage and distribution**
- 3. Place-based support for highly exposed sectors and communities**
- 4. Clear, regionally informed crisis communication**
- 5. Sovereign fuel capability and remote energy resilience**

While supply continuity was maintained during the disruption, the roundtable highlighted structural vulnerabilities that leave Tropical North Queensland exposed to future fuel price and supply shocks. Strengthening regional resilience will therefore require consideration not only of physical supply, but also affordability, confidence, service continuity, preparedness and longer-term energy resilience.

1.1 Regional Impacts & Key Insights

Regional Impact	Key Insights	Link to TEDS
1. Fuel supply was maintained, but regional vulnerability remains.	Maintaining physical fuel supply did not eliminate exposure to disruption. Distance, extended supply chains, limited transport alternatives and smaller regional buffers mean that fuel security depends not only on availability, but a broad range of factors.	Regional infrastructure and connectivity resilience. Outcome 5.1 – Infrastructure for Connecting Our Region
2. Fuel and freight costs are affecting regional productivity and business viability.	Fuel costs are no longer simply a transport issue. They are increasing costs across agricultural production, freight, labour and inputs, with flow-on effects.	Regional productivity and business competitiveness. Outcome 2.1 – Increased Productivity
3. Tourism, aviation and the visitor economy experienced significant confidence impacts.	Perceptions of fuel availability caused economic impacts even where physical supply remained available. Uncertainty influenced travel decisions, forward bookings and regional connectivity.	Performance of foundation industries, including tourism and aviation. Outcome 2.4 – Better Performing Foundation Industries
4. Essential services and remote communities have limited capacity to absorb additional costs.	Essential services were maintained, but continuity came at a cost elsewhere. Councils, health and community providers and remote service organisations absorbed higher fuel and transport costs by redirecting constrained resources, reducing flexibility for outreach, maintenance, staffing and capital works.	Well-resourced and responsive health and social services. Outcome 4.2 – Social Services Transformation
5. Strengthening regional resilience requires both preparedness and longer-term transition.	Regional fuel resilience requires both stronger preparedness now and reduced structural dependence over time while alternative fuels and fit-for-place energy solutions offer longer-term opportunities to reduce exposure to imported fuel and diesel dependence.	Clean energy transition and reduced diesel dependence. Outcome 1.1 – Achieve Net Zero Targets

1.2 Regional Priorities & Recommendations

Regional Priorities	Recommendations	Link to TEDS
1. Regional contingency planning and essential-service protocols.	- Establish clear government and regional escalation pathways with RDATN acting as a central regional coordination point for cross-sector intelligence. - Clarify which services, organisations and functions would be classified as essential. - Ensure contingency arrangements explicitly consider the needs of regional and remote communities.	Stronger regional coordination and evidence-informed decision-making. Outcome 6.1 – Better Local Decision Making
2. Strategic fuel storage and distribution.	- Undertake a regional feasibility assessment of strategic fuel storage and distribution requirements. - Assess appropriate fuel types and indicative stockholding volumes against regional demand. - Develop options for emergency-release, priority-access and regional distribution arrangements.	Regional infrastructure and supply-chain connectivity. Outcome 5.1 – Infrastructure for Connecting Our Region
3. Place-based support for highly exposed sectors and communities.	- Develop place-based criteria for any temporary fuel-related assistance, taking account of remoteness, freight dependence, diesel reliance, service criticality. - Review existing support and relief mechanisms to identify gaps affecting remote food supply, agriculture, essential and community services, small businesses and local government.	Reducing freight disadvantage in remote communities. Outcome 4.6 – Freight Equalisation Strategy
4. Clear, regionally informed crisis communication.	- Identify clear, trusted sources of information during periods of heightened uncertainty. - Ensure public messaging clearly distinguishes between precautionary conservation measures and confirmed local or regional supply constraints. - Incorporate current regional intelligence into communication decisions.	Regional intelligence informing government decision-making. Outcome 6.1 – Better Local Decision Making
5. Sovereign fuel capability and remote energy resilience.	- Assess regional opportunities for biofuels, biodiesel, ethanol and other green alternatives. - Support feasibility assessment and development to reduce reliance on diesel generation. - Pursue longer-term energy transition alongside immediate fuel-security measures.	Clean energy transition and alternative fuel capability. Outcome 1.1 – Achieve Net Zero Targets

