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PRIMARY INDUSTRIES AND RESOURCES COMMITTEE

Members present:

Mr SA Bennett MP—Chair
Ms ND Marr MP
Mr RI Katter MP
Mr GR Kelly MP
Mr JR Martin MP
Mr TJ Smith MP

Staff present:

Dr A Ward—Committee Secretary

PUBLIC HEARING—INQUIRY INTO SUGARCANE BIOENERGY OPPORTUNITIES IN QUEENSLAND

TRANSCRIPT OF PROCEEDINGS

Wednesday, 10 September 2025

Townsville

WEDNESDAY, 10 SEPTEMBER 2025

The committee met at 1.59 pm.

CHAIR: Good afternoon. I declare open this public hearing for the committee's inquiry into sugarcane bioenergy opportunities in Queensland. My name is Steve Bennett. I am the member for Burnett and chair of this committee. With me here today are: Mr James Martin, the member for Stretton and deputy chair; Ms Natalie Marr, the member for Thuringowa, who is substituting for Nigel Dalton, the member for Mackay; Mr Robbie Katter, the member for Traeger; Mr Glen Kelly, the member for Mirani; and Mr Tom Smith, the member for Bundaberg.

This hearing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence. I also remind members of the public that they may be excluded from the hearing at the discretion of the committee.

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Today I believe we have present Burdekin mayor Pierina Dalle Cort as well as the mayor and deputy mayor of Hinchinbrook. Welcome. I also welcome Nick Dametto if he is here. Natalie, would you like to say a few words of welcome?

Ms MARR: As you heard, I am here as a substitute for Nigel Dalton today. It is my pleasure to be here. It is great to see so many people in the room, because regional Queensland voices really need to be heard. Thank you for your commitment today and your contributions. We appreciate you taking the time. We are looking forward to some robust conversation. Thank you and welcome.

CHAIR: I now welcome representatives from Burdekin Renewable Fuels.

MARANO, Mr Philip, Director, Burdekin Renewable Fuels

ROSSATO, Mr Greg, Chairman, Burdekin Renewable Fuels

WALL, Mr Richard, Deputy Director, Burdekin Renewable Fuels

CHAIR: If you wish you may make an opening statement, after which the committee will have some questions for you.

Mr Rossato: Thank you very much for allowing Burdekin Renewable Fuels to present today to the committee. I trust you have all read our submission so I will not read right through it. We would rather get into some questions and answers.

We were established in 2017. We are a fully grower owned, for-profit company in the Inkerman district, which is on the southern side of the river. We have done three different prefeasibility studies into different technologies that we can use in the bioeconomy. The first one we started was in 2018 with the pelletisation of tops and trash for the Japanese energy market. We moved on to another one, but after COVID hit it put a bit of a stop to it. After that Japan went a bit more to nuclear power, so we pivoted. We did a project called Project B Green that looked at aviation fuel as well as sustainable glycols. They were very high capital cost projects and very high-risk technologies. They were still a little bit immature to be commercialised at that time. While this was going on we were working alongside Sky Renewables and Simon Yim, who was looking at the same thing—pelletised tops and trash—to feed into the Japanese market at the time. That has grown into other Asian markets so that is happening at the moment.

Another thing in our submission is the cost of electricity at the moment and regulation around consumers not being able to buy directly from power generators in a microgrid system. We do support the Australian Sugar Milling Council's view of upgrading boilers across the state, but in doing that we would like to see regulation removed to allow farmers to buy cheaper electricity. That would be something very good to look at as well moving forward.

Another problem with biofuels at the moment is the supply of sustainable hydrogen. There just isn't one, so any upgrading of alcohol to jet or any other ways of making aviation fuel that needs to be upgraded will need to be done at a fuel refinery, which at the moment takes away more profit that could be made here in the north. We did recognise a way to overcome sustainable hydrogen, and that is using coalmine waste gas. At the moment it is just being flared. We do not understand why we can use coal to make solar panels and wind turbines but we cannot use the gas to make sustainable fuels. There is a lot of gas that is not being used. I think there is a perfect opportunity to utilise that gas in North Queensland to do the production of fuels here in North Queensland. Otherwise, there will not be a fuels industry in North Queensland. Sustainable hydrogen is just too expensive. I do not think we are ever going to see it come down to a price that will be cost-effective. We do see coalmine waste gas as an opportunity. It is being flared anyway, so we might as well use it for something. That is pretty much our submission. We would like to move on with some questions and answers.

Mr MARTIN: You mentioned pellets, SAF and co-gen. If this committee and the government ends up looking at what area it should invest in, is there one that stands out to you as the low-hanging fruit where you get more bang for the buck, or is it still at the stage where a lot more research needs to be done? What should the committee be looking at in terms of where it is easiest to get some return?

Mr Rossato: The here and now is obviously electricity generation. Gasification is here and now. We can gasify solids and we can utilise that gas as well to mix with LNG to produce electricity. That is the here and now. The technologies around sustainable aviation fuel and sustainable hydrogen and other products like that will come in time. They are just not here right now. Around alcohol to jet there are a lot of losses, so it is very hard to compete with normal fossil fuels. Hydrothermal liquefaction technology is probably further ahead than some of the other ones. Even with alcohol to jet, with the amount of losses involved in making alcohol and then making jet fuel, the grower would not see much return on that at all. It is very expensive.

Mr Marano: It is also very expensive, not just the losses. We have been in talks in the past with the defence department and Qantas. It is just too expensive for them to buy at the moment. To make it and to make a profit is just too expensive for the end user. It does not stack up. It can be done, but it is difficult and expensive.

Mr Wall: We have heard a lot about alcohol-to-jet projects in the last couple of years. You always hear in the media how it is great for canefarmers, but alcohol-to-jet projects are sugar juice and no canegrower owns any sugar juice. Once it hits the bin, it goes to the mill. The millers will make most of the money unless there is a monumental change in our cane supply agreements, but we have no leverage for cane supply agreements at this point.

Mr G KELLY: How do you see grower owned companies like Burdekin Renewable Fuels ensuring those returns flow back to the farm gate rather than being absorbed by corporate processes and exporters?

Mr Marano: That is exactly what we are trying to do with Burdekin Renewable Fuels. It is a 100 per cent grower owned company. We are working with a partner, Sky Renewables, which has moved to Australia. It was based out of Singapore originally. I do not know if you are familiar with the project or not. In a nutshell, we are trying to use the trash and tops in the Burdekin that we usually burn. I am sure you are all aware that we burn cane. We would like to harvest green, collect the trash somehow, and turn that into briquettes that will be gasified into liquid gas. That is it in a nutshell. That can be done today, but there are obviously some costs and cultural changes that need to happen. I am sure you are all aware that change is the hardest thing to drive. It does not matter how good the project is, if you are asking a large group of people to change it is very difficult. I have complete faith that it will happen. I do not know how long it will take. We could obviously use a bit more support from government. It is not that they have not been supportive. They have been morally supportive, but we have not seen many funds from government. We have seen a little bit.

I am aware that millers have asked or will be asking for funding to upgrade their boilers so they can generate power. I am not against that, but if any taxpayers' funds are going to be used to go to millers then growers cannot be left on the sideline. There has to be involvement from growers. I am no longer an elected member of Canegrowers but I am still a member of Canegrowers. I was an elected member of Canegrowers for 21 years. In that time I have never seen any willingness by millers to work with growers for an outcome. I can guarantee one thing: millers will always act in millers' interests and no-one else's. They do not care about the growers. That can be demonstrated by how they tried to take over marketing. I do not know if many of you remember that. Maybe Robbie does. Eventually in Queensland we got grower marketing legislation that gave growers a choice. That was passed against the sitting government with the help of the Katter party, the LNP, I think the Greens, Townsville

Pauline Hanson and one Independent, if my memory serves me correctly. I was at parliament for that. The millers fought tooth and nail to take control of marketing against the growers' wishes, and growers would have again been sidelined. I think to this day the millers are still lobbying to get that overturned. Millers cannot be trusted. If you are going to give funding to millers, it has to have a lot of strings attached so the growers are not sidelined. That is all I want to say about millers.

Mr SMITH: We are talking a lot about biofuels and what abilities can come out of cane and the biomass. We know there are different forms of genetic modification in cane, how to get the sugar and so forth. If there is a shift—not away from crystal sugar—into producing the best form of biomass that can burn at a better rate, what research is currently underway or what research do you think needs to occur?

Mr Rossato: SRA, Sugar Research Australia, is starting investigations. The last time I talked to the boss of SRA it has changed now, but I hope it is still heading in that direction. We do not want to cut off our nose to spite our face either. The sugar is still a very valuable part of the crop and we should keep making sugar. At the moment it is still the most valuable. We have to try and find a happy medium: a crop that can produce good amounts of sugar with biomass as well. That is one thing we have to be wary of when we are looking at new types of cane.

Mr Marano: I would add that the cane breeders—SRA is our research body—realise that down the track that might be needed. I believe they have done some initial work towards that, but at the moment they are concentrating on sugar content and sugar per hectare. They certainly are aware and I believe they have plans in place so that if there is a shift they can move towards a cane that strikes a medium between sugar and biomass.

Mr Wall: In our prefeasibilities we looked at whole-of-crop and going down the path of making one income stream and we figured, 'Why do that? We might as well stick to sugar and make the second income stream out of the stuff that we currently do not use so we end up with two income streams rather than one.' It would make a heck of a product to be able to cut the whole of the crop and make one income stream that will make up for the two that we could possibly make the way we are going.

Ms MARR: Philip, you were talking about funding—and we know that that is a consideration of most people when we talk to them—but over the years have you had any government funding previously? What worked then or what could have been done better?

Mr Marano: I think Greg might be better to answer that.

