Just Biodiesel

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December 10, 2025

Cleaner Fuels Program – design principles and framework

Background

We are pleased to submit comment to the National Cleaner Fuels Program. We submit on behalf of Just Biodiesel Pty Ltd (existing 50,000MT capacity biodiesel plant) & Oztek Holdings Pty Ltd (existing 40,000MT rendering plant). Both businesses are co-located at a regional site in Northern Victoria and have been operating for 20 years.

Feedstock Experience – we are expert in Fats and Oils, both processing & trading, tallow, Used cooking oil (UCO), and Canola oil. Further we are well located for supply of feedstock inputs and the offtake of our outputs.

Biofuel experience – most of our tallow is currently exported to Neste Singapore or the US for use in renewable fuels. We have secured ISCC accreditation and exported Biodiesel to the EU and NZ markets. When the feedstock price was below mineral diesel, we have supplied the full biodiesel capacity into the domestic market (50,000MT p.a. for a 5-year period). In the current market we continue to operate the Biodiesel plant at low-capacity utilisation (20%).

We have evaluated and are familiar with various biofuels – SAF, HVO, Biodiesel, Ethanol, Biochemical. We have participated with UNSW in an electrosynthesis R&D project, converting fats and oils to SAF via electrolysis.

We have been an active participant in the Bioenergy debate for the past 7 years, and we have evaluated many end-use segments & enquiries. Biodiesel is well suited to marine, road transport, and electricity generation end-use applications.

Design Principles and Framework:

1. Biodiesel capacity is available in Australia (+100 million litre p.a. capacity across 3 plants – currently at under 20% utilization). Biodiesel cost is of the order 2 times mineral equivalent (excise stripped). A key design principle would be to encourage the uptake of proven Biodiesel (and ethanol). Support programs can be structured around specific end-uses or applications. For example:
    - Specific Port going to B5 fuel oil. This what Singapore Port is currently doing, and we are participating in their program. It makes more sense to duplicate such activity in an Australian Port, rather than ship to Singapore.

- NSW EPA Coal Industry decarbonisation project. We have been participating in this project definition to move the 1 billion litres of diesel used in the sector, to B20 over a 10-year time horizon. The cost of such program can be part-funded by the Cleaner Fuels Program.

There are many potential eligible programs around the country. The Cleaner Fuels Program can allocate a certain funding mechanism for to enable existing biofuels uptake. This will in turn lead to further investment, and it will the encourage rapid penetration of LCLF.

2. SAF/HVO programs have been promoted by various participants. In the end analysis most of the ARENA funding goes to pay consultants and entities, in order that they remain viable. The issue is that the SAF/HVO equivalent is +3 times the mineral equivalent. Hence the impact of HVO/SAF has been limited around the world, and it will continue to be so into the future, given the high degree of support to make them viable. See attached Letter to the AFR 6/11/25.

3. Feedstock – we have previously responded to the national Feed Stock strategy. Fats and oils are the predominant feedstock for renewable fuels around the world. The feedstock type varies by region but generally uses a combination of vegetable oils (palm, soybean, rapeseed/canola), and then UCO and tallow. Supply chains for these products are well established and are mature. These are internationally traded commodities.
    - Future R&D support programs should focus on improving the yield of vegetable crops i.e. increasing the Canola oil yield by 5%, from the existing 42% yield. A 5% yield is equivalent to 300,000MT of extra oil (on a 6 million MT seed crop).
    - New oil seed varieties are being trialled (Carinata, Safflower, Pongamia), and we have evaluated such. Integrating & segmenting the new varieties into existing supply chains has some challenges. Most probably that is why regions of the world have specialised on certain crops i.e. Australia has a 40 year history establishing a 6 million MT Canola seed cropping cycle.

We believe the market is best situated to determine feedstock strategy. If the government did introduce a new renewable fuel policy, then the market would adapt, and feedstock (and Canola seed) would be diverted from export market to domestic usage.

Conclusion

The Cleaner Fuels Program should focus on supporting practical programs, which are co-supported by industry. Then you can achieve momentum and get results. We would suggest 200million litres of LCLF supported at say 50 cpl = $100 million p.a. investment by the Cleaner fuels program = $ 1 billion over 10 years.

Peter Chomley – Director 0417 526 012
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Case for sustainable aviation fuel doesn't fly

Paul Lindwall's article is a welcome reality check against the greenwashing agenda being pushed by Graincorp, Qantas and big oil companies such as Ampol and BP ("Net zero aviation fuel shouldn't take off").

Sustainable aviation fuel is expensive to produce because of three factors: a low process yield, the need for expensive hydrogen addition as part of the process, and the high capital expenditure involved.

The cost of SAF is more like three times the mineral equivalent, and that is before factoring in feedstock availability. As such, the various SAF projects proposed in Australia come and go – they are supported by government funding through the Australian Renewable Energy Agency in the feasibility phase, but they will never see the light of day. The experience overseas is not dissimilar, except that there are various subsidy support mechanisms in place, and small amounts of SAF are being produced.

As the article notes, if the SAF program did gain momentum, there would be an immediate feedstock problem to deal with across the world – either a shortage of fats and oils, or the rapid elimination of biomass supplies, ie sugarcane or forestry waste.

As a generalisation, most "renewable programs" that do work exist because of the economics versus the existing cost, for example, solar and batteries for electricity generation. At three times the cost of fossil fuels, SAF will never make sense, and those who promote it are aware of its shortcomings.

