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# Submission

Prepared for:-

**Project Manager-Queensland biofuel mandate**

**[biofuels@dews.qld.gov.au](mailto:biofuels@dews.qld.gov.au)**

**PO Box15456, City East, Qld. 4002**

By:-

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2 July 2015

Project Manager-Queensland biofuel mandate

[biofuels@dews.qld.gov.au](mailto:biofuels@dews.qld.gov.au)

PO Box15456, City East, Qld. 4002

Dear Sir/Madam,

Re: Liquid Fuel Supply (Biofuel Mandate) Amendment Bill 2015

**Background.**

Standard Commodities, establish almost 30 years ago, is an Australian based trading and processing company specializing in pastoral activities. We have been a significant participant in the development and growth of domestic and international markets associated with agricultural produce.

Standard Commodities is cognizant of the aspirations of the Queensland Government to achieve a mandated portion of fuel sold in the State to be sourced from biofuel agricultural feed stocks. This decision will have an impact for the good on companies such as ours by opening up new regional opportunities, new agricultural products to grow and process and new markets.

**Benefits.**

We believe the key benefits of mandating a level of biofuel to be incorporated into Queensland fuel are;

- Providing a higher level of national fuel security, as most petroleum products are imported into Australia and the Nation only holds approximately 23 days of capacity at any one time.



(Source. Australia's Liquid Fuel Security, A Report for NRMA Motoring and Services Prepared by John Blackburn AO 2013)

- A degree of supply and price stability in trading markets owing to the rising proportion of local Australian agricultural content at play in the mostly imported fuel market.
- Development of Regional opportunities for expansion in developing, growing, harvesting and trading in the rising demand for biofuel agricultural products.
- The encouragement of new, enterprising entrants and capital into the Australian market seeking to be involved in the uptake of additional and new biofuel agricultural products.
- The growth in the Industry resulting in innovation and local R&D that will provide many opportunities in the International markets, as well lead to job creation, direct and indirectly.

## Comments on the Liquid Fuel Supply (Biofuel Mandate) Amendment Bill 2015

### Setting a level

Although Standard Commodities primary concern is the securing of support for policies that increase the production, use, trading and quality of Australian agricultural products, and as such we do not propose to comment on regulatory options in the Queensland jurisdiction, it would, we believe, make sense to set a mandate level consistent with existing levels in other Australian jurisdiction. This will avoid the "railway gauge" variations between States with the associated difficulties. The existing mandate in NSW is six per cent and we believe it would be rational to start at that figure. Further increases perhaps tied to the Commonwealth's excise growth program where excise will grow on Biofuels from zero to 12.5cents by 2020 could achieve a proper balanced growth rate that allows for a realistic industry base. As such a mandate in Queensland could be set initially at 6% in 2016 and then be increased to 10% by 2020.

### Rationale

Biofuels are already a substantial part of Europe's and the America's fuel supply. As a result the agriculture sector and those associated with it are seeing positive changes in the size, stability and decentralization of local and regional opportunities where waste, by-products, grains, fodder, seeds and all manner of pastoral products are processed close to its point of consumption. Queensland is an efficient agricultural producer, with human resources rich and experienced in handling and developing markets. It would be remiss of the state in letting Biofuels simply become, like current mineral fuel products, "something else we import". Queensland has raw materials available to grow and process that don't compete in the food chain, so its ideally positioned to be our countries leading resource in this



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field.

Last week I visited the Botany Bay shipping terminal in Sydney and was sad to learn the brand new terminal BLB2, is designed solely for imported fuels and liquid chemicals. This a multi million dollar facility, complete with massive storage tanks for hazardous chemicals and fuels. The vision so regrettably limited to believe that we will be forever importers of fossil fuels, not exporters of renewable bio fuels. I trust Queensland maybe one day the first state of Australia to be in a position of export having a surplus of bio fuel to the states needs. Consider for example global titans in the renewable fuels sector such as Brazil that pioneered ethanol production 30 years ago and has saved trillions of dollars on importing mineral fuels, whilst raising valuable export dollars in exporting renewables. The millions of jobs, the prosperity, education and infrastructure created. The vision, belief and commitment of a country's leaders are paramount. The people will seize the opportunity provided by good governance, and the rest will happen. We are seeing great strides in Europe, North and South America today, so our time is now.

**Summary**

Standard Commodities supports the objective of the Liquid Fuel Supply (Biofuel Mandate) Amendment Bill 2015 to require minimum ethanol content in relation to the total volume of motor spirit sold in Queensland and minimum biodiesel content in diesel. Standard Commodities also believes that if the bill included a 6% level for both ethanol and biodiesel it would further strengthen the objectives of the bill. Standard Commodities is of the opinion that the adoption of realistic mandated volumes of biofuels will assist the State of Queensland in achieving one of the Queensland Government's major planks, that of having a clean, green, prosperous Agriculture sector.

Our firm would appreciate the opportunity to discuss this, or any other issues relating to biofuels, at any convenient time or place for the appropriate Parliamentary Members or appointed Government officers.

Michael Betar

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Standard Commodities Group



NSW 2010

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