Mr Rossato: Yes, we did. We received some federal funding from the CRCNA. We had a grant of about \$485,000 that we did prefeasibility work with. It is a good area for the funding to be directed, I think, down at the start and then you are going to see whether or not a project has legs. That is the thing: we do not want to be wasting taxpayers' money subsidising industries—I do not agree with subsidies—but if there is a little bit of government help at the start to investigate certain technologies you will work out pretty quickly whether or not they are a goer. If they are not a goer, you have to pivot away and accept that that is not the way to go at this point in time. I am not saying that technologies cannot ever work—they are just not going to work right now—but in time different technologies will get better, and that is one way. If you start subsidising industries, I do not think you are going to get the innovation you want to get, and that is what will hold back the whole thing—that is, it will lack innovation if you are picking winners. So maybe at an early stage of investigations and prefeasibilities it is good, but beyond that I am not really sure. There might be other levers that might work, but I am not big on subsidies.

Ms MARR: So no state funding has come your way to do anything previously?

Mr Rossato: We did get a little bit in 2017 from Trade and Investment Queensland on our first one. We got a bit of funding to travel to Japan. We talked to quite a few companies over there about our product, and that was really worthwhile. Trade and Investment Queensland does a great job in that sense. They really helped us a lot in Japan and we got a lot of feedback from that, but unfortunately it went quiet with COVID.

Mr KATTER: As a take-home for the committee to put in a report to the government, what are some priorities you see in terms of either policy settings or assistance to get something like this off the ground?

Mr Marano: I believe that biofuel from sugar cane will definitely be something, will definitely be a new industry. How long it takes to get there, I do not know. We do have a project—and I will plug our project—that we think will work, and we are pretty confident it will work. I do not want to go back to mill bashing again, but it would work a lot better with cooperation from the mill. We have brought

the project to the mill and asked for their cooperation and they just out of hand said no. They do not think it will work and they would not even enter into any discussions of how we could make it work, and that is the problem we have with mills. That is an age-old problem. Most of you sitting over there will know the history of our problems with millers.

As far as government is concerned, I think there needs to be support to—'look favourably' are not the right words—have a real critical look at projects that are offered, that are up and running, that are asking for funding. You do not want to be throwing money away. You want to pick ones that will work, can work and are pretty much along the road to saying they can work. I do not even want to mention their name because that would not be very nice, but someone gave—I do not know whether it was state or federal—a lot of money to someone who was talking about making aviation fuel from cane. As far as I know, they never talked to any canegrowers to get the supply. I think it was a lot of money and just looking at it I was going, 'Oh my God! How could government give them that much money for what they've got up?' I thought it was ridiculous.

Mr KATTER: What about offtake agreements?

Mr Marano: We have offtake agreements—not signed, but certainly there is a lot of interest and people are saying that they want the product. Everyone wants to be seen to be using renewable fuels, especially the likes of Google and Amazon and places like that, so they are very interested. If we can get the product, they have not signed but they want the product.

Mr Wall: We currently have the offtakers and we have the resource; we just need to get the logistics right in-between. That is what we are chasing right now, and there is a feasibility study being done by a big Brazilian firm to get those figures into place currently.

CHAIR: Thank you very much for your time. Our time—

Mr Marano: Can I just add one more thing?

CHAIR: You certainly can. You have earned that right over the years.

Mr Marano: Yes. There is one thing I really do want to say again. I will reiterate it because I have already said it: I believe there is a future for the cane industry and sugar and then renewables both, and I think they will go hand in hand. You may hear from some growers that it is a waste of time. Do not believe them. This is the future of the sugar industry, the cane industry—I believe hand in hand sugar and biofuels. We have been doing sugar for 100 years and we do a damn good job, and we can do better.

CHAIR: Thanks for your comments. I guess it is time to remind you that this is a self-referred committee inquiry and everyone at this table was enthusiastic, as our first order of business, to look at the sugar industry. Many of us here represent sugar seats and are totally committed to our communities, so we are here to fight the good fight, I guess. Be assured that this committee is serious about our inquiry, so thank you, gentlemen.

Mr Rossato: Thank you very much for your time today.

CHAIR: Good, Greg; thank you. Put in another submission before 8 October.

PARKER, Mr Allan, Manager, Kalagro

CHAIR: Good afternoon. I invite you to make an opening statement before we move to our questions.

Mr Parker: Thank you, Chair and committee. As I walked in the door someone said to me, 'Allan, have you got all the answers?' and I said, 'I haven't got any answers. I've got a sad story.' I am currently the manager of the Kalamia Cane Growers Organisation, a grower collective in the Burdekin that represents 112 growers with 1.6 million tonnes of cane. I have been a sugarcane farmer for 30 years and an advocate and representative for fellow growers for more than 20 with Pioneer Cane Growers Organisation.

I think I have significant experience in promotion and development of an ethanol industry in the Burdekin for the last 25 years. I have been the Burdekin ethanol coordinator for Canegrowers Burdekin, treasurer of Australian Friends of Ethanol and an ethanol technology director. I have worked directly with the Queensland and Commonwealth governments with former premiers, prime ministers and ministers for an ethanol mandate. I helped coordinate the Brisbane ethanol symposium driven by former premier the Hon. Peter Beattie. After that process it produced a Queensland government working group that was led by F1 legend Sir Jack Brabham, whose mandate, pardon the pun, was to investigate a sustainable Queensland ethanol industry. I also accompanied former premier Beattie to Brazil to investigate the milling process.

I have also been a director of Austcane and also contributed to stage 2 of Austcane Energy investigating the build of an ethanol mill in the Burdekin. I have been a keen observer of the building of the Dalby ethanol plant, an observer of the Burdekin Austcane Energy ethanol mill build and also NQ Bio-Energy's concept of a sugar ethanol energy mill. My observation of the whole of the process of the projects comes down to commercial viability across the whole of the supply chain. Having an innovative concept or a concept that is technologically brilliant or having the support of all growers means absolutely nothing. If the project is not commercially viable, that is where it lands. If it is not commercially viable, it is not going to happen.

In my time I have seen a lot of projects put forward for the use of sugar cane other than crystal sugar: obviously, ethanol; growers building small co-gen plants on their farms producing biodegradables; and also the use of the tops and trash for feedstocks and also to burn for energy. Plenty of those might've, could've, should've projects have received a lot of government funding, but eventually after that funding dries up it goes nowhere. To come to the end of an actual project, it has to be commercially viable; otherwise, it is not going to happen. The lessons from the past 25 years and this whole failure to expand ethanol production from sugar cane paints a very realistic picture of just how difficult and how complex it is to achieve the change from the production of biofuels from sugar cane. Thank you.

CHAIR: Thanks very much, Allan.

Mr MARTIN: Thanks, Allan, for the submission. You clearly have an extensive history in the area relevant to what the committee is looking at. I understand that your key point seems to be that the most important thing here is that whatever the committee or the government invests in has to be commercial. Can you give the committee a bit of an example of what you think might be the most commercial thing we could support and are there any lessons that we can learn internationally? Are there things going on around the world we should be looking at?

Mr Parker: I think I have been very privileged to be around some very smart people. The only thing that I could say to you guys is to investigate the real amount of time, energy and money involved from individuals who have tried to build ethanol plants or have built an ethanol plant to get a true understanding of where that stands. We need to get a true understanding of it live in terms of the money that has come out of their pockets where we have not seen a mill built. It is my understanding that currently we have not seen any ethanol plants from a greenfield site built, so that is what I am saying to you. I am lucky that I have been around those people, but I think the committee should investigate further on some very live action by people in the last 20 years to try and produce an ethanol mill.

Mr MARTIN: It has not gone as well as—

Mr Parker: No, I do not think it has, no.

Mr MARTIN: Around the world is there anything we should be looking at?

Mr Parker: I keep in contact with a gentleman in California who has been trying to build an ethanol plant sugar mill for the last probably 10 to 15 years and he runs into the same problem in terms of it being viable to raise money and capital. When you raise that money from those people, Townsville

they want their rate of return. From my side of it, I am looking after the producer of that cane. As an ex-farmer, I want the viability and the wealth back into there. However, when you have someone who is going to invest all of this money, they are going to want their rate of return, so where they get their rate of return is from the farmer. That is the trick in all this—that is, to make it viable.

Mr G KELLY: Allan, thanks for coming along today. Energy is something that the state of Queensland has trouble with, and that is why what we are talking about today is very important for the future of energy in Queensland. I would like your thoughts, Allan, on the fact that I think Australia has thrown all its eggs into one basket. It is called intermittent power—that is, wind and solar. What are your thoughts on this when it comes to baseload reliable power and the reason we are all sitting here today? Can you tell us the benefits of the likes of co-gen and biofuels as well but energy in general?

Mr Parker: Like I said, I have been very fortunate and I have surrounded myself with some very smart people. I have two friends who work in the electricity industry and there is a huge problem with inertia. What they have said to me, and you might be privy to all this sort of stuff, is that they can go and build your windmill turnout and your solar, but it is getting that energy to the major cities or where that energy needs to go. That is going to create a problem. What is also going to create a problem is the availability of us to supply, and I think the previous speaker brought this up. We can produce the bagasse that they go and burn in a boiler, but we do not get that much from it as a grower. There are heaps of problems out there that need looking at or trying to fix, as the previous speaker said, to be able to bring it to the table because the millers are not interested in negotiating. That is their part of the pie and that is their part of the cut so they are not going to want to give away any payment that they are going to receive. That is the hardest part that I see.

Mr SMITH: I have a very broad question before I ask for some more details. Everyone wants to talk about sustainable aviation fuel. Is it actually viable in Australia with the 28 million to 30 million tonnes that we crush?

Mr Parker: I cannot answer that question other than to say that if we are going to produce ethanol then we will need an offtake. I think the biggest stick in the eye has been to get someone to buy your offtake when you are going to build an ethanol plant, if that is going to be an alternative or if that is going to fit. To answer your question, I do not know. I cannot answer that question.

