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## **Sugar industry proposes Defence liquid fuels partnership in the North**

Australian Sugar Manufacturers (ASM) is calling for a strategic partnership with Defence to secure an indigenous biofuels capability in Northern Australia - a proposal that would enhance national security, reduce reliance on imported fuels, and create shared infrastructure benefits for both sectors.

“Our political leaders have unequivocally stated the need to enhance our defence capabilities in the face of an increasingly uncertain geopolitical environment, yet we have done very little to secure the liquid fuel supply chains that our defence forces run on and rely upon,” said Mr Ash Salardini, CEO of the ASM.

Australia has around two weeks’ worth of liquid fuel reserves and is wholly reliant on overseas supply chains. This is a critical national security vulnerability for Australia.

“In the event of escalating geopolitical tensions, there is a real chance that our fuel supplies could be cut off from Southeast Asia, leaving our defence forces and economy vulnerable to fuel shortages.”

With established operations and supply chains co-located with defence assets in Northern Australia, the sugar manufacturing sector offers a practical solution to Defence’s liquid fuel vulnerabilities.

“The sugar industry has the capacity to provide Defence with its liquid fuels needs. We have the feedstocks to meet Defence’s biofuels demand, and a track record of producing bioethanol.”

The sugar industry and Defence already rely on the same infrastructure, including landside infrastructure, terminals and maritime facilities. A joint approach to infrastructure investment, including a liquid fuel supply chain, could unlock substantial cost efficiencies and enhance regional resilience.

“Our shared footprint creates a win/win situation, where investments in maritime and landside infrastructure can deliver mutual benefits,” Mr Salardini said. “Improving this infrastructure isn’t just good for sugar or Defence - it’s good for regional Queensland communities and economies.”

The sugar manufacturing sector is already generating renewable energy solutions, including bioethanol production. Establishing a local, renewable fuel supply chain would support Defence operations while diversifying this significant regional Australian industry.

“We’re urging the next government to back the sugar industry’s biofuel ambitions, which will help secure the liquid fuel needs of our Defence forces,” Mr Salardini said.



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*Australian Sugar Manufacturers (ASM) is the peak industry body representing the nation's sugar manufacturing sector, contributing \$4.4 billion annually to the Australian economy and supporting more than 20,000 jobs in regional communities. ASM works closely with its members, industry stakeholders, and government to develop and advocate for policies that enhance the sustainability, competitiveness, and long-term economic contribution of the sugar manufacturing sector. From the production of raw sugar, bio-based manufacturing and generation of renewable energy, the sugar manufacturing sector continues to support communities, create jobs, and foster a sustainable future for the industry, and the broader economy.*