



CLIMATE ENERGY FINANCE

MEDIA RELEASE

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MINING GIANTS POCKET \$3.36bn IN DIESEL HANDOUTS AS AUSTRALIANS NOW BEAR BRUNT OF OIL PRICE CRISIS

New analysis by independent think tank Climate Energy Finance (CEF) reveals Australia's 18 major diesel consumers pocketed Fuel Tax Credit (FTC) refunds of \$3.36bn in FY2025, as ordinary Australians now face a cost-of-living crisis driven by surging oil prices. The beneficiaries of the FTC Scheme are overwhelming big multinational miners extracting huge profits from our finite sovereign assets.

Australia's five biggest mining companies alone – BHP, Rio Tinto, Glencore, Fortescue, and Yancoal – collectively received \$1.94bn in refunds in 2025. BHP banked \$622m, Rio Tinto \$423m, and Glencore \$349m courtesy of taxpayers, under Australia's largest fossil fuel subsidy.

The figures come as the six-week Middle East conflict continues to disrupt global oil supplies, with the Hormuz Strait – a critical chokepoint for 20% of the world's oil, including Australian supply chains – remaining blocked. Australia, which now imports over 90% of its crude oil and refined petroleum, is acutely exposed to these shocks, as is evident in surging fuel prices driving inflationary pressures and rising interest rates.

Meanwhile, the FTC Scheme strips billions from federal revenues that could fund hospitals, aged care, and schools – as well as cost-of-living relief for struggling families. It entrenches mining companies' addiction to volatile, expensive imported diesel as it disincentivises them from transitioning to clean energy alternatives to diesel, such as electric heavy haulage trucks.

CEF is calling for the government to reform the FTC Scheme by implementing a 'cap-and-reinvest' Transition Tax Incentive (TTI). Under this model, diesel fuel tax refunds would be capped at \$50m per company per year. Refunds above that cap would be retained by the big miners only if reinvested in clean energy initiatives – including electrified heavy haulage equipment to replace diesel fleets, renewable energy generation, enabling infrastructure such as transmission, or charging networks.

The revenue-neutral TTI would not affect a single farmer or trucking company. It would reshape one of Australia's worst fossil fuel subsidies into a powerful driver of mining decarbonisation and regional renewable energy investment – a win for the environment, energy security, and Australia's economic resilience.

With the May 2026 Federal Budget one month away, CEF is urging the government to act. The solutions are clear – what it needs now is the political will to implement them.

Matt Pollard, net zero transformation analyst who crunched the new data, said:

"While mining multinationals receive enormous profits, they are refunded the fuel excise they pay on diesel. Meanwhile ordinary Australians are being smashed at the petrol pump, the checkout, and on their mortgages.

With the Budget a month away, the government is running out of excuses. While we understand the government doesn't want to make diesel even more expensive in the middle of the current crisis, Australia needs to learn from experience before the next energy shock, put in place clear long term policies to permanently solve miners' imported diesel addiction, and stop slugging ordinary Australians to pay for their habit.

At the very least, the government should outline the policy that they will advance once the latest Middle East war is brought to an end."

MEDIA ENQUIRIES

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