Mr SMITH: Maybe this is seeking an opinion but in a sense that may be worthwhile. Qantas's total fuel consumption now is about 84,800 megalitres. The current use of SAF is 181 millilitres, which represents 0.2 per cent of their total fuel use. To get to 200 megalitres of ethanol produced, three million tonnes of cane has to be crushed and then obviously the number is up there. Based on those numbers, does sugar crystal have to be sacrificed to be able to generate enough SAF for one airline alone? Are we risking crystallised sugar, which has been the backbone of Queensland for so long, trying to chase a SAF goal?

Mr Parker: Yes, I think we are. I would like to say 'no' to that, but I think we are. I would like nothing better than personally getting on a D9 dozer and pushing these 120- or 140-year-old mills out to the sea and building a brand new ethanol plant. I would like nothing better. However, is that going to be viable? No, it is not. Am I going to raise the capital to build myself an ethanol plant? No, I am not. We are locked into a marriage without a divorce with our milling companies. Like it or lump it, that is what we are.

If we are going to sacrifice some of that crystal, we have a choice in marketer and with that choice in marketer we have the milling company and we have the separate QSL. The QSL has a AAA rating. For that company to have a AAA rating to have that choice in marketing, if they are going to lose product or they are going to lose volume then I am going to have less of an ability for my growers—it is my growers now because of that solar farm. They are going to have less of an ability to get a better price than what they get with their crystal. Yes, it is an either/or. It is not a question that can be answered 'yes'. If that is the answer then that is the silver bullet, but it is not.

Ms MARR: Excuse my ignorance for this question. You talked about the millers not working with the farmers and that historical concern that we have seen, as I know from the days when I used to travel. Is that statewide? Has it worked anywhere where you have the right people at the table to work out these issues? Is it just here or is it everywhere?

Mr Parker: It is two-speed. When we say the millers are not working with us, I have the processing side that I can contact 24 hours when we have growers with problems. We have people in our local area who we rely on for the function of my office to service my growers. We have to be

careful when we say that we have not been able to work with them. The upper management, Brisbane based, of my milling company—it is a closed door. It is very difficult. You imagine: I have to knock on his door when I want a bit more money from him. He is going to say no, isn't he?

Ms MARR: What attempts have been made in the past to get all the right people at the table?

Mr Parker: I think that is what we are going to rely on governments to do. There have been a lot of attempts in the past with the Sugar Code of Conduct. I came back from Canberra just last week. The Australian milling manufacturers were two steps in front of us when we were down there. They are canvassing for their ideas. I think you will see through their submission—correct me if I am wrong here—it is all about the milling companies and there is nothing in there about the growers. I think that gives the intent. They have every right to do that. They are after their rate of return. God love them. Go for it. But then we are left in a corner because we have to arbitrate, at expense to us, to try to claw back some gains for us to exist. When I first went in as a grower there were 1,100 growers in the Burdekin. Today there are around about 467.

Ms MARR: When I spoke about a relationship, I should have been bit clearer. I meant no disrespect to anybody because I know you have good working relationships on the ground.

Mr Parker: Second to none to the local guys because we have a mission to complete and that is to get the cane off. It is very technical—the rail systems, the allotments and all the rest of it.

Mr KATTER: I have heard it said a fair bit over the past couple of days about mandates and offtakes being a common denominator in driving it forward. Is that what you see? You talk about commerciality. I understood with Austcane that the big thing that was required was that forced mandate. Do you see that as a key to providing commerciality?

Mr Parker: Member for Traeger, you would have to get Geoff Cox to better explain that because, even though I was director of Austcane, I was part of looking after growers' investments. That would be Austcane Energy. They were part of the technical side of it. Speaking out of turn, they could not get the offtakes, I am led to believe, and that was the major sticking point for their success.

Mr KATTER: Do you see that plugging in? When you say that commerciality is required going forward, is that the sort of thing the government can help with, to provide that enticement?

Mr Parker: I think that is the only way. The governments are going to have to be fully involved because, if we are just going to go commercial, look what happened with Dalby. The governments are going to have to be more involved in orchestrating this; otherwise, it is not going to happen at all. I am sorry to say this, but I think governments have to be totally involved with the whole process.

CHAIR: Allan, is there anything else you would like to comment on or anything you have seen or heard in this inquiry that you would like to comment on before we close?

Mr Parker: No. I am open at any point in time if you want more information and I can give it.

CHAIR: Thanks for coming along today.

DALLE CORT, Ms Pierina, Mayor, Burdekin Shire Council

CHAIR: Mayor, you are welcome to make an opening statement, after which we will have questions for you.

Ms Dalle Cort: The Burdekin Shire Council appreciates the opportunity to be here today as a witness in the hearing of the inquiry into sugarcane bioenergy opportunities in Queensland. As mayor of the Burdekin shire, I have always been of the opinion that the Burdekin is a goldmine just waiting for a lucky strike. We need to explore, communicate and fight for our new opportunities because the Burdekin goldmine has not yet reached its full potential.

Agriculture is the lifeblood of our district, valued at more than \$500 million annually. This is underpinned by our sugar industry, which produces between eight million and nine million tonnes of sugar cane per year and about 1.3 million tonnes of raw sugar at the district's four large-scale mills, operated by Wilmar. The Burdekin is known as the sugarcane capital of Australia. I am the daughter of a canefarmer and know all too well the ins and outs and the highs and lows of the sugar industry.

Whilst I see the Burdekin as always being a sugarcane-growing district, in recent years council has been proactively pursuing diversification to bring value-added industry to the shire, increasing employment opportunities and further stimulating the economy. Primary producers and businesses are also keen to explore and invest in new opportunities. However, the council and the community are extremely aware of the challenges of fluctuating sugar prices, rising farm input costs and the flow-on effects this has on local businesses and the social wellbeing of our community.

I was first elected as councillor in 2004 and served 12 years. I was re-elected as mayor last year. It is surprising that, after being away from council for eight years, many of the same ideas, initiatives and opportunities around the sugar industry remain unchanged. We often refer to generational projects yet here we are, 21 years since I was first elected—almost a full generation—still discussing many of the same challenges and aspirations.

With abundant water resources, fertile soils, plenty of sunshine and a resilient grower community, the Burdekin is one of the most productive sugarcane districts in Australia. These key resources ensure a stable and reliable supply of sugar cane while also creating ideal conditions to explore and use the cane tops and trash as biomass for large-scale bioenergy projects. However, where there is opportunity there is also the need for planning, investment, collaboration and policy to turn potential into progress.

The Burdekin Shire Council has welcomed numerous delegations interested in exploring the potential for converting sugarcane tops and trash into energy. As a council, our challenge lies in determining which proposals are genuinely viable and which may be primarily seeking research and development funding without a clear pathway to realisation. We are also looking for new opportunities for our community and remain committed to supporting companies with innovative ideas. However, it is important that the state government reflects on the millions invested in research and development that, to date, have not led to any on-the-ground outcomes in our community. Some of those funds could have been better directed towards projects that are clearly pathways to deliver tangible benefits for our region.

The Burdekin mills are already leaders in renewable energy generation. Bagasse is used extensively in cogeneration to produce steam and electricity. This provides reliable energy for mill operations, with surplus exported to Queensland electricity grids. How can we tap into existing systems to increase cogeneration in our community? The Burdekin has also previously sought to develop ethanol production through the Austcane Energy ethanol project, which was mentioned before. While the project did not proceed, it demonstrated the Burdekin's capability and desire for biofuel development.

Then we talk about sustainable aviation fuel. This industry represents a transformational opportunity for the Burdekin and the Queensland sugar industry. As we have heard from Burdekin Renewable Fuels, there are several local initiatives being investigated. Sky Renewables' Project Lion highlights grower interest for processing sugar tops and trash to produce pellets and export as renewable fuel for power generation. Simon Yim, the founder and CEO of Sky Renewables, has been working with growers in the Burdekin since 2018, showing his commitment to not only the project but also the potential in our community. The Burdekin Shire Council is supportive of Sky Renewables and looks forward to seeing their project come to fruition. For Project Lion and other sustainable aviation fuel initiatives to come to reality, significant changes are needed—changes that are not always easy to achieve. For example, the Burdekin has huge amounts of biomass. However, to achieve this, growers need support to make these changes.

The sugar industry already supports nearly 3,000 direct jobs in the Burdekin, forming a vital part of our local economy. Expanding into bioenergy presents an opportunity to build on this foundation, creating new skilled jobs in advanced manufacturing, energy generation and logistics, helping to stabilise employment and open up career pathways for our young people. By diversifying into streams, growers can supplement their earnings without reducing raw sugar output. Developments like Project Lion, which converts sugarcane tops and trash into bioenergy exports, demonstrates how innovation can reduce waste and create new export markets.

These opportunities can help protect the long-term viability of the sugarcane industry, strengthen community confidence and enhance the resilience of the Burdekin economy. Without a sustainable sugar industry, the Burdekin community would face significant economic and social hardship. The Burdekin Shire Council strongly encourages the committee to support and encourage grower-led initiatives such as those currently underway in the Burdekin which combine local innovation and global market opportunities.

Council and the Burdekin community are ready to support the industry and government to unlock these opportunities and ensure our region remains a powerhouse of sustainable sugar and bioenergy products well into the future. I hope this inquiry represents a genuine effort to engage with the industry rather than simply fulfil a requirement to demonstrate consultation. I am passionate about our community and want to see it thrive, not just survive. I am keen to support fresh ideas that can grow our population and boost the local economy without compromising the lifestyle that we value.