Peter Chomley, Point Lonsdale, Vic
AFR Letters – November 6, 2025

First Name	PETER
Last Name	CHOMLEY
Organisation Name	Just Biodiesel pty Ltd
Position	Director
Short Comment	
Question 1.1: Which LCLF should be eligible under the program and why?	Ethanol, Biodiesel, HEFA, Renewable Diesel
Question 1.2: Should certain types of LCLF be prioritised over others?	No
Question 1.2a: Should LCLF suitable for particular particular sectors or uses be prioritised? For example, should sustainable aviation fuel be prioritised over renewable diesel?	No
Question 1.2b: Should LCLF for certain sectors or uses be de-prioritised due to other viable decarbonisation pathways?	No
Question 1.2c: What market impacts are anticipated by influencing prioritisation of particular fuel types?	Skew Market demand
Question 2.1: Should the production credit be a fixed amount per litre of production, or a variable amount that depends on the market price of LCLF?	Fixed amount
Question 2.1a: Are there any potential benefits, risks or constraints considering the two different production credit options below?	No comment
Question 2.1b: What outcomes do you think can be delivered with the available funding?	$100 million p.a. @ $0.50cpl = 200 million litres LCLF fuel p.a.
Question 2.1c: What type of mechanism provides the greatest investment certainty or level of bankability to projects?	Direct subsidy to producer / customer
Question 2.1d: How can this support be structured to prevent substantial upside to producers?	Allocated by project

Question 2.1e: How do you consider pricing for LCLF will be set over the short-medium term and longer term? Will pricing be matched to a premium on equivalent fossil fuel or price of imported LCLF or be on a carbon abatement basis?	Flat rate / litre irrespective of fossil fuel, given it will always be lower.
Question 2.2: To deliver the policy intent of the Program while maximising the value for taxpayers, do you agree that projects with the lowest cost should be prioritised under the Program, with the cost being measured either as per unit of LCLF produced or as per unit of carbon emissions abated?	Yes
Question 2.3: Should the production credit be linked to the quantum of LCLF produced, or the carbon emissions saving potential of the fuel?	Mix of both
Question 2.4: What are your views on the cost to deploy LCLF domestically compared to internationally? Is there a local premium for domestic production?	Focus on domestic production
Question 2.5: Should the total value of production credits be capped for each project? If yes, what should the capped amount be and why?	Yes, depending on how much moeny is available
Question 2.6: Should production be focused on domestic supply only or should export also be permitted? What impact could restriction have for projects or the market?	Domestic
Question 2.7: Is there a role for combined production support with capital grants for first-of-a-kind facilities?	No
Question 2.8: What other types of funding or concessional finance could support LCLF projects (e.g. funding from CEFC and NRF)?	Agreed

Question 2.9: Is any other support required across the supply chain to enable domestic production of LCLF?	No
Question 2.10: What lessons can Australia learn from other jurisdictions that have already implemented LCLF production support measures?	No system is perfect
Question 3.1: Considering the objective below, what production pathways should be focused on or prioritised?	Proven pathways - ethanol & biodiesel. HEFA / biogas to fuel projects are uneconomic
Question 3.1a: Should priority be given to projects that use more-established production pathways (e.g. HEFA and HVO) than nascent production pathways that may present a higher level of technology risk?	Yes
Question 3.1b: How can nascent production pathways compete with more-established production pathways (e.g. HEFA and HVO)?	Too much risk
Question 3.1c: What minimum stage of project development (and evidence) should be expected by projects under the program?	FEED
Question 3.2: Should there be a minimum facility size to be eligible?	No
Question 3.3: Should LCLF be required to meet a carbon intensity threshold (% carbon intensity reduction compared to fossil equivalent) to be eligible for the program? If yes, what would be a reasonable threshold, and how should that threshold be calculated and verified? If not, why not?	Yes 80%
Question 3.3a: If the production incentive is based on carbon emissions reduced, rather than volume of LCLF produced (see Question 2.3), is a minimum carbon intensity threshold still needed as part of the eligibility criteria?	

Question 3.3b: Should Indirect Land Use Change be included in the method for determining carbon intensity, for the purpose of the Program?	
Question 3.3c: Should any feedstocks be prioritised or otherwise considered out of scope?	No
Question 3.4: Other than carbon intensity, should any other sustainability criteria be included?	No
Question 3.5: Which international and domestic sustainability schemes should be allowed to verify sustainability claims?	ISCC
Question 4.1: What are your views on the following factors affecting the merit of a proposal? Question 4.2: Recipients under the Program will need to deliver benefits according to the Community Benefit Principles under the Future Made in Australia Act (see Appendix D of the Policy Design and Engagement Paper). How do you consider the Community Benefit Principles in relation to LCLF projects? Are there specific Community Benefit Principles that are more or less relevant?	See submission
Question 4.3: How will overseas policy developments interact with domestic policy settings to support projects reaching final investment decisions? For example, LCLF demand-side targets or mandates, and international frameworks such as the International Civil Aviation Organisation long-term global aspirational goal for international aviation (LTAG) of net-zero carbon emissions by 2050.	Difficult to tell

Question 4.4: In addition to production support, what other measures are considered critical to achieve final investment decisions for projects? What are their key features?	Commercial ROI
Question 4.5: What are the intersecting policies you expect need to be considered to unlock a domestic LCLF production industry?	
Question 4.6: Is there any other feedback you would like to provide that isn't covered by questions above?	