2. BACKGROUND

The evidence gathered through the roundtable provides current regional intelligence relevant to several of the priorities and helps demonstrate how fuel disruption can affect the region's economic performance, essential services and capacity to respond to external shocks. Where relevant, these connections are reflected in the analysis and recommendations that follow.

2.1 Purpose

Regional Development Australia Tropical North (RDATN) convened the FNQ Fuel Impacts Roundtable on 16 July 2026, approximately three months after the introduction of the Australian Government's temporary fuel excise reduction measures.

The roundtable was established as an information-gathering exercise to develop a consolidated, place-based understanding of how fuel supply uncertainty, price volatility and associated cost pressures were affecting Tropical North Queensland.

While individual industries and organisations were already gathering their own data, there was no single mechanism bringing this intelligence together across the region. RDATN was well placed to convene representatives from multiple sectors and identify common impacts, regional vulnerabilities and issues that may not be visible through sector-specific reporting alone.

The discussion focused on:

- changes in operating costs;
- freight, logistics and supply-chain impacts;
- tourism, agriculture, construction and essential service impacts;
- pressures experienced in remote, rural and First Nations communities;
- workforce, affordability and business confidence;
- infrastructure and logistics vulnerabilities; and
- the effectiveness of existing measures and areas where further consideration may be required.

2.2 Industry Representation

Thirty representatives participated in the roundtable, providing a broad cross-section of regional perspectives.

Industries, organisations and service areas represented included:

- tourism and the visitor economy;
- aviation and regional connectivity;
- road and marine freight and logistics;
- ports and fuel distribution infrastructure;
- agriculture, horticulture and food production;
- small business and regional business networks;
- local government and public infrastructure delivery;
- remote retail, food security and social enterprise;
- health, aeromedical and community services;
- workforce and employment services;
- remote and First Nations communities service delivery;
- transport and infrastructure; and
- government and regional development.

The breadth of participation was important to the roundtable's purpose. Representatives contributed operational experience, regional examples, sector feedback and indicative cost impacts, allowing RDATN to identify where issues were isolated to individual sectors and where consistent themes were emerging across the broader regional economy.

The session was chaired by Professor Hurriyet Babacan, Chair of RDATN, with proceedings coordinated by Lainie Poon, Chief Executive Officer. Matt Smith MP, Federal Member for Leichhardt, also participated and provided opening remarks.

2.3 Opening remarks: Matt Smith MP, Federal Member of Parliament for Leichhardt

Matt Smith MP outlined the seriousness of the international fuel disruption and the challenges associated with maintaining Australia's fuel supply. He highlighted the country's reliance on diesel for freight, agriculture and essential services, with particular exposure in remote communities where diesel is also used for electricity generation.

He advised that Commonwealth action had focused on securing alternative international supply routes and providing commercial guarantees that enabled fuel companies to source fuel from markets not ordinarily relied upon by Australia.

At the time of the roundtable, Mr Smith reported national reserves of:

- 41 days of petrol;
- 37 days of diesel; and
- 33 days of jet fuel,

with additional crude and refined products in transit.

Mr Smith advised that physical supply had stabilised but acknowledged that the initial disruption and uncertainty had produced significant flow-on effects. He specifically noted impacts on tourism and self-drive travel where concerns about fuel availability influenced travel decisions despite supply ultimately being maintained.

He also advised that the temporary fuel excise reduction was being reviewed on a month-to-month basis to provide flexibility should fuel prices rise again.

