MEDIA RELEASE

Australia should recognise every verified reduction in diesel use

Countrywide Hydrogen responds to two Australian Government climate and fuel-policy consultations

Melbourne, 1 September 2026 — Countrywide Hydrogen Holdings Pty Ltd (CHH) has called on the Australian Government to ensure its climate and cleaner-fuels policies recognise all credible technologies that reduce Australia's dependence on diesel.

The Government is considering two related policy questions.

The first concerns the Safeguard Mechanism, which already requires Australia's largest industrial facilities to manage and reduce their emissions. The Government is reviewing how the mechanism applies to transport businesses and how it can encourage more direct emissions reductions.

The second concerns a proposed Cleaner Fuels mechanism. This would create demand for low-carbon liquid fuels by placing obligations on major suppliers of diesel, petrol and jet fuel.

The Cleaner Fuels consultation paper also asks whether technologies such as hydrogen and electricity, which reduce the use of fossil liquid fuels without supplying another liquid fuel, should be recognised in the future. The paper describes these as "non-fuel activities".

CHH Managing Director Geoffrey Drucker said the practical issue was straightforward.

"Australia's objective should be to reduce the amount of fossil diesel we import and burn.

"If a truck replaces diesel with renewable liquid fuel, that should be recognised. If another truck replaces diesel with renewable hydrogen or electricity, that verified reduction should also have value.

"The policy should measure the result, not favour a technology simply because its energy is delivered as a liquid."

CHH's submissions propose that:

- when a large transport business covered by the Safeguard Mechanism reduces its emissions by replacing diesel with qualifying renewable hydrogen, that reduction should be recognised as direct emissions abatement;
- the proposed Cleaner Fuels mechanism should include provisions allowing verified hydrogen and other technologies to earn recognition for displacing diesel;
- from 2029, the Government should establish at least a controlled heavy-freight demonstration pathway for these technologies;
- hydrogen–diesel hybrid and dual-fuel vehicles should receive recognition for the diesel they demonstrably displace; and

- lifecycle emissions must be measured, and the same reduction must not be counted twice.

CHH is not asking the Government to mandate hydrogen or select one technology for every freight task.

Battery-electric trucks can suit many urban and shorter routes. Renewable liquid fuels can reduce emissions from existing vehicles. Renewable hydrogen can suit longer-range and high-utilisation freight operations where refuelling time and vehicle availability are important.

“Different freight routes have different requirements,” Mr Drucker said.

“The sensible approach is to let the technologies apply on their measured emissions, cost and operating performance.”

CHH has proposed that its Hydrogen HyWay concept could help test the required rules. The project would connect renewable-hydrogen production, refuelling infrastructure and freight fleets along major transport corridors.

This could provide government and industry with real operating information about diesel displacement, lifecycle emissions, vehicle performance, costs and refuelling requirements.

Mr Drucker said “We are not asking for special treatment. We are asking for clear, technology-neutral rules that recognise genuine diesel displacement, strengthen Australia’s fuel security, lower emissions, and give investors the confidence to build replacement-energy infrastructure.”

Media contact

Geoffrey Drucker
Managing Director
Countrywide Hydrogen Holdings Pty Ltd
0419 817 827
gd@countrywidehydrogen.com

About Countrywide Hydrogen

Countrywide Hydrogen Holdings Pty Ltd is developing renewable-hydrogen production and refuelling projects, with an initial focus on Tasmania. Its Hydrogen HyWay concept will integrate hydrogen production, refuelling infrastructure and fleet deployment along major Australian freight corridors.

Countrywide Hydrogen