On behalf of the Burdekin Shire Council, I sincerely appreciate the opportunity to be part of the public hearing process. I appreciate the committee may have some questions of me and I will do my best to respond, but I am not the expert. That said, we are fortunate to have a wealth of experience in the room today, and our grower groups are well represented and ready to share the insights. Thank you for your time in considering the information. The Burdekin Shire Council looks forward to working with the Queensland government to build a resilient, innovative, efficient, profitable and productive sugarcane sector, so let's do something about it.

CHAIR: Well said. Could I encourage you, Mayor, to put those words in a submission to the committee by 8 October? That would be welcomed. There is a lot of information in there that would be beneficial.

Ms Dalle Cort: Thank you.

CHAIR: One of the terms of reference of this inquiry is to look at the market, regulatory and infrastructure barriers. From a local government perspective, are there any barriers that you could share with the committee?

Ms Dalle Cort: I have only been in the role for 18 months after being away for eight years. I do remember the trials and tribulations that were spoken about with regard to the Cox ethanol plant. They were probably ahead of their time. I do not know the ins and outs of it because I cannot remember that far back with regard to that particular proposal. They showed innovation, as a lot of other farmers in this room have as well, and it is unfortunate that, like I said, they were ahead of their time. Whether it was a yes or no project for the future, who would know, but they put a lot of time and investment into it. It is nice to see that sort of thing happen. I think people are getting a bit tired as well because you get so far and then you get pulled back.

Mr MARTIN: I want to ask you a question about planning. The committee heard yesterday concerns about the loss of agricultural land. I think it was referred to as 'blockies' or lifestyle blocks—people are buying up land and just having a block with, say, four or five cows roaming around. Firstly, is that an issue here? In addition, should the committee be looking at something in relation to planning? Could we benefit from regulations that lock agricultural land for that particular use?

Ms Dalle Cort: We are going through the Planning Act ourselves at the moment. I think the state government has stopped allowing agricultural land being turned into renewable solar areas. I think agricultural areas are very important. Personally, having been brought up on a farm, I do not like to see them being used for anything other than agriculture. There is also the possibility to further expand the Burdekin area because we have the Burdekin River and plenty of water. That is one of our major assets. You have to find farmers to run them, too. They are a dying breed.

Mr MARTIN: If the committee were to look at something like that, it would have to be statewide.

Ms Dalle Cort: It would have to be, yes.

Mr MARTIN: You could not just target one area. Is that feasible? How would someone who owned a cane farm take it if suddenly—

Ms Dalle Cort: It depends on their blocks, I suppose, as well. I know that people want to come to rural communities. They do not want to live in those little shoebox suburbs; they want a little bit more land. In the Burdekin itself we have relatively enough land for that sort of purpose. I would not like to see farms cut up to utilise them in that area. You have to keep farming the way it is, I would say. That is my personal opinion, but others may see it differently.

Mr G KELLY: I had the same question about where we go with the land side of things. I think it is happening everywhere. It is a new frontier where people can live, but it is also taking up prime agricultural land. I like the answer you gave there.

Ms Dalle Cort: We actually like our lifestyle. We are very lucky and blessed in the Burdekin. We have a great lifestyle. I do not want to see that changed, to a certain extent.

Mr G KELLY: I agree. We have also heard during our inquiry about jobs. I have noticed that, say, dad's at home running the farm and, as we say in my electorate of Mirani, the lads or the daughters are working over the hill in the mining industry. That is something we cannot control because that is how things work and because of the money that is offered. What is the security of jobs in agriculture like here and what are you putting in place to keep the generational farmer going? What are your thoughts on keeping the children at home to keep producing agriculture so we can get to where we want to go with what we are discussing today? If that next generation is not here, things do not look good.

Ms Dalle Cort: I have five brothers and not one of them stayed in the Burdekin to do farming, which is very sad, but that is the way it was. They went on to other careers. We in the Burdekin have developed a plan to expand the industrial estate, and we hope that that will open up new business. As far as the agricultural side of things is concerned, we had an agricultural college, which was very profitable and manageable, but the powers that be thought they would close it down and send it somewhere else. That was a sad time for the Burdekin because I think we were the most profitable agricultural college in existence.

We now have the Home Hill State High School, which we must take our hats off to. They are developing agricultural education in the vegetable food market. They are teaching their young about a number of different things because there is more opportunity in agriculture than just planting. It is different from planting the plant in the ground and watering it. There are so many other technical sides to it that people have to learn in this industry now. There is that development.

Farmers in this room have stepped into their father's shoes and hopefully they will have others step into their shoes as well. We are talking about people leaving the district and going on to do other things sometimes—that has been happening forever and a day. They seem to always come home in the end too, I have noticed. They are coming back to the family and coming back to the Burdekin, which is a good thing. We are also trying to put a country university in our shire. That will also help with the educational side of it, which will help farmers as well.

Mr SMITH: Mayor, you spoke about the potential of the metaphorical gold of your region. We are hearing a lot about bioenergies and different fuels and so forth. I am not sure if you have seen this, but the Treasurer has announced the death of coal when it comes to energy. What engagement has the Minister for Energy had with you with regard to your region producing energy for the energy plan of the future?

Ms Dalle Cort: I do not recall if I have had my session with the department on that. Eliza, have I? No, definitely not. Do you want me to make a statement on coal, do you?

CHAIR: No.

Mr SMITH: I just wanted to know whether or not the Minister for Energy had reached out to consider the Burdekin's role in the energy plan moving forward.

Ms Dalle Cort: No, I have not spoken to anybody and it is probably because coal is not in my backyard, only the Burdekin sand.

Mr SMITH: I just thought around biofuels and cane.

Ms Dalle Cort: No, I have not.

Ms MARR: Mayor, it is lovely to have you here today, thank you.

Ms Dalle Cort: Thank you.

Ms MARR: We are very proud of the Burdekin: the sugar cane capital of Queensland.

Ms Dalle Cort: Australia.

Ms MARR: Australia, sorry. I am very happy to be told that today. Our focus, obviously, is on regional Queensland. We sometimes have different needs and hurdles from the south-east corner. Can you identify any unique hurdles or concerns in the Burdekin region that we do not see in other regions that may not have been considered during this hearing?

Ms Dalle Cort: I really cannot answer that one. I really do not know what is happening in other people's backyards because I am worrying about my own and getting the Burdekin on the map even more by expanding it in so many different ways. Thankfully we have been very blessed that the new government sees the rural communities differently from what it has in the past. That will help me to achieve some of the things I want to get done in the Burdekin during my term as mayor.

Ms MARR: Can I just say that you are a typical mayor of the Burdekin: you are getting on with the job and not looking at the hurdles. Thank you.

Ms Dalle Cort: Thank you.

Mr KATTER: I want to zero in on the comments made earlier, because I think it is pretty important to discuss with local governments the preservation of strategic ag land. It is probably not as big of an issue in the Burdekin, but in the Far North and Cairns the city council's urban expansion is right on top of the Mulgrave Mill area. Collectively, when we are talking about these things, if there is any future in biofuels you have to preserve that feedstock. Would you be against some sort of regulation or legislation protecting strategic ag land, bearing in mind that there is a lot of pressure on local governments to provide housing?

Ms Dalle Cort: That is right. I do remember that in Cairns some years ago farms were sold to open up the land for housing development. We have not had to do that at this stage, that I can recall, because we still have some land around the place that can be used. Residential is another story in itself. When you are going to go through a cane paddock, that is a problem. It is bad enough when they want to put a highway through your cane paddock, which is another argument I will probably have soon.

CHAIR: Mayor, thank you very much for your contribution. It would be great if you could put in that submission to the committee. Thank you so much.

Ms Dalle Cort: Thank you.

McDOUGALL, Mr Chris, Director, Regional Development and Investment, Townsville Enterprise

CHAIR: Good afternoon and thank you so much for giving up your time. I will hand over to you for an opening statement and then the committee will ask some questions.

Mr McDougall: Thank you, Chair. Thank you, members. Thank you for the opportunity to appear today. On behalf of our organisation, which is North Queensland's peak economic and tourism advocacy body, and on behalf of our in excess of 300 members, thanks for the chance to speak to you today.

As you know, for more than a century sugar cane has been a fuel that has powered the North Queensland economy. Traditionally, its energy has been converted into fuel for our bodies in the form of crystalline sugar, but as we look into the future it has the potential to power far more. It can power our homes, industries and even our national security. We are coming up on the moment where it is our chance to investigate and to unlock real potential. If we do not act now, the northern cane industry risks missing its window to modernise and to lead the world into the future. With the right policy settings from the government, North Queensland can be a biofuels and a renewables superhub in the future. Cogeneration can play a part in the energy mix, helping provide local energy supply to a system that is currently reliant on generation hundreds and hundreds of kilometres away. With the growing solar and wind and the potential for hydrogen and bioenergy, we have a strong future for stable and secure renewable energy in North and North-West Queensland.

As you know, demand for cane is already strong and it is growing. The diversification of potential demand for cane and cane products is an opportunity for the region. It allows growers to access a diverse customer base, it increases competition and it helps ensure an equitable return for the growers' investments in their land. Where history has generally seen the value of cane tied to one market, into the future growers can be in a position to deliver products to competitive markets. Competition drives efficiency and should ensure a fair return for the investments that growers are making in their businesses.

The greatest barrier to further growth at the moment is investment in infrastructure, in particular for water. Leveraging North Queensland's abundant water supplies can unlock thousands of hectares of land to increase cane supplies and to meet the future demand of both the food and fuel industries. Increasing the supply of suitable land will increase the supply of sugar cane, enabling a larger bioenergy industry whilst ensuring support for current offtake agreements. If I could quote the Premier on his social media yesterday, this land has so much potential; all it needs is water.

