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IPA RESEARCH: GOVERNMENT MUST ACT TO REVIVE SOVEREIGN CAPABILITY

"The 2026 Iran war has revealed the costs of Australia being a fuel importer. In an era of increasing uncertainty, it is vital that Australia does what it can to rely on itself and survive as an independent country," said Saxon Davidson, Research Fellow at the Institute of Public Affairs.

The IPA has today released new research outlining five policy directions to revive Australia's sovereign capability. Sovereign capability refers to a nation's self-sufficiency in key sectors, such as energy, food, industry, and defence, and reflects the reality that global, or even regional, supply chain stability cannot always be guaranteed.

The research finds that to revive sovereign capability, the federal government must:

- **Dump net zero**
- **Reform 'Future Made in Australia'**
- **Cancel activist lawfare**
- **Scrap the Safeguard Mechanism**
- **Cut approvals red tape**

"Improving sovereign capability requires a significant rethink in a range of policy areas. The immediate focus must be cutting regulation that imposes excessive costs on, and deters investment in, primary industries and manufacturing that provides critical goods and assets," said Mr Davidson.

"While direct industry support often devolves into crony capitalism, and in many cases is inefficient and expensive, some markets have been so fundamentally broken by decades of reckless government intervention that corrective intervention is required."

Previous analysis by the IPA found that the federal government's marquee net zero policy, the Safeguard Mechanism, will impose a carbon tax of up to \$165.5 million to 2030 on our last two refineries.

"Fuel is the headline vulnerability Australia faces. Under the policy of net zero, we are on course to become even more dependent on imports.

"At the heart of sovereign capability is sound energy policy. Yet the current policy of replacing reliable coal and gas with intermittent and expensive wind and solar alternatives is harming our ability to manufacture products ourselves.

"We must use the lessons of the current fuel crisis to ensure our future as a self-reliant nation. This means making Australia a country that takes advantage of our natural resources and services the needs of our country first," Mr Davidson said.

To download the IPA's research [click here](#).

For media and comment: Nick Coe, Director of Public Relations, at 0414 999 209, or ncoe@ipa.org.au