Looking longer term, Mr Smith identified sovereign fuel security as an important consideration, including potential opportunities in biofuels, biodiesel and ethanol. He also highlighted the need to reduce diesel dependence in Cape York, Torres Strait and other remote communities through greater use of renewable and distributed energy solutions.

His remarks reflected two issues that subsequently emerged strongly through the roundtable: the success of measures taken to maintain physical supply, and the continued vulnerability created by cost, uncertainty and dependence on imported fuel.

3. REGIONAL IMPACTS AND KEY INSIGHTS

The roundtable identified a clear distinction between fuel availability and the broader consequences of fuel disruption. Physical supply was largely maintained across Tropical North Queensland, but representatives consistently reported significant impacts arising from higher costs, price volatility, uncertainty and the flow-on effects through regional supply chains.

The impacts were not experienced evenly. Distance from major markets, reliance on road, air and marine freight, limited transport alternatives and diesel dependence increased the exposure of regional and remote communities.

3.1 Fuel supply was maintained, but regional vulnerability remains

Representatives across freight, ports, aviation, local government, remote retail and essential services generally reported that fuel remained available throughout the period and that critical supply chains continued to operate. No sustained region-wide shortages were identified, and essential food, freight and public services were maintained. However, this experience was not uniform across the region. An essential health service provider reported no fuel availability issues in Cairns but shortages in some remote communities, where alternative fuel options for both vehicles and aircraft were limited.

Supply continuity did not remove the region's exposure to disruption. Representatives remained concerned about the volatility of international markets, reliance on extended supply chains, limited regional fuel buffers and uncertainty about how a more severe or prolonged disruption would affect Tropical North Queensland.

Geography compounds this vulnerability, reflecting TEDS' focus on remoteness, supply-chain efficiency and enabling infrastructure. Long supply chains, fewer transport alternatives and smaller regional markets increase both cost and exposure, particularly in remote communities where diesel may also support electricity generation. Earlier regional intelligence also showed that availability does not always translate into access. In one case, a primary producer was unable to receive contracted diesel and gas because a critical transport link was unavailable, placing time-sensitive harvesting and processing at risk despite fuel being available elsewhere in the supply chain.

The roundtable reinforced that national supply indicators alone do not provide a complete picture of regional fuel security. The ability to access fuel, the cost of accessing it, the reliability of freight connections and the availability of alternative supply options are all critical to regional resilience.

KEY INSIGHT

Maintaining physical fuel supply did not eliminate Tropical North Queensland's exposure to disruption.

Distance, extended supply chains, limited transport alternatives and smaller regional buffers mean that fuel security depends not only on availability, but also on affordability, distribution and the ability to maintain access across regional and remote communities.

3.2 Fuel and freight costs are affecting regional productivity and business viability

The strongest cross-sector theme was the cumulative impact of higher fuel, freight, input and procurement costs.

Some freight and transport operators were able to recover increases through fuel levies or more responsive surcharge arrangements. Many small businesses, agricultural producers, councils, not-for-profit organisations and service providers had significantly less capacity to recover additional costs.

For businesses, this frequently resulted in a choice between passing costs to customers and potentially reducing demand, or absorbing those costs and reducing already narrow operating margins. Representatives reported declining confidence, delayed investment and recruitment decisions, reduced activity and increased concern about longer-term business viability.

Fuel volatility also created uncertainty in procurement and contracting. Representatives reported periods where suppliers were reluctant to commit to fixed prices or finalise contracts because future operating costs were unclear. This affected both private investment and public infrastructure delivery. By way of example, one freight company increased their fuel levy to 39% (excl. GST) for a period of seven days in August, noting that fuel prices would be monitored on a weekly basis beyond that time and adjustments made accordingly.

This broader pattern is also reflected in Business Chamber Queensland's 29 April 2026 fuel disruption survey. Among Far North Queensland respondents, 88 per cent reported that they could secure fuel for their business, yet 86 per cent identified price as the main fuel-related issue. Forty-six per cent reported additional goods and services costs exceeding 25 per cent, while 52 per cent had passed costs on to customers, 39 per cent had deferred or cancelled jobs or contracts, and 35 per cent had reduced production or service levels.