Increasing the supply of cane and its use in bioenergy will also add to the economic growth of the region. With greater diversity in the offtakes for cane and a burgeoning bioenergy industry, technical and skilled workers will be required to add value to raw products. Growing industries require a growing amount of jobs and these jobs will be technical, skilled and well paid. Direct jobs create indirect jobs, and this lifts the economy of the entire region. This does not just generate prosperity for North and North-West Queensland; it brings the state along with it. The vision that is set out in the Department of Primary Industries Prosper 2050 document requires strategic investments to achieve its goals, and with leadership and vision Queensland can unlock that opportunity to value-add within the cane supply chain and make sure it is fully utilised and also align ourselves for efficiency across government departments.

The last point I would like to make is one that is near and dear to my heart, and that is around defence and national security. Bioenergy is not just an economic opportunity; it is a strategic imperative. North Queensland is home to one of the largest defence footprints in the country. This will be the mounting point from which force is projected into the Indo-Pacific in times of potential crisis and certainly in competition. This should be the place where our energy supply chains are secured and from which we can provide a sovereign source of liquid energy to support the ADF in its operations. Defence's demand for renewable liquid fuels is low and it is starting to grow. They have outlined this in their future energy strategy. They are currently supporting sustainable aviation fuel trials and renewable diesel trials, and for some reason they are doing those down in Victoria. The bulk of the Army's heavy vehicles are right here in Townsville. We have RAAF Townsville and just up the road the bare base of RAAF Scherger. These are key northern bases that are going to be aviation hubs in the event that we are using our assets in the Indo-Pacific. We need to secure the supply chains and give Defence assured access to liquid fuel supplies, and those liquid fuel supplies should be based upon a supply of raw input from the region, refinement in the region and customers in the region. Energy security equates to national security.

In the end, it comes down to three things. The first is supply and demand. North Queensland is already the key region for the supply of sugar cane for a growing demand for bioenergy. We can increase this supply through leveraging policy settings like those expressed in Prosper 2050 to make long-term investment in infrastructure to grow supply to meet that rising demand. Secondly, it is giving confidence to private investors. Policy settings and public investment enable long-term private capital expenditure. If I use CopperString as an example, a public investment in infrastructure is going to unlock more than twice the potential private investment in energy generation. The third is the strategic vision—committing to the long term, where necessary bringing the federal government along on the journey, to secure those sovereign supply chains and to help us fund the infrastructure that will provide the long-term benefit for the region, for the state and ultimately for the nation. North Queensland is in a prime position. We have the land, we are already growing the resource and our workforce is preparing and growing. With the right investment and policy settings, sugar cane will not just fuel our bodies in the future; it will fuel our vehicles, it will fuel our aircraft and it will underpin national security. It will fuel our regional economy and it has the chance to underpin Queensland's and the nation's renewable future. Thank you for this opportunity. I look forward to some questions.

CHAIR: Thank you, Chris. As before, throw that in to the committee as a submission. A lot of work has gone into that.

Mr McDougall: Absolutely.

Mr MARTIN: Has the energy minister reached out to you in relation to your organisation's submissions about the Energy Roadmap?

Mr McDougall: I can take that one on notice with the other members of Townsville Enterprise and provide a firm answer.

Mr MARTIN: If you could, that would be good. We have heard a lot about co-gen. I heard your submission in relation to investing in water infrastructure. I would be interested to get your opinion. If the state is looking at investing in this area, what is more bang for buck: investing in water infrastructure or, as the millers suggested, upgrading the mills to increase co-gen?

Mr McDougall: In a perfect world you would say both, wouldn't you?

Mr MARTIN: If we could only do one—if one was better than the other.

Mr McDougall: As I said in the submission, we see water as the priority investment when it comes to infrastructure.

Mr MARTIN: That is a pretty straightforward answer. Thank you.

Mr G KELLY: I am a sixth-generation farmer. Agriculture runs through my blood. Something that I worry about is what is going to happen with the next generation. How can government and industry work together to ensure succession planning and that intergenerational transfer of farming enterprises remains strong in the cane regions up here in North Queensland?

Mr McDougall: If I understand, you are asking how the government can support intergenerational farming?

Mr G KELLY: Yes. Do you have any suggestions as to what the government can do to help the young ones stay on the land and have that opportunity?

Mr McDougall: I actually think there are probably a couple of answers to that. I would echo the comments of the previous speaker, the good mayor of Burdekin, and point out giving people the skills they need, and that training is given locally. If you train locally, people tend to stay local. Certainly one of the things we are doing within the city and within the region, not just in the agriculture space but across the entire economy, is looking for those opportunities where we can provide training for the future industries that are coming. From a personal perspective, I would love it if my kids finish their high school here and move into the workforce being trained in the area, because there are going to be jobs in the area. If we are providing the jobs and we are providing the training then it makes sense that people would stay here. Again, I would echo the previous speaker: what a great place to live; why would you want to be anywhere else?

Mr G KELLY: Training is the key, is it not, to keeping them here?

Mr McDougall: One hundred per cent.

Mr SMITH: We heard from Greater Whitsunday Alliance about some of the exciting opportunities they are seeing throughout the Mackay region. From a Townsville Enterprise perspective, has there been much investigation or research into biomanufacturing or whether or not

there are private incentives for large investors who want to come in here and go down a very different path from the biofuels that we are looking at at the moment and co-gen and into biomanufacturing for synthetic foods and so forth?

Mr McDougall: Less so about that. Most of what is coming down for our region is very much in the advanced manufacturing space—for example, an alcohol-to-jet refinery here. There are other sustainable aviation fuel refineries looking at setting up, and that is both in Townsville and out through Charters Towers and, indeed, out towards Hughenden. There is also a lot of manufacturing based out of the resources sector: value-add to what we dig out of the ground and add value to that prior to export.

Mr G KELLY: What role could policy incentives or government support play in attracting and retaining workers in regional Queensland as these industries develop when it comes to what we are here for today: the future of sugar cane and what we can do with it?

Mr McDougall: Again I would echo the mayor for Burdekin: ability to provide that training—the government departments, DETSI for example, investing in the regions and giving people the skills they need to be job-ready to be employed within the region.

Mr KATTER: There seems to be difficulty getting industry started. People need guaranteed offtake to build a business around. They may be power offtake agreements with the government or those GOCs or mandated fuel. Would you recommend those as things we should be looking at as levers to activate something in the industry?

Mr McDougall: Yes, exactly as you say: providing that surety of demand. I spoke about investor confidence. That is one of those settings that is going to give private investors the confidence for final investment decision. To use an example, a sustainable aviation fuel mandate is in place in dozens of countries around the world. That provides a guaranteed demand and a guaranteed offtake for people who are going to make those capex expenditures into things like alcohol-to-jet or HEFA or whatever it might be that is producing sustainable aviation fuel. It gives them that confidence for private investment. If people know that water is going to be available to them, they are going to be willing to till the soil and to sow the seed.

Mr KATTER: I think it is 63 countries now that mandate ethanol. Some of the pushback that comes along with that is, say, lot feeders in the case of Dalby will say, 'It takes away from our market for grain.' It provides that competition. Do you see it in the reverse, as a bit of an enabler for the growers, like live export is for the cattle, diversifying those markets?

Mr McDougall: Competition is a great thing for the economy. As you know better than most, the economy up here is in a position where it can expand what it is doing already. Providing that demand and setting up that confidence will give people the ability to invest in their farms, to invest in capital machinery—to actually have the confidence that the money they put into the soil is going to return something for them. If we grow the size of the pie, everybody gets a bite.

Mr KATTER: You obviously see Townsville as being a big beneficiary of any effort. Whether it is in Ingham or Burdekin, you would still get some benefit?

Mr McDougall: Yes. When you look at the region—and you would know better than most—the supply chains that exist from the Burdekin, Hinchinbrook and all the way out to Mount Isa are all tied to Townsville. That is why when we have problems in one of those regions we have a problem in Townsville, and when Townsville is doing well everybody is doing well.

Ms MARR: We know that you advocate for your members and for industry, and I know you work really well with the local councils in the area and the council mayors work really well together to have that unique conversation that we have in regional Queensland. In terms of being able to have those meetings with everybody in the area, are there any unique challenges we will face in regional Queensland that may not have been considered in these hearings throughout the state?

Mr McDougall: The biggest problem I think is we are a very long way from Canberra. We need to remind people in Canberra, particularly in the federal parliament, that Queensland is not a homogeneous blob north of New South Wales; each region is separate, diverse and robust in its own way. When you look at New South Wales, 'NSW' does not stand for 'New South Wales'; it stands for Newcastle, Sydney and Wollongong, and they do not think outside that regional perspective. It is about getting people from the southern states to realise that we are decentralised, that we are much bigger than they really think, and to really understand the complexity and the differences we have as a region as well as the potential. That obviously puts on us the emphasis to make sure that we are advocating on behalf of everybody up here and that we are selling that and making that case at the federal level.

Mr MARTIN: I want to ask you a question about microgrids. We have heard that millers and growers disagree on a lot. One of the things they seem to agree on is microgrids—the ability for the grower to buy electricity directly from the miller and for the miller to sell it. They both seem happy with this. Is there an issue there with other sectors? Why would we allow that just for sugarcane growers and millers? Why wouldn't anyone else be allowed to use behind-the-meter microgrid arrangements?

Mr McDougall: This is a long way from my area of expertise. If I may, I might take that on notice.

Mr MARTIN: I think there are some people coming up I can ask.

CHAIR: I have asked the question before in these inquiries about barriers. We are talking about market, infrastructure and other barriers that you may perceive or know about that you could share with the committee from your perspective. One of our terms of reference talks about barriers.

Mr McDougall: As I said in my comments, the greatest barrier is the investment in the public infrastructure to unlock private investment.

Mr SMITH: Chris, have you heard much talk in the industry about black pellets in coal-fired power stations and substituting coal?

Mr McDougall: The first time I looked at that was in the submissions that have been made to this committee. I would leave it at that as the answer.

