

# Australian government's "fuel plan" offers workers no real relief from Iran war impact

Mike Head  
30 March 2026

Following a second "emergency" meeting of the so-called "national cabinet" of state and territory leaders yesterday, the Albanese Labor government announced a supposed "fuel security plan." Its purported aim is to ease the worsening cost-of-living crisis and supply shortages resulting from the criminal and increasingly catastrophic US-Israeli war on the people of Iran.

None of the measures outlined, however, will provide any meaningful relief for working-class households, which are being severely affected by sky-rocketing prices for petrol and diesel, as well as by the wider impact on the costs of food, gas, fertilisers, plastics and everything else derived from Middle East oil and gas.

Under Labor's plan, motorists have first been promised a cut of 26.3 cents a litre at petrol and diesel bowsers over the next three months after the federal government agreed to halve the fuel excise. But even when the excise cut flows through to petrol stations—which may take weeks—it will represent less than a third of the price rises since the Trump administration launched the unprovoked war of aggression on February 28.

The government claims that the excise cut will reduce the cost of filling up a large car with a 65-litre petrol tank by \$19. Yet, workers in the far-flung metropolitan suburbs and regional areas are paying about \$60 extra a week, and that toll will rise as the war—which the Labor government continues to back—keeps escalating.

Even if the excise cut marginally and temporarily reduces inflation, corporate economists are warning that the official Consumer Price Index will hit 5.5 percent or more within weeks. That is far above the nominal pay rise claims that the trade unions are trying to impose on workers via enterprise agreements.

Many workers, also facing soaring home mortgage payments or rents, are being forced to try to keep their

families' heads above water by working overtime or seeking second jobs. Food charities have reported huge surges in demand, with one-third of the people seeking food relief doing so for the first time in their lives.

Secondly, the government's plan drops the heavy-vehicle road user charge to zero over the same three months, effectively a subsidy of 32.4 cents a litre on diesel for trucks. This will mostly benefit the large transport companies, while smaller operators will wait months for rebates.

Together, according to Treasurer Jim Chalmers, these two measures will cost the federal budget \$2.55 billion over three months. The government will also delay a scheduled increase to the heavy road user charge by six months, which will cost a further \$53 million in lost revenue.

Legislation being rushed through parliament today will also hand Finance Minister Katy Gallagher an extra \$2 billion, on top of an existing \$1 billion, for emergency spending on fuel and other critical reserves to attempt to alleviate the spreading supply shortages.

Chalmers yesterday refused to say where all these funds would come from, but such allocations inevitably mean deeper cuts to essential social programs, such as health, education and disability services, in the looming May federal budget. Corporate and media commentators and editorials are demanding that the outlays be offset by such cuts.

At yesterday's media conference following the "national cabinet" meeting, Prime Minister Anthony Albanese outlined a "fuel security plan" with four stages. Ludicrously, the first phase—"plan and prepare"—supposedly has been completed already.

The second level, labelled "keeping Australia moving," is said to consist of "*current settings*—fuel supply continues to flow, but there have been some

disruptions.” In reality, shortages are mounting. Yesterday, for example, 75 petrol stations in New South Wales, the most populous state, had run out of at least one kind of petrol, while 242 had no diesel.

The third and fourth stages are described as “taking targeted action (ensuring fuel goes where needed most and adopting voluntary measures to limit fuel usage)” and “protecting critical services for all Australians (where action will be required to ensure critical users are protected and the economy is operating).”

These two phases have been kept deliberately so vague and variable as to be virtually meaningless. The plan states: “Level 3 and 4 are under consideration and may change, depending on circumstances. Governments will continue to work with industry and community.”

This not only hides whatever plans the government has. It leaves supplies in the hands of the corporate energy giants, such as BP, that dominate the global markets and extract massive profits from them.

Last Friday, in yet another attempt to shore up supplies and fend off growing public hostility, the Albanese government announced new powers for a government agency, Export Finance Australia, to underwrite the purchase of additional fuel shiploads by private companies to “mitigate the financial risk of high international prices.” No details were provided as to how much these subsidies would cost.

Over the past month, since being one of the first governments in the world to support the illegal war on Iran, Labor has made almost daily announcements of new measures, none of which have lessened the fuel supply and cost-of-living crises.

These plans have included higher penalties for price gouging by petrol companies, the appointment of a national “Fuel Supply Taskforce Coordinator,” the release of 20 percent of the country’s petrol and diesel fuel reserves, reduced petrol and diesel quality standards, and requests to Singapore and other Asian governments to get more fuel flowing to Australia.

At a media conference today to defend the government’s measures, Chalmers repeated one of the themes of Labor’s response—that it is seeking to alleviate the need for fuel rationing, powers for which exist under the federal Liquid Fuel Emergency Act 1984 and various state emergency acts.

Chalmers said the government wanted to avoid what

he called harsh, COVID-style restrictions. That is a malicious reference to the partial shutdown measures that Australian governments initially took in 2020 and 2021 to suppress the spread of the pandemic, before lifting them to meet the “back-to-work” profit demands of the corporate elite, resulting in an officially-recorded 13,317 COVID deaths in 2022 and an ongoing pandemic.

In reality, now, as then, Labor’s response will be dictated by the profit requirements of the ruling capitalist class, including the oil and gas conglomerates whose interests could be affected by rationing.

As the devastating impact of the US and Israeli wars on Iran and Lebanon intensifies, both in the deaths of thousands of people and the destruction of civilian infrastructure and in working-class living conditions internationally, including in Australia, opinion polls indicate growing opposition. On Monday, even the Murdoch media’s Newspoll recorded 72 percent opposition to the US assault on Iran.

Under these conditions, the Labor government is desperately trying to distance itself somewhat from the carnage. Last night, Albanese appeared on national television, on the Australian Broadcasting Corporation’s “7.30” program, appealing to the Trump administration to clarify its war objectives and de-escalate, saying: “I think people want to see an endpoint.”

No amount of such posturing, or efforts to contain the severe domestic impact, can erase Labor’s complicity and involvement in this criminal war, to which it has committed a warplane, missiles and troops to combat Iran, as well as the facilities of the Pine Gap spy satellite base in central Australia.

The developing popular hostility to this barbaric war and the plunge into a wider Middle East and world war must be transformed into a politically conscious movement, guided by a socialist program, against all the governments responsible—including Labor’s—and to overturn the capitalist system that produces such brutal imperialist wars.



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](https://www.wsws.org/contact)**