Agriculture and food production

Agriculture was particularly exposed because fuel is embedded throughout the production cycle. Feedback gathered from producers across multiple parts of Tropical North Queensland identified impacts on irrigation, spraying, fertiliser application, machinery operation, harvesting, contractor costs and transport to market.

Freight was identified as one of the most significant pressures on profitability, reinforcing the importance TEDS places on freight costs and supply-chain efficiency as determinants of agricultural competitiveness and sustainability.

Reported examples included:

- freight fuel levies increasing from approximately 18 per cent to 31 per cent in some supply chains;
- higher costs for both incoming farm supplies and outgoing produce;
- increased delivery surcharges;
- increases in fertiliser, chemicals, packaging, machinery parts and contractor costs; and
- one reported produce freight cost increasing from approximately \$7 to \$8 per tray to around \$11 per tray.

Unlike many other businesses, producers often have limited capacity to recover these increases because wholesale and retail markets largely determine the price received for produce.

"Farmers remain 'price takers' rather than 'price setters'."

— *Grower feedback, FNQ agricultural sector*

Representatives reported reduced planting, staffing pressures and declining confidence in future investment. In some instances, produce was left unharvested because harvesting and freight costs exceeded the expected market return. This also had workforce consequences, with reduced harvesting resulting in fewer employment opportunities and some seasonal workers moving elsewhere.

The implications therefore extend beyond individual farm businesses to regional employment, domestic food production and longer-term food security.

Small business and workforce impacts

Small businesses were similarly exposed to cumulative cost increases. Many sit at the end of regional supply chains and experience the full effect of freight and supplier cost pass-through while having limited capacity to increase their own prices.

Some businesses introduced delivery surcharges or fuel levies, while others absorbed increased costs. Representatives expressed concern that continued margin erosion could place businesses under significant financial pressure, with some potentially approaching insolvency without recognising the full extent of the deterioration until BAS, GST and year-end tax obligations fall due, by which time previously available cash reserves may already have been substantially depleted.

Uncertainty also affected employment. Employers reported delaying the creation or replacement of positions while waiting for greater certainty around demand and operating costs. Business Chamber Queensland's survey also found that 31 per cent of Far North Queensland respondents had reduced staff hours, while 6 per cent reported temporary standdowns.

For workers and jobseekers, higher personal transport costs affected the ability to travel to work, training and services. This is particularly significant in a dispersed region where access to a private vehicle is often essential to workforce participation.

KEY INSIGHT

Fuel costs are no longer simply a transport issue.

They are increasing costs across agricultural production, freight, labour and inputs, with flow-on effects for profitability, investment, employment and food security.

One grower ceased harvesting fruit where freight and operating costs exceeded the anticipated market return.

3.3 Tourism, aviation and the visitor economy experienced significant confidence impacts

Tourism experienced one of the most immediate economic impacts of the fuel disruption.

Representatives reported an indicative reduction in regional tourism demand of approximately 30 per cent at the peak of the disruption around Easter, with the resulting loss of visitor expenditure estimated at approximately \$3 million per day.

Higher fuel prices contributed directly to increased operating costs, particularly for transport-intensive tourism businesses. However, representatives consistently identified **uncertainty and perceptions of fuel availability** as equally significant.

Public messaging encouraging reduced fuel consumption, combined with broader uncertainty around supply, led some prospective visitors to question whether they could safely travel through the region and obtain sufficient fuel for their return journey. Self-drive visitors, including grey nomads travelling long distances, were particularly sensitive to these concerns.

Fuel-supply uncertainty also affected visiting yachts and superyachts. Representatives reported that some vessels deferred entering the region, travelled to alternative ports or remained in one location rather than continuing their journey. When a vessel does not call at Cairns, the regional impact extends beyond marina activity to crew expenditure and spending on supplies, maintenance, hospitality, transport and other services. Representatives also acknowledged that other international factors were influencing vessel movements, meaning changes in visitation cannot be attributed solely to fuel conditions.

