



Australian Biofuel Producers Alliance

Producers of Australian Ethanol and Biodiesel

MEDIA RELEASE

20 October 2026

Australia can make more of the fuel it needs right now

Biofuels alliance calls for national action to ease fuel cost pressure and strengthen energy security

Australians are paying more at the bowser as global fuel markets remain volatile. The Australian Biofuel Producers Alliance says producing more ethanol and biodiesel in Australia is a practical way to create a homegrown fuel buffer and reduce exposure to overseas supply shocks.

On 14 October, average prices across Australia's five largest cities were \$2.42 a litre for regular unleaded petrol and \$2.79 a litre for diesel. Since 20 February, petrol has risen by 71 cents a litre and diesel by \$1.02 a litre, adding over \$60 to a 60 litre diesel fill.

The Alliance is calling on the Australian Government to introduce a national biofuel blending requirement from mid 2027, increasing the use of Australian made ethanol in petrol and biodiesel in diesel.

Alliance Chief Executive Officer Matthew Hobbs said Australia had a practical opportunity to strengthen its fuel resilience.

"Australians cannot control what happens in global fuel markets, but we can choose to make more of our fuel here," Mr Hobbs said.

"When overseas supply chains are disrupted, families, farmers, freight operators and small businesses feel it in their hip pocket almost immediately.

"Australian producers already make ethanol and biodiesel from local feedstocks. With the right national policy, we can put more Australian made fuel into our tanks, buffer against price shocks, and help place downward pressure on fuel costs."

Australia imports most of the liquid fuel it uses, so every litre at the pump is exposed to events overseas. Diesel is especially critical, powering freight, agriculture, mining, construction, emergency services and defence.

Australian biofuels are made from locally available waste by-products and feedstocks, including wheat starch residue, sugarcane molasses, tallow, used cooking oil, and canola. Increasing local production would support regional manufacturing and create more value from Australian agricultural and food processing sectors.

Ethanol is a proven fuel source already used by many Australian motorists. Most modern petrol vehicles are designed to use it, making it a practical way to protect against price shocks and strengthen



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Australia's fuel security. When made from sustainable feedstocks, ethanol can also lower the carbon intensity of petrol.

The Alliance is calling for:

1. A national biofuel blending requirement from mid 2027 for petrol and diesel; and
2. Clear national guidance for motorists on ethanol and biodiesel blends, including compatibility information for older vehicles and small engines.

"Every litre of biofuel made here is a litre of imported fuel Australia doesn't have to buy," Mr Hobbs said.

"We already have the producers, the feedstocks and a fleet that can use these fuels. We should be making full use of Australian made fuel, not leaving local capacity idle while we depend on disrupted supply chains on the other side of the world."

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Notes for editors

- On 14 October 2026, average retail prices across Australia's five largest cities were 241.9 cents per litre for regular unleaded petrol and 278.5 cents per litre for diesel.
- Australia's two domestic refineries produced 12 billion litres of fuel in 2025, around 20 per cent of annual national fuel needs.

About the Australian Biofuel Producers Alliance

The Australian Biofuel Producers Alliance represents domestic producers of ethanol and biodiesel. It advocates for practical policy that strengthens fuel security, supports regional industry and expands biofuel production.



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Cost of living and fuel security: Australia's Homegrown Solution

Australian Biofuel Producers Alliance · 20 Oct 2026

The global fuel crisis has hit Australian households hard since February. Homegrown ethanol and biodiesel can ease the pain at the bowser and keep the country moving, using existing infrastructure and plants.

At a glance

- Diesel is nearing \$3 a litre. Since the conflict began in February, capital city diesel has risen over \$1 a litre and petrol 71 cents.
- We import around 80 per cent of our fuel. Every shock overseas lands at Australian bowzers.
- Every litre of ethanol is a litre of petrol we do not need to import, putting downward pressure on fuel cost. E10 puts renewable fuel made in regional Australia into the tank, at a time when imported supply is at risk.
- At least 57 countries mandate biofuels. Australia does not. The Alliance is asking for a national blending requirement from mid 2027.

One strait away from empty bowzers

Before the conflict, about a fifth of the world's oil and LNG passed through the Strait of Hormuz. Since 28 February 2026, commercial shipping through it has been severely disrupted.

Tankers are still being hit. Three were struck by projectiles on 29 September and most ships now cross with their tracking switched off.

Australia buys most of its fuel from refineries in Singapore, South Korea and Malaysia, which run largely on Middle Eastern crude. When tankers stop in the Gulf, the shortfall and the price spike reach Australian bowzers.

On 14 October, average prices across Australia's five largest cities were \$2.42 a litre for regular unleaded petrol and \$2.79 a litre for diesel. Since 20 February, petrol has risen by 71 cents a litre and diesel by \$1.02 a litre, adding over \$60 to a 60 litre diesel fill.