Mr SMITH: Like a politician; that is good!

CHAIR: Thanks for coming here today and for your insights. Again, I encourage you to put your submission in to our committee by 8 October. All of that information will be valuable.

CAREY, Mr Robert, Member, Herbert District Committee, Queensland Cane Agriculture & Renewables

DI BELLA, Mr Lawrence, District Manager (Herbert), Queensland Cane Agriculture & Renewables

KERN, Mr Michael, Chief Strategy Officer, Queensland Cane Agriculture & Renewables

CHAIR: Welcome. Would you like to make an opening statement?

Mr Di Bella: Thank you very much for the opportunity to speak today. Firstly, I would like to introduce our delegation. Michael Kern is our Chief Strategy Officer for Queensland Cane Agriculture & Renewables. Robert Carey is a grower in the Herbert. Robert is also a committee member of the Herbert committee for Queensland Cane Agriculture & Renewables. I am Lawrence Di Bella. I am the manager for Herbert and Far North Queensland. I am a canefarmer as well. I have a young family who want to live in the region. Robert is also the Director of Ethanol Technologies and North Queensland Bio-Energy Corporation. We have a wealth of knowledge. I am also a trained agronomist and agricultural scientist.

CHAIR: We have the brains at the table.

Mr Di Bella: Thank you for the opportunity. Our organisation supplies over four million tonnes of sugar to various mills throughout the Australian sugar industry. More specifically, our members represent 2.7 million tonnes of the Burdekin, which is around a third of the largest cane-growing region, as previous speakers have indicated. The Australian Cane Farmers Association is integrated into our business now—there was a merger in 2024—and that organisation dates back 120 years as the Australian sugar producers association, which was a grower group established in Townsville.

In terms of our key messages, we would firstly like to thank the government for initiating the inquiry into sugarcane bioenergy opportunities in Queensland and recognising sugar cane as an opportunity. We see this crop as a reliable, resilient, clean, green energy source and a cost-effective energy source. It has the potential to underpin the world-leading sugarcane bioenergy industry in the region and be a world leader in this space. It has the capability of growing further. We have the capability as a region to actually grow more sugar cane, and we will talk more about that as we go along. It has the ability to assist the state and federal governments to meet their net zero emissions target and assist airlines and other industries to reduce their carbon footprints. It has the potential to reduce carbon emissions by up to 80 per cent compared to fossil fuels in the jet fuel industry, and the reduction of emissions is certified to international standards. We believe we can play an important role—and this was covered by the previous presenter from Townsville Enterprise—in providing that security around fuel and our nation's defence. We believe our industry can provide that. As the previous speaker indicated, this is an area where there is a lot of Defence Force activity, and they need fuel to power their planes and everything else they operate.

This is growing. We have mills already operating in the area, so we have supply chains. We are an established, long-term industry. We are here for the long run and we are a part of rural communities in North Queensland. Without sugar cane, a lot of our communities like Ingham and the Burdekin just would not exist. It is a really important part of our community.

Some of the threats and risks include the volatility in untested and immature markets, especially since long-term commitments are required from millers and growers, and uncertainty. We need to get some certainty there. Another is the unwillingness for all participants in the supply chain to work together for a fairer share of the risks and the proceeds in the industry. Other presenters have covered some of that. As growers we need to make something out of this as well; it is not just the millers. We need the government—and that is where you guys come in—to provide the opportunity to minimise the red tape and the green tape, especially in relation to developing these industries but also developing potential new land. There is a lot of land that could be developed further. However, some of the clearing laws, lack of water and those things limit our opportunity to expand the industry in North Queensland and throughout the region.

At the moment there is inactivity around some of the R and D, but that could change so our research organisations can gear up to develop new things like energy canes. I saw them firsthand in the United States when I travelled there and looked at their energy cane programs and plant-breeding programs. There is opportunity there. There are also opportunities to take some of these energy canes and take sugar cane and build the foundations around first-generation but also second-generation ethanol—and Robert is probably the expert to talk to in that space. Our green programs

can develop further. A lot of people say, 'No, we can't grow cane in, say, areas west of here because they get frost or it is dry.' I can tell you that you can, because I have actually seen it in other parts of the world.

The Queensland government needs to take action now to ensure there is a lead time; we need a minimum of three to five years. I will be honest. My dad passed away in 2020 and he wanted to see renewables and agricultural industry. I do not want to pass away and hand over to my kids—and I have three kids; two of them are in agriculture and one is probably going to end up in sugarmilling. I want to be able to pass something on to my kids. I would like to see some action. That is why our group would like to see some action fairly quickly, in three to five years.

QCAR welcomes the opportunity to be included in modelling exercises that are being undertaken by government departments. As a member of a stakeholder reference group, we are happy to meet with government and work with whomever to make this happen. QCAR is developing its own bioenergy policy and will be submitting that in the submission we put forward by 8 October. However, we would not mind a bit of an extension of time so we can put even more work into that, if possible.

CHAIR: See how you go today.

Mr Di Bella: That would be great. QCAR has been working very closely with a number of projects, both directly and indirectly, with several organisations. That includes Jet Zero, Sky Renewables, the Energy Estate Project and the North Queensland Bio-Energy Corporation, which incorporates second-generation cellulosic technology and ethanol production for SAF production. We encourage the government to design a plan that offers incentives and subsidies which encourage these entrepreneurial groups to actually engage in the bioenergy sector and partly de-risk some of these venture opportunities that are out there at the moment. QCAR also calls on the government to finalise the Primary Industries Prosper 25-year blueprint and propose a five-year rolling action plan and the Energy Roadmap to be set to be delivered by the end of 2025 if possible.

In summing up, we do not just want one income stream; we are looking for multiple streams. We want to grow the pie bigger. Yes, sugar is part of our business, but there are other things we would like to move into and develop as we go forward. There are new moves in the second-generation technology, and that is probably closer than you think. If you want to ask any questions, we will hand over to Robert. In terms of juice to ethanol, yes, there are opportunities to use juice to ethanol, but there are also other opportunities to make other products. I have seen them firsthand as I have travelled to the United States and Brazil. One thing I can say is that in Brazil the government laid the road and the industry came along and built on it, and that is what we need. We need you guys to lay the foundations and get the policies right so we can build sustainable, long-term industries in our region. I have seen it firsthand overseas and it does work.

In terms of boiler funding for mills, one of the previous questions asked whether we support that. Yes we do, but remember we do not currently get anything from that and two-thirds of the income of the industry comes to us, so we do have an influence. That is what we live on; that is what we get paid, so we need to have some involvement in the process if cogeneration or other income streams are to be developed going forward. The growers need to have something. We cannot just work with sugar alone.

We are happy to take any questions. Thank you very much for the opportunity today. We are happy to take as many questions as possible.

CHAIR: I need to clarify for the room and for the transcript. You thanked the government. We have to be really careful. This is a committee of the parliament. It is a bipartisan committee and we do a lot of work to make sure it stays that way. It was not a government referral; it was a self-referral of this committee. For the benefit of our committee's work, I wanted to make that clear.

Mr Di Bella: Thank you for the clarification.

Mr MARTIN: Thank you for your submission. What do you think would get more bang for buck if this committee was to recognise investment in this area: investing in upgrading water infrastructure or upgrading mills?

Mr Di Bella: Like one of the previous speakers said, I would like both. If we want to develop new land, we are going to need water. If we want baseload power—I get pretty frustrated. I actually live next to a sugar mill and I see the steam that goes out through that. We could have baseload power tomorrow if investment was made into those mills. Then we could actually make them more

efficient and produce power for this state and country. I live in an area where there are wind turbines on the hill. I say there is opportunity lost in the cane industry. We are sitting here, we produce steam, we produce energy, but it is wasted. So investment in that would provide power pretty quickly.

Mr MARTIN: I think I asked the previous witness about microgrids. What is your opinion on microgrids and how they would work? In particular, is it okay to give the benefit of buying that power directly to sugarcane growers? What about other growers? Why should they miss out?

Mr Di Bella: I might hand this one over to Robert.

Mr Carey: I think that is a really difficult one for government. Because every district is different, you would be legislating to cater for certain districts or regions and I do not think the community at large would take that too well. I think it is a difficult ask in general.

Mr Kern: I remember that a previous state government put out a paper in relation to circular bioeconomies. The concept there was not so much isolating the power back to individual growers; it was, in fact, creating an economy within a larger economy that became self-sufficient because, basically, there was enough power generated to fuel that region and more. I understand the only challenge was—with electricity it is all about guaranteed minimum supply—whether or not the mill could always meet the demands for that particular region, but the concept of this circular bioeconomy where you are self-sufficient, if you like, is a good one.

Mr G KELLY: It was good to meet you guys down in Mackay. There is one thing I always say: in farming or any sort of agricultural industry—whether it be beef, cane or what have you—there are the big boys and there are the little fellas. How important is it to ensure smaller growers have access to diversification opportunities alongside the much larger industry and growers?

Mr Di Bella: To build an industry we will need to take everybody, big or small. We represent big and small growers in our organisation, but to build an industry you need critical mass. That means you take the small grower with you because they represent numbers. They have their investment and they have their needs, so we need to consider those as a part of the equation, as well as the big growers.

Mr SMITH: Lawrence, it is good to see you again. The last time we saw each other was in Ingham. I note the member for Hinchinbrook is here. Hopefully he will want to say a few words at the end. That would be fantastic. Lawrence, the question I have for this bipartisan committee is about SAF. You know about SAF; you and I have had that conversation. Yesterday we were told that one tonne of cane produces about 600 litres of ethanol. Do you have an idea what volume of SAF you would get from 600 litres?

Mr Di Bella: Can I hand that one to Robert? Robert is right across those numbers.