Aviation experienced a similar combination of cost and confidence pressures. Fuel was estimated to account for approximately 30 per cent of airline operating costs, and representatives noted that international carriers can redirect limited aircraft capacity to markets providing stronger returns.

Regional aviation impacts were described as significant, with some proposed or seasonal services reconsidered during the period. Representatives advised that airline route and fleet decisions can affect regional connectivity for 18 to 24 months, meaning the consequences of a short-term disruption may continue after fuel markets stabilise.

The experience demonstrates that communication during a fuel disruption is not solely a public-information issue. In a tourism-dependent regional economy, perceptions of availability can influence travel decisions, regional connectivity and visitor expenditure even where physical supply remains available.

Future communication therefore needs to balance responsible fuel use with accurate information about actual regional conditions.

KEY INSIGHT

Perceptions of fuel availability caused economic impacts even where physical supply remained available.

Uncertainty influenced travel decisions, forward bookings and regional connectivity, demonstrating that crisis communication can materially affect visitor confidence and expenditure long after the immediate supply risk has eased.

3.4 Essential services and remote communities have limited capacity to absorb additional costs

Health, community, food supply and local government representatives generally reported that essential services were maintained throughout the disruption. However, maintaining these services required organisations to absorb additional costs or redirect resources from other priorities.

The impacts were particularly significant for organisations whose service models depend on travel and outreach. Higher fuel costs affected mobile health and community services, workforce travel and access to clients across large geographic areas.

Longer lead times were also reported for medical supplies, aviation parts and other materials as suppliers consolidated freight to contain their own operating costs, with some specialised shortages beginning to emerge. This added another layer of pressure to service readiness even where fuel itself remained available.

Essential and community service providers also have limited capacity to recover higher operating costs, particularly where service rates are fixed under funding arrangements. In response, some organisations tightened staffing and discretionary spending, reduced face-to-face outreach, and deferred maintenance or infrastructure expenditure.

Fuel affordability also affected access to services. Where individuals could not afford to fuel a vehicle, their ability to access health care, employment services, work or other essential activities was reduced.

Remote food supply provides a further example of the cumulative impact. One representative reported that physical food supply was successfully maintained, but at significant additional freight and fuel cost. The same evidence highlighted that household spending on fuel can reduce the amount available for food and other necessities, creating a secondary impact on both household wellbeing and the viability of remote retail services.

Local Government and Critical Infrastructure

Local governments maintained core services including water, waste, roads and community infrastructure, but higher fuel, contractor and procurement costs reduced available funding for other activities.

Representatives reported deferred capital works, plant replacement and maintenance in order to protect essential service delivery. Fuel volatility also contributed to delays in procurement and contract negotiations.

A key issue raised was the lack of clarity around contingency arrangements if physical supply were to become constrained.

“Without this information it is difficult to build contingency plans, which puts us on the back foot from the beginning.”

— Roundtable participant, local government sector

Councils and other service providers identified uncertainty regarding:

- which organisations and functions would be classified as essential services;
- whether local government and critical community infrastructure would receive priority access;
- how fuel rationing or demand-management arrangements might operate; and
- whether regional and remote communities would receive priority because of their limited alternatives.

KEY INSIGHT

Essential services were maintained, but continuity came at a cost elsewhere.

Councils, health and community providers and remote service organisations absorbed higher fuel and transport costs by redirecting constrained resources, reducing flexibility for outreach, maintenance, staffing and capital works.

A more severe disruption would be difficult to manage without clearer priority-access and contingency arrangements.

3.5 Strengthening regional resilience requires both preparedness and longer-term transition

The roundtable demonstrated that maintaining fuel supply during the immediate disruption was critical, but representatives also raised opportunities to strengthen Tropical North Queensland's resilience to future events.

