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Online submission via the [Cleaner Fuels Program: Powering low carbon liquid fuel production in Australia | Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts](#) link

To whom it may concern,

Co-operative Bulk Handling Ltd (CBH) appreciates the opportunity to contribute to the Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts (Department) policy design and engagement paper to help ensure that Australia has the appropriate policy settings to encourage the development and growth of a domestic Low Carbon Liquid Fuels (LCLF) industry.

#### **About CBH**

CBH is Australia's largest co-operative and is owned and controlled by around 3,500 Western Australian grain growers. CBH's core purpose is to create and return value to WA growers, both current and future.

CBH is Australia's largest grains exporter and operates a bulk handling supply chain which manages the complexities of accumulating, transporting and exporting grain from growers utilising both road and rail infrastructure. CBH's operations extend from Geraldton in the north, Albany and Esperance in the south and Southern Cross in the east, over an area the size of Victoria.

The grains industry is the largest agricultural industry in WA and is extremely export focussed, with more than 90% of grain grown shipped into international markets, and contributing to the food security of those countries.

The average WA crop size is growing, and by 2033 it is forecast that it will increase from the current average of 18 million tonnes to an average of 22 million tonnes, with 3 of the last 4 seasons producing more than 20 million tonnes.

WA consistently punches above its weight in grain production, often outstripping the needs of the entire country. In 2022 alone, WA produced 26 million tonnes, nearly half the national total. With a population of just over 26 million, Australia could be fed multiple times over with WA's grain output alone. This grain surplus is exported to other countries, often neighbouring countries in North and South-East Asia, which are reliant on WA grain imports to provide them and our region with food security and political stability.

International market access and supply chain efficiency is therefore absolutely critical to the sector's viability.

#### **Key focus areas of our submission on a Cleaner Fuels Program**

CBH provided a submission to the Department of Agriculture, Forestry and Fisheries (DAFF) National Bioenergy Feedstock Strategy in November 2025, and focussed our submission on the recognition of canola as a strategic renewable feedstock for renewable diesel (RD) and sustainable aviation fuel (SAF) and that a national bioenergy strategy would catalyse domestic

processing capacity opportunities, reduce reliance on fossil fuels, and provide a domestic sale opportunity for growers.

Our submission recognised that there is a unique opportunity to provide a diversified revenue stream for WA farmers to help insulate them from global commodity price volatility in export markets by providing strong demand in local, decarbonising industries.

For this submission, CBH has focussed on the key topics of RD and SAF eligibility and prioritisation; whether certain sectors or uses should be prioritised; outcomes that can be delivered and mechanisms to provide investment certainty; and carbon intensity thresholds and eligibility.

### **RD and SAF eligibility and prioritisation**

Canola derived RD and SAF offer immediate, scalable solutions to reduce emissions in hard-to-abate sectors like aviation, mining and heavy transport.

Aviation remains one of the most challenging industries to decarbonise due to long asset lifecycles and limited alternatives to liquid fuels. Similarly, heavy transport, including freight, mining, and agriculture relies on high-energy-density fuels that are difficult to replace with electrification.

Canola-derived RD and SAF provide drop-in and blending solutions that can be used in existing engines and infrastructure, offering near-term emissions reductions without requiring costly retrofits or technology overhauls.

These fuels can reduce lifecycle emissions significantly compared to fossil fuels, depending on feedstock and production methods. Australia is already a major exporter of canola, much of which is processed into low carbon liquid fuels in Europe. By developing domestic refining capacity, Australia can capture value locally while supporting its climate goals.

With policy support and investment, canola-based low carbon liquid fuels can rapidly scale to meet growing demand, enhance fuel security, and position Australia as a global leader in clean transport solutions.

### **Should LCLF for certain sectors or uses be de-prioritised due to other viable decarbonisation pathways?**

As set out above, the focus of the Cleaner Fuels program should be on LCLFs to address hard to abate sectors, such as aviation, mining and heavy transport, due to alternate viable decarbonisation pathways being available to the other sectors, such as light vehicles.

Both RD and SAF are transitional solutions that can be deployed relatively quickly, but they are not the only decarbonisation pathways.

RD alternatives include battery-electric trucks, hydrogen fuel cells, and biogas-based transport fuels. RD depends on the use case of the transport sector, where short haul may lend itself towards electrification, whilst long haul requires higher energy density fuels.

A sector-based view is dependent on a few key considerations, such as: do fossil fuels make up a significant contribution of their emissions; and are there limited alternative technologies available at an equivalent cost of abatement.

### **Outcomes that can be delivered and mechanisms to provide investment certainty**

In establishing an LCLF industry it is critical to have existing supply chain infrastructure in place to support the build-up to a level of scale. Leveraging established agricultural and grain freight supply chains ensures immediate scalability and reduces risk.

Existing logistics networks such as CBH's supply chain (canola transport to crush plants) minimises the need for costly new infrastructure and lowers production costs compared to building entirely new ones.

CBH's co-operative members are already producing renewable feedstock crops such as canola and can seamlessly participate in the new industry, ensuring buy-in and stability. Investors and policymakers are more likely to support industries that demonstrate operational feasibility through established supply chains.

In the same vein, prioritising established pathways like HEFA and HVO makes sense for near-term scalability, reliability, and risk management as these technologies are already certified, commercially deployed, and economically viable, whereas nascent pathways still face significant technical, cost, and scale-up challenges.

### **Carbon intensity thresholds and eligibility**

To support the viability of an LCLF industry, and to maximise Green House Gas (GHG) reductions relative to fossil fuel, CBH endorses the concept that LCLFs should receive government funding or incentives if they achieve a minimum carbon intensity reduction compared to fossil fuels, verified through independent auditing.

There are policy design considerations that the Department may consult with the LCLF industry on as the industry is established, but a minimum carbon intensity reduction threshold compared to fossil fuels is widely seen as a reasonable pre-condition of government LCLF incentives to ensure meaningful climate benefits while keeping the industry competitive and scalable.

In conclusion, CBH appreciates the opportunity to contribute to the discussion with the Department on a Cleaner Fuels Program.

Establishing a domestic LCLF industry can be achieved in part by strategically leveraging CBH's integrated grain supply chain for the supply of canola, as a renewable feedstock, to a domestic crush plant for production of canola oil to be produced into RD or SAF.

Leveraging CBH's scale, reliability, and existing supply chain has the potential to transform canola into a renewable feedstock for the production of RD and SAF. This approach not only accelerates Australia's clean energy transition but also positions the nation as a leader in agricultural based decarbonisation solutions for hard to abate sectors such as aviation, mining and heavy transport.

If you require any further information, please contact CBH's Head of Government & Industry Relations, Mr. Rob Dickie on 08 9 416 6313 [REDACTED]

Yours sincerely,

***For: Co-operative Bulk Handling Limited***



**Mr. David Paton**  
**CHIEF STAKEHOLDER RELATIONS, SUSTAINABILITY AND STRATEGY OFFICER**