Mr Carey: Thanks, Lawrence. I am not across the conversion of ethanol to SAF, but I chair a company called Ethanol Technologies Ltd that is developing second-generation cellulosic technology. What that technology does is convert biomass—I do not care if it is sugar cane, bagasse, banana grass or timber residue—to sugar. From sugar you go to ethanol. Then if the SAF industry want to use that alcohol for conversion, they can do so. Three weeks ago we received confirmation that we have developed our own bug—it is unique worldwide—that will convert the C5 and C6 sugars in cane to alcohol. We are about 18 months away from completing that commercialisation program. That is the answer for the people who are looking to build a SAF or an ethanol industry.

To Lawrence's point, we are not interested in one revenue stream; we want multiple. Let me tell you, there are about 400 canefarmers who have put their capital into Ethanol Technologies Ltd so they are well on the way. If farmers can be involved in that process, you can use that technology to convert biomass of any description and leave your sugar juice stream alone so you are not interfering: 'Do we go this way or that way?' It is sugar juice to sugar. I agree that that should be sustained. Down the track there may be some other uses for it, but the alternative revenue, which is sitting almost right in our faces now, is the second-generation technology. It removes the 'sugar versus food' or 'food versus fuel' conversation as well. The numbers are quite extraordinary. Might I just add: there is as much sugar in a tonne of dry timber as there is in a tonne of dry bagasse.

Ms MARR: Lawrence, you have a lot of good information and a strong submission, so thank you. I have a few notes and a bit of homework. To assist you in your request for an extension, can you please repeat the name of the paper that you are waiting to be finished so that you can put in a submission?

Mr Di Bella: We are developing our own internal company policy around that. I might ask Michael to handle that because Michael is leading that in our group.

Mr Kern: Yes, we are working on an internal policy document and we want to be as informed as possible in the development of that. Obviously, we have heard information today and continue to hear lots of information. We are mindful that the submission deadline is only four weeks away and we think that maybe there is a greater opportunity to have more conversations within the industry and with other key stakeholder groups. Who knows? Potentially even an alignment of thinking across the industry would be quite good so we can then present and submit a policy document that the government and the committee can have a think about.

Mr KATTER: I had better ask a question; I can see Nick Dametto's legs twitching! I have probably changed the question I will ask after a few of the things you said, Robert. I was always under the impression you need a gateway like an E10 mandate to get the first generation up and to get to your second generation, but that is not exactly what you are saying. If I can add a second part: you said something years ago about the amount of vegetation that fell in one of the cyclones and how much they could power. I thought that was an interesting fact in terms of this as well.

Mr Carey: The first generation is traditional, what Wilmar and Dick Honan use, and it produces effluent waste. The second generation that we have developed produces no effluent waste at all—none at all. They are two totally different processes. If the second-generation technology was available when Yasi came through, the amount of timber that was dropped on the ground could have been processed, using that technology, for financial gain.

Mr KATTER: I think you said it was like powering Townsville for 18 months or something like that. That was the figure at the time.

Mr Carey: Yes. I am talking more about using it as a fuel base as distinct from power generation.

Mr KATTER: Can you talk to us a bit about what the commercial barriers are? You have stared in the face of the commercial barriers before, like in offtake on energy. What are the hurdles that stop commercial investment now—and not just in the field you are in with ethanol technology?

Mr Carey: I will put my North Queensland Bio-Energy Corporation chairman's hat on. The barrier there was the absolute shut-the-door-in-your-face attitude by the fuel companies in relation to ethanol offtakes. When it came to power production, it was the conservative government's change in the reg system which destroyed the power price. It was great for consumers, but for people who wanted the commercial outcome of investing in electricity production it was a spoke in the cog.

The barriers are the consumers themselves, as in the fuel companies wanting to take offtakes—they just do not want to know you—but there is a solution to that; that is, to bypass the fuel companies. In other words, develop your own outlets. We have talked about this at QCAR meetings. Go and buy a service station, produce the stuff and sell it directly to the public. That is the answer. That, to me, is a mindset change. I heard today people talking about 'growers versus millers' type conversations. Well, you have to forget that. That is not going away overnight, so go and develop your own strategy and have a different strategy. That is the area where I think government can help.

CHAIR: Thank you, QCAR, for your contribution today.

Mr Di Bella: Can we make one more comment? We probably need some legislation change. At the moment, as a grower, we really only get paid on crystal and a bit of molasses. We need some legislation changes that will open the door for us to have value-adding opportunities. I think one of the barriers for adoption and why we have not seen value-adding in this state is: 'Let's just stay with the status quo.' We need those changes so that we can get that you guys are looking for, which is renewable fuels and plastics. I have seen it in other parts of the world. I have seen power plants powering soy sauce factories in a sugarcane field. I have seen feedlots feeding sugarcane waste streams. It can be done. I have a friend who owns sugar mills in India and he makes components, from aspirin to powering the Indian space program, so we can do this. It has to be viable for us and it has to be sustainable. Thank you for this opportunity today.

CHAIR: Thank you.

MENKENS, Mr Owen, Chairman, Canegrowers

WATSON, Mr Gregory, Manager (Burdekin), Canegrowers

CHAIR: I invite you to make an opening statement, after which we will have some questions from the committee.

Mr Menkens: I thank the committee for coming to Townsville. I appreciate the opportunity to talk to you. It is a great area of Queensland to be a part of. Unfortunately, we are the last speakers between here and you guys getting out the door, so we will try to be as brief as we can. I would like to introduce myself. I am Owen Menkens. I am a farmer from the Burdekin region, about 100 kilometres south of here. I am a fourth-generation farmer. My son has recently come onto the farm, so we are the fifth generation farming in that area. I am a passionate advocate for farming and for the sugarcane industry. I am a big believer in our industry. I think we have a lot of opportunities in the future, and I think we have to work hard to try to embrace those opportunities as best we can.

I am also a director of Canegrowers Burdekin Ltd; I am the chairman of Canegrowers Queensland, which represents growers from Mossman in the north all the way to Rocky Point in the south; and I am also the chairman of Australian Canegrowers, which is the affiliation between Queensland and New South Wales canegrowers, and we represent over 70 per cent of the tonnage grown in Australia. As well as that, I am president of the World Association of Beet and Cane Growers through Australian Canegrowers. The World Association of Beet and Cane Growers represents 34 countries throughout the world—sugarcane growers and sugar beet growers—and we represent growers' interests and work together to try to solve a lot of these issues. A lot of the biggest issues we face are similar to this, and this is happening throughout the world. Different countries are looking at ways they can value-add to their crops, both in sugar cane and in sugar beet. I understand the different policies that happen in different countries, where it has worked and it has not worked, and I also understand how we can improve it locally for Queensland and for Queensland growers.

Cane is a wonderful crop. It is best suited for the tropical and subtropical region of Australia. It is uniquely strong. It can handle weather events. We had some incredible weather events in the Far North a couple of years ago and in the Herbert region this year, and the cane stood up to a lot of that. Most other crops would have been wiped away—they would have created more environmental damage—and the sugar cane is still growing. Even though it has been a tragic event for our industry, we are still going and we are still going strong. That is a key aspect of the sugarcane plant. It is incredibly resilient. It is also a great user of carbon and a relatively low user of N, so it is very useful for it to be grown on the Great Barrier Reef catchment.

From a general point of view, I think expansion is something that is available in our industry. It is something we can look at. From a Queensland point of view, a lot of the bridges that are holding back that expansion, especially in the Burdekin area, are due to electricity and water policies and vegetation management restrictions. We have the ability to grow our industry in the Burdekin—there is no shadow of a doubt about that—but we need some changes within the electricity policy and the water policy to allow that to happen. Water is very important, obviously. It is fundamental in the Burdekin to grow cane, so we need to make sure that water is seen as an essential service and an important part of the community. The whole community of Townsville survives on the availability of water. It is really important that we look at a lot of different options when we look at sugar cane and things that can happen within the state government purview which will help our industry grow and help growers become more profitable.

Canefarmers are a unique breed. We are all in it together. We have to work together to get the cane off and we have to work together with millers to get the cane off. It is unique in that way. We always work together every year to make sure that everyone is treated in a fair and economic way. That is why we have the situation where growers are represented by people to negotiate their contracts for them, because we have a system that has been built out of growers working together and working with the mills. We are a unique agricultural industry in that way. When I go to the National Farmers' Federation and talk to graziers and cotton growers, they do not have the same inbuilt attitude towards working together, so I think that is why we have opportunities. Because we have to work together, I think that is probably one of the unique advantages of the cane industry.

Greg Watson is the district manager for Canegrowers in the Burdekin. I will hand over to him for a bit more of an opening statement.

Mr Watson: Just expanding on what Owen has said in terms of risk management, we cannot settle for a sugarcane industry that solely relies on sugar crystals and is hostage to the vagaries of global sugar prices. We need a diversified sugarcane industry that creates more demand for the

sugarcane plant via a range of product alternatives. More demand for sugar cane will increase its value and grow the pie, which benefits growers, millers, the community, government and the economy. We are more than happy to work with our sugar millers to achieve that particular outcome.

What do we want to happen? We need to establish an enduring biofuels industry of scale in Australia. This can be done with a supportive government policy that enables and encourages investment in the bioeconomy via meaningful mandates and the enforcement of these mandates for: biodiesel, which would be a key circular economy input for agriculture; ethanol blends; sustainable aviation fuel; and solid biofuels made from bagasse and tops and trash for power generation.

We need a clear commitment from government for sovereign fuel security, which has already been discussed. The late senator Jim Molan was rightly a champion of this cause. That can has been kicked down the road for a while now. Unfortunately, the casual Aussie vernacular of 'she'll be right, mate', which assumes that fuel tankers will always conveniently arrive from afar on time, looks a bit shaky given the current geopolitical climate we are faced with. Now is the time for Australia to provide for itself. If countries like Brazil and India can provide a portion of their fuel needs from their sugarcane industries, there is no reason Australia cannot do the same. Fuel security for biodiesel and sustainable aviation fuel is critical.