Regional fuel storage was one of the recurring themes. Representatives identified potential opportunities to increase stockholding and distribution capability, including through existing regional infrastructure. Any future proposal would require further consideration of location, fuel type, commercial viability, ownership, fuel rotation and emergency-access arrangements.

There was also strong interest in reducing the region's structural exposure to imported fuel.

Alternative and sovereign fuel opportunities raised during the discussion included biofuels, biodiesel and ethanol, particularly where these may complement Tropical North Queensland's existing agricultural and industrial capabilities.

For remote and very remote communities, representatives also identified the longer-term value of reducing dependence on diesel-generated electricity through renewable energy and energy storage solutions, consistent with the direction identified through TEDS to reduce diesel reliance and strengthen liveability and economic opportunity through fit-for-place energy solutions.

Importantly, the roundtable did not identify longer-term transition as a substitute for immediate fuel-security measures. Both are required. Taken together, the evidence points to a dual resilience challenge for Tropical North Queensland: strengthening preparedness and continuity arrangements for future disruptions while progressively reducing the region's structural exposure to imported fuel and diesel dependence. These findings inform the recommendations outlined in Section 4.

KEY INSIGHT

Regional fuel resilience requires both stronger preparedness now and reduced structural dependence over time.

Strategic storage, clearer contingency arrangements and improved distribution can strengthen near-term security, while alternative fuels and fit-for-place energy solutions offer longer-term opportunities to reduce exposure to imported fuel and diesel dependence.

4. REGIONAL PRIORITIES AND RECOMMENDATIONS

The recommendations below consolidate recurring themes and practical measures raised through the roundtable and subsequent stakeholder contributions. They respond to both the immediate lessons of the fuel disruption and the structural vulnerabilities identified across Tropical North Queensland, including remoteness, freight dependence, limited transport alternatives and diesel reliance.

The recommendations are intended to support further government consideration and regional engagement rather than prescribe a single policy or delivery approach. Together, they identify practical opportunities to strengthen preparedness, continuity and longer-term regional resilience.

4.1 Regional contingency planning and essential-service protocols

The roundtable demonstrated that maintaining physical fuel supply does not remove the need for detailed contingency planning. Councils, essential service providers and industry representatives identified uncertainty around essential-service classifications, priority access, demand-management arrangements and the treatment of regional and remote communities if supply becomes constrained. Without this clarity, organisations responsible for critical services may be required to develop responses reactively during a future disruption rather than working from agreed arrangements established in advance.

As highlighted in under *TEDS Goal 6 – A strong, collaborative, integrated region*, there is also a need for stronger regional monitoring and escalation arrangements. Conditions can change quickly, while intelligence is often held separately across industries, councils, service providers and government agencies. A cross-sector mechanism for sharing regional intelligence during periods of heightened fuel risk would improve situational awareness and help ensure emerging impacts are understood before they become critical. The fuel roundtable provides a practical example of this approach and demonstrates the value of maintaining clear channels between regional stakeholders and decision-makers during periods of disruption.

RECOMMENDATIONS

- Establish clear government and regional escalation pathways for future fuel supply or price disruptions, with RDATN acting as a central regional coordination point for cross-sector intelligence.
- Clarify which services, organisations and functions would be classified as essential or identify priority users if supply becomes constrained.
- Ensure contingency arrangements explicitly consider the needs of regional and remote communities where alternative supply and transport options are limited.

4.2 Strategic fuel storage and distribution

The roundtable identified limited regional fuel buffers and reliance on long international and domestic supply chains as continuing vulnerabilities for Tropical North Queensland. Although physical supply was maintained during the disruption, representatives consistently raised strategic storage and stronger regional distribution capability as opportunities to improve resilience to a more severe or prolonged event.

TEDS identifies road, port and airport infrastructure, inter-modal distribution and more efficient supply chains as essential to regional connectivity and economic development. It also recognises supply-chain challenges and infrastructure as factors affecting regional productivity under Goal 2. The roundtable adds a fuel-security dimension to these established priorities by demonstrating that the resilience of Tropical North Queensland's transport and logistics network also depends on the reliability, accessibility and distribution of the fuel required to operate it.

