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AUSTRALIAN SUGAR MANUFACTURERS MEDIA RELEASE

**NATIONAL ETHANOL MANDATE KEY TO AFFORDABLE LOW-CARBON FUELS AND
AUSTRALIA'S ENERGY SECURITY**

Australian Sugar Manufacturers (ASM) is calling on the Australian Government to introduce a national ethanol mandate to unlock the most affordable pathway to low-carbon liquid fuels and secure Australia's sovereign fuel capability.

ASM Chief Executive Officer, Ash Salardini said a national mandate modelled on Queensland's E10 requirements would provide the certainty needed to drive investment in domestic ethanol production and support the development of sustainable aviation fuel (SAF) and biodiesel.

"Australia needs a pragmatic and cost-effective strategy to decarbonise liquid fuels, particularly for hard-to-abate sectors like aviation, construction and mining," said Mr Salardini.

"The following sectors cannot electrify at scale, meaning low-carbon liquid fuels such as sustainable aviation fuel and biodiesel are the only viable pathway to achieving net-zero."

Mr Salardini said ethanol is a critical feedstock required to produce these fuels at scale, but Australia currently lacks sufficient domestic production capacity.

"The sugar industry is uniquely positioned to meet this challenge. Our sector already operates one of Australia's two ethanol facilities, and several of our existing sugar mills could also be converted to ethanol production," said Mr Salardini.

"Over the coming decade, drops in ethanol into E10 would provide absolutely the lowest cost of abatement from liquid fuels. As land transport electrifies over the coming decade and the cost of biorefining gets closer to parity with fossil fuels, we can divert our ethanol production towards the production of sustainable aviation fuel and biodiesel."

"However, expanding capacity will require significant investment, and without clear government policy to create demand, there is no commercial incentive to proceed."

Australian Sugar Manufacturers have identified that a strong national ethanol mandate would:

- Provide certainty to unlock billions of dollars in private investment
- Deliver the lowest-cost carbon abatement in transport fuels
- Support affordable development of sustainable aviation fuel and biodiesel
- Strengthen Australia's fuel security and sovereign manufacturing capabilities
- Create regional jobs and economic opportunities



Mr Salardini said Australia must also learn from weaknesses in existing state-based mandates.

“Queensland’s mandate has been undermined by exemptions and loopholes, which have weakened demand and damaged investor confidence nationally,” said Mr Salardini.

“A strong, enforceable national mandate is essential to provide certainty the industry desperately needs.”

Australian Sugar Manufacturers believe that investing in domestic ethanol production would deliver long-term economic benefits – creating jobs and strengthening the economies of regional Queensland.

“Australia faces a clear choice: continue relying on costly imported feedstocks or build a sovereign domestic industry that creates jobs, strengthens regional communities and delivers affordable emissions reductions,” said Chief Executive Officer of Australian Sugar Manufacturers, Mr Ash Salardini.

“A national ethanol mandate is the fastest, most affordable way to achieve this outcome.”

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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.