Our buffers are thin. Australia had eight refineries until around 2000. The two left supply around 20 per cent of national needs. We hold about 42 days of petrol and 32 days of diesel, against the 90 days required of International Energy Agency members. Australia has not met that requirement since 2012.

The 2023 Defence Strategic Review called fuel security a critical vulnerability.

Diesel is Australia's weakest point

Diesel moves our food, freight, farms, mines and defence force. It makes up 54 per cent of the liquid fuel market and more than 60 per cent of it is imported.



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It is also where this crisis bites hardest. We hold 10 fewer days of diesel than petrol. Diesel prices have risen 44% more than petrol at the pump and global diesel prices hit record highs in September.

Biodiesel is the only Australian made diesel replacement produced at commercial scale today. It works in today's engines. Blends of up to 5 per cent have long been sold as ordinary diesel and blends of up to 20 per cent are already supplied to commercial fleets under federal approval, which notes they perform much like mineral diesel.

Yet we ship the raw material away. Australia exports about 80 per cent of its used cooking oil and is the world's largest exporter of tallow. Some of it comes back as imported renewable diesel. A national blending requirement would keep more of that feedstock here, in Australian tanks.

Fuel security in every tank

Up to a tenth of every tank of E10 is Australian made. That ethanol comes from plants in regional NSW and Queensland, not from tankers crossing the Strait of Hormuz. When imported supply tightens, Australian made ethanol keeps flowing.

It is a better fuel too. E10 is rated at 94 octane against 91 for regular unleaded and ethanol is one of the most effective ways to raise the octane of petrol. It also burns cleaner than regular unleaded and produces lower greenhouse gas emissions.

It is made here. Every tank of E10 supports Australian farmers and regional jobs. Every litre of ethanol blended is a litre of petrol Australia does not have to import, helping place downward pressure on fuel costs.

Made here, from what is left over

Five Australian producers already make ethanol and biodiesel in regional New South Wales, Queensland and Victoria.

Producer	Fuel	Feedstock	Location	Capacity (ML a year)
Manildra Group	Ethanol	Wheat starch residue	Bomaderry, NSW	300
Wilmar Sugar	Ethanol	Sugarcane molasses	Sarina, Qld	60
Just Biodiesel	Biodiesel	Tallow and used cooking oil	Victoria	60
Eco Tech Biodiesel	Biodiesel	Used cooking oil, tallow and canola	Narangba, Qld	30
Biodiesel Industries Australia	Biodiesel	Used cooking oil, canola	Maitland NSW	20
Total current operating capacity				470



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Some of their output goes to countries with biofuel mandates. Australian made fuel is protecting other nations while we import our own.

Food versus fuel is a myth here. Australian biofuels are made from what is left over once the food has been made:

- Ethanol from wheat uses starch left over after food products are made, not grain taken off the market.
- Ethanol from sugarcane uses molasses – what remains once sugar is milled.
- Biodiesel uses tallow from meat processing and used cooking oil from commercial kitchens. Where canola is used, crushing it still yields protein meal for livestock.

No extra land is planted for fuel, and no food leaves the table. Producers buy from Australian farmers every season and ethanol alone supports about 3,500 direct and indirect jobs in regional communities.

Safe for your car

E10 suits the vast majority of cars on Australian roads. The Federal Chamber of Automotive Industries confirms nearly all new vehicles sold here are E10 compatible. Manufacturers also confirm that using E10 in a car approved for it does not void the warranty. The RACV lists engine damage from E10 among the most common fuel myths.

Mechanics agree. In May 2026, the Institute of Automotive Mechanical Engineers and the Motor Traders' Association of NSW told the NSW EPA that ethanol blending was technically sound and manageable for most of the fleet.

Australians drive the same models sold overseas, where E10 is normal. It makes up about 98 per cent of US petrol and is the standard grade in 19 EU countries, the UK and Norway.

What about fuel use? Ethanol carries slightly less energy than petrol, so some cars use 1 to 3 per cent more fuel on E10. Everyday factors such as soft tyres, air conditioning, roof racks and driving style move fuel use by as much or more.

Ready now and ready to grow

- Immediately: more than 12.5 million litres of fuel in storage, ready to blend.
- Within twelve months: output lifted to about 594 million litres a year from existing plants.

Markets can move fast. When US refiners replaced the additive MTBE after 2005, they switched to 10 per cent ethanol almost immediately. By the end of 2006, ethanol was in nearly all reformulated gasoline, around a third of US petrol.

At least 57 countries mandate biofuels and this crisis is pushing some to accelerate their biofuels policies. Australia has no national mandate at all.



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What we are asking for

Two decisions would put more Australian fuel in Australian tanks.

1. A national blending requirement from mid 2027. Refiners and importers blend ethanol into petrol and biodiesel into diesel, met with actual litres of fuel.
2. A public information campaign. Government funded, plain English advice for motorists on E10 and biodiesel blends, including the extra guidance for older cars and small engines that mechanics have asked for.

The plants are built. The feedstock is here. The fuel is ready.

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