Any assessment of strategic storage should consider the broader regional distribution network rather than storage capacity in isolation. This includes the fuel requirements of road freight, aviation, marine transport, agriculture, essential services and remote communities; the ability to move fuel from storage locations during a disruption; and the commercial, safety and operational requirements associated with maintaining usable reserves. Consideration would also need to be given to fuel type and volume, ownership and financing, stock rotation, existing private-sector infrastructure and the arrangements that would govern emergency release and priority access.

RECOMMENDATIONS

- Undertake a regional feasibility assessment of strategic fuel storage and distribution requirements across Tropical North Queensland.
- Assess appropriate fuel types and indicative stockholding volumes against regional demand, including road freight, aviation, marine, agriculture, essential services and remote community requirements.
- Develop options for emergency-release, priority-access and regional distribution arrangements to ensure stored fuel can be effectively mobilised during a disruption, including to remote and geographically isolated communities.

4.3 Place-based support for highly exposed sectors and communities

The roundtable provides further contemporary evidence that these structural differences should be reflected in the design of assistance during future fuel disruptions, rather than assuming that a uniform measure will produce an equitable regional outcome. *TEDS Goal 4 – The north's most liveable region, Regional Outcome 4.6 – Freight Equalisation Strategy* recognises the disproportionate freight and goods-pricing pressures experienced by Cape York Peninsula, Torres Strait and Gulf communities. These factors mean that a uniform national or statewide measure can provide materially different levels of relief depending on where a business, service provider or community is located.

Any temporary support provided during a severe or prolonged disruption should therefore consider remoteness, freight dependence, service criticality, capacity to pass on costs and the cumulative impact of other pressures such as natural disasters and existing cost-of-living pressures.

RECOMMENDATIONS

- Develop place-based criteria for any temporary fuel-related assistance, taking account of remoteness, freight dependence, diesel reliance, service criticality and the ability of organisations to recover increased costs.
- Review existing support and relief mechanisms to identify gaps affecting remote food supply, agriculture, essential and community services, small businesses and local government during significant fuel-price or supply disruptions.
- Consider targeted, time-limited assistance where fuel and freight costs materially threaten essential service continuity, food supply, regional production or business viability.

4.4 Clear, regionally informed crisis communication

The roundtable demonstrated that communication can itself influence the economic impact of a fuel disruption. Although physical supply was largely maintained, public messaging encouraging reduced fuel consumption contributed to uncertainty about actual availability.

Future communication should balance the need to encourage responsible consumption with clear and timely information about actual regional supply conditions. National or statewide messaging may have unintended consequences where it does not reflect local circumstances, particularly in tourism-dependent regions where perceptions of accessibility can quickly influence travel decisions and business confidence.

TEDS identifies cross-sector engagement and the elevation of regional evidence as important to better decision-making. Applying this approach during future disruptions would help ensure public messaging is informed by actual regional conditions and that legitimate supply-management objectives do not inadvertently create avoidable economic impacts.

RECOMMENDATIONS

- Identify clear, trusted sources of information that businesses, service providers, residents and visitors can rely on during periods of heightened uncertainty.
- Ensure public messaging clearly distinguishes between precautionary conservation measures and confirmed local or regional supply constraints.
- Incorporate current regional intelligence into communication decisions, particularly where conditions differ materially from national or statewide circumstances.

4.5 Sovereign fuel capability and remote energy resilience

The roundtable highlighted continued dependence on imported fuel as a longer-term vulnerability for Tropical North Queensland. Representatives raised potential opportunities in biofuels, biodiesel, ethanol and other domestically supported fuel sources, particularly where development could build on existing regional agricultural and industrial capability. This position is further supported by *TEDS Goal 1 – A dynamic economy, adapting to 21st century challenges, and transitioning in the face of climate change*, which identifies renewable energy, green-energy transition and sustainable fuels as key strategic investments.