Any sort of fledgling industry needs government support to establish itself. We sometimes hear the comment that any new biofuel or bioenergy business needs to stand on its own two feet and wash its own face et cetera, but that is not realistic in a startup initiation phase where government support is needed. The Australian sugarcane industry, through Canegrowers, has been calling for supportive demand-side policies such as enforceable mandates, government offtake agreements and supply-side incentives such as tax offsets, project development support grants and feedstock strategies for a number of years. We have also joined with GrainGrowers in calling for a national biofuels feedstock strategy, which has now been agreed to by the Commonwealth. That is good progress.

No other biofuels sector in the world has ever been established without government backing, which will be required until a low-carbon liquid fuel supply is established within a mature and sustainable marketplace. This is justified because successive government policies around the decarbonisation of the economy have driven the entire need for the development of the sector, yet at the same time there is not a mature or remunerative market for decarbonisation.

We understand that governments need to be careful when allocating taxpayers' funds and the task of picking winners is not easy. We see that bioenergy opportunities will advance in two stages. The first stage is support for those technologies that are already established and proven: base load cogeneration; first-generation biofuels; and solid biofuels, being pellets and briquettes made from bagasse, tops and trash. The second stage should allow time for continued technology advancement, de-risking and proof of concept for second-generation biofuels and bioplastics.

The bioeconomy represents an exciting opportunity for agriculture, in particular sugar cane, to play a transformational role in securing new growth paths for traditional industries. Over time, with the right amount of government support, the bioeconomy will reduce risk in these traditional industries and provide other sources of revenue using exactly the same feedstock that we use now. This will underpin the growth of regional economies that depend on the sugarcane industry to survive and thrive and will help deliver Prosper 2050 for Queensland primary industries. The sugarcane industry has a great future and bioenergy opportunities.

CHAIR: Well done. I am going to put a bit of pressure on you here. You did a one-page submission backing in Sky Renewables' Project Lion. I would encourage you to put more of that information into a subsequent submission by 8 October. There is a lot of good information there. I have been picking on everyone.

Mr Menkens: Sure. We will put in a different submission in October.

Mr MARTIN: The committee has repeatedly heard that canegrowers want their fair share of any investment so if there is government investment in mills to increase co-gen then we cannot forget canegrowers. Benefits need to flow back to the growers. How do you suggest that happens?

Mr Menkens: There are a number of ways it can filter through to the growers. If the mills are more efficient and run more efficiently, we get a shorter season length and a more guaranteed crushing, which in its own way helps growers. I think there are opportunities with microgrids for an irrigated grower. We are one of the biggest users of electricity. The Burdekin district is a very high user of electricity in Queensland. We are also a very large producer of electricity. Pioneer Mill, which I think you are going to tomorrow, was, up until about 15 years ago, the largest renewable energy

generator in Australia. We have two things happening in the same town. There are opportunities there for those to work together. The millers are not getting paid enough for the power they generate and the growers are paying too much for the power they buy.

I can give you a bit more history going way back. In the town I live in, Home Hill, there was a power station built way back at the beginning of the last century that was owned by the growers. That used to run on coal, and they used to power the pumps to irrigate the cane that went to the mill. Down the track, when they amalgamated the local management of electricity into the network, that power station was given back to the government and shut down. We had to pay for the connection, so we were self-sufficient and we paid to be part of the network. As a grower, 65 per cent of my costs are from that network charge. From our point of view, we see that we have lost an opportunity to control our own destiny. We produce the cane that is powering that mill, so we feel that we should be able to get some sort of discount out of the generation capacity in it.

Mr G KELLY: When it comes to renewables, there is something I have always noticed. When it comes to wind or solar, it is a billion dollars here and a billion dollars there. It just runs off the tongue like it is nothing. That is for intermittent power. When it comes to reliable base load power, when it comes to cogeneration power, how do you feel moving forward with the infrastructure we have in place? Is it sufficient, or do we need more strength in the infrastructure side of things to get that energy out with confidence and growth to these areas like up here in the Burdekin?

Mr Menkens: Base load power is obviously the big issue for us going forward. Solar and wind obviously have a place in the market, but if they plan to get rid of coal-fired power stations they need base load power. We can produce that in the sugar industry. We are fortunate that we can do that. Obviously you need a technological change. We have heard about different types of technology that are coming onboard. I think we are lucky in that we already are a renewable industry, so we have an advantage ahead of a lot of other things that come from scratch which require a lot of capital investment.

Mr SMITH: This may need to be taken on notice. We are hearing a lot about co-gen, microgrids or deals with Ergon to pay a transitional fee. For these mills that want to go down that path, how many megawatt hours per year are out there on these farms? Is it worth setting up a microgrid for an area with 50 farmers? That obviously relates to more farms. I guess my question, which I hope Canegrowers might be able to help with, is: what is the average megawatt hours per year cost to farms? How much is available to purchase during the day when power prices are down? I am just trying to balance the economic cost and what economic modelling has been done around the viability of a microgrid versus deals on tariffs and the consumption that is out there to be purchased.

Mr Menkens: I do not know the numbers off by heart. I do not even know my own megawatt hours, to be honest. I know that I spend over \$130,000 a year on electricity. The issue is somehow reducing the double dipping, as it were. This is probably awkward for Queensland, but Queensland does make a lot of money out of electricity. In the north here we have no competition. They own the generators, they own the network and they own the retail. We are looking for a way in which that is reduced so it can be used within the community. I do not know the structure and how it would work, but there has been a lot of work done on it. We are happy to work with you on the minutiae of it all.

Mr SMITH: Is there a survey you could put out to your members? If they are happy to put in the average megawatt hours across the year, you could maybe report back to the committee just so we have a bit of an idea.

CHAIR: Member, you are asking Canegrowers to do that, but as a committee we can go to Ergon as the generator.

Mr SMITH: Yes, I just thought as a general survey of canegrowers.

Mr Menkens: We could work those figures out. Those numbers could be calculated, but you have access to Ergon.

Ms MARR: You were talking about meaningful mandates. Can you elaborate on that? What do you mean?

Mr Watson: Meaningful mandates that will trigger the demand required for biofuels and also mandates that big oil companies cannot create little loopholes to get around from a lobbying perspective. We need mandates enforced at the end of the day, and we need meaningful mandates to make it a viable industry to acquire that scale over time.

Mr KATTER: How should we categorise how important diversification in the sugar industry is for the future? Would you say is it imperative, good to have, or nice to have?

Mr Menkens: It is really important. We rely on the world sugar price. It is affected by a lot of different factors and a lot of those factors are out of our control. As cane producers, we have to rely on that; that is our main payment scheme. We need a diversification. The sugarcane crop is a long crop. It is a minimum five-year crop from when you plant it. It is not like a horticulture crop or a brief crop where you change your mind in 90 days and grow something else. Once you are committed, you are committed. Therefore, you need to have a system whereby you do not have to rely on the world sugar price. Obviously there are a lot of international trade pressures and subsidies that go on in the world sugar market. We do not have any subsidies; we just have to deal with what we get which makes it more difficult as well. That is why you need a second string to your bow to keep the industry moving ahead.

Mr KATTER: Greg, I really appreciate your comments on the sovereign fuel security. It brings to mind the argument for ethanol and the emissions reduction. For example, there can be an emissions reduction of up to 30 per cent out of a tailpipe if E10 is used. Is there dialogue between canegrowers and government about how you address emissions or play a role in emissions reduction? Do you think there is a benefit for you or the industry in playing a role in mandating the rollout of E10?

Mr Menkens: Yes. We have done work: between 2005 and 2020, a grower in the Burdekin has reduced emissions by 37 per cent, mainly through efficiency of irrigation and efficiency of fertiliser placement. Sugarcane crop is such a good carbon sink. If your productivity is higher, obviously it is a better crop for carbon emission reductions, and productivity is fundamental. If you can increase productivity, you can reduce your emissions. Sugarcane crop is unique in that regard because it is a constantly growing crop and you can increase your productivity through whatever methodology. Fundamentally, that is really important to our industry as well. We obviously need help from government in that regard as well, to try to help us increase our productivity. If you can increase productivity, you can reduce emissions. It is a pretty straight-line matter.

CHAIR: Our time is up. Thank you, gentlemen. I open the floor to anybody in the audience who wants to make a short contribution in line with the terms of reference of the inquiry.

LYON, Mr Robert, Private capacity

CHAIR: Welcome, Robert.

Mr Lyon: Good afternoon. My name is Robert Lyon. I am a fourth-generation canegrower in the Herbert River district. It is great to see you people come here and listen to our woes of what has been happening. I have been in the industry a long time and have seen a lot of things. I have been fortunate to be able to travel around the world and look at other parts of the sugar industry. I was part of the Beattie sugar industry delegation to Chile and Brazil. I was also a guest of John Deere America to look at the industry over there and evaluate new cane harvesters.

I was federal and state president representing the harvesting sector for many years. I have seen the harvesting sector in Herbert halve in 20 years. That puts pressure on where we remove our crop and how we remove our crop. One of the things that is burning to us is how to get people to want to work and stay in our industry. Mackay suffered it far before any other district, going over the hills, I heard.

With regard to training people, the government sets the rules around getting the long-term unemployed. They are the ones they want to give the money to. They are not the people we need to work in our industry. We need people who want to come to work and stay at work each day. They are the ones we want to get in and do the training with. Right now, the government's policy is that they have to be long-term unemployed. The employment agencies put up the people who are going to return the most money. They are the ones we have to train. I am sorry, ladies and gentlemen: that does not fit our bill. We put them on half a million or a million dollars worth of equipment and we want