Remote energy resilience emerged as a related priority. Remote communities face additional exposure where diesel is required not only for transport and freight but also for electricity generation. Reducing this dependence through renewable generation, storage, micro-grids and other fit-for-place energy solutions could lower exposure to future fuel price and supply shocks while supporting more resilient and sustainable community infrastructure. Longer-term transition should, however, proceed alongside—not in place of—the immediate preparedness, storage and contingency measures provided above.

RECOMMENDATIONS

- Assess regional opportunities for biofuels, biodiesel, ethanol and other alternative or domestically supported fuel sources against Tropical North Queensland's existing industry capability and commercial conditions.
- Support feasibility assessment and development of fit-for-place renewable generation, energy storage, micro-grid and other technologies capable of reducing reliance on diesel generation.
- Pursue longer-term energy transition alongside immediate fuel-security measures so that future resilience is strengthened through both improved preparedness and reduced structural dependence.

5. CONCLUSION AND NEXT STEPS

The FNQ Fuel Impacts Roundtable reinforced a fundamental characteristic of Tropical North Queensland: distance and remoteness materially shape the way external shocks are experienced across the region. Communities and industries at the end of long supply chains face higher freight costs, fewer transport and supplier alternatives and greater dependence on fuel to maintain essential services, economic activity and connectivity. As a result, national or statewide conditions and responses do not always translate evenly across Tropical North Queensland. Effective preparedness and policy responses must therefore recognise these structural differences and incorporate a place-based regional perspective.

The priorities emerging from the roundtable also demonstrate that many of the region's underlying vulnerabilities — and many of the opportunities to strengthen them — have already been identified through the Tropical North Queensland Economic Development Strategy 2024–2029 (TEDS). TEDS was developed through extensive regional collaboration to provide a shared economic direction for Tropical North Queensland and to ensure regional priorities can inform government investment and policy decisions. Its focus on productivity, resilience, liveability, connectivity, infrastructure and economic transition closely reflects the issues brought forward by stakeholders through the fuel roundtable.

In this sense, the roundtable provides more than a snapshot of one period of fuel disruption. It adds contemporary, cross-sector evidence to an existing regional picture and reinforces the value of progressing priorities that strengthen Tropical North Queensland's capacity to withstand future shocks. Like TEDS, the roundtable brought together diverse regional voices to identify common challenges and practical opportunities, creating a consolidated regional perspective that can be taken forward in engagement with government.

As at 12 August 2026, Cairns' reported average price was approximately 205.6 cents per litre for unleaded 91 and 244.5 cents per litre for diesel, based on Queensland Fuel Price Reporting Scheme data. Prices varied materially between service stations, and these Cairns figures should not be treated as representative of the higher costs that may be experienced elsewhere across regional and remote Tropical North Queensland.

The policy position has also changed since the roundtable. Temporary fuel excise relief ended on 2 August 2026, with the full indexed excise rate applying from 3 August 2026. The excise rate for petrol and diesel is now 53.7 cents per litre, compared with 36.6 cents per litre during the final reduced-rate period from 1 July to 2 August.

Fuel prices and international conditions remain subject to change, reinforcing the value of continued monitoring rather than treating the roundtable as a one-off assessment. RDATN will use the findings and recommendations of this report to inform ongoing discussions with Commonwealth and Queensland Government representatives, agencies and regional stakeholders.

The broader opportunity is to continue building on the priorities already identified by the region — strengthening supply-chain resilience, connectivity, infrastructure, local economies and energy resilience so that Tropical North Queensland is better positioned not only to respond to future disruptions, but to reduce its exposure to them over time.

RDATN will continue to monitor fuel supply, pricing and regional impacts through its ongoing engagement with industry, councils, service providers and government. Subject to conditions and stakeholder need, RDATN may convene a further cross-sector roundtable approximately three months after the July session to review emerging impacts and any progress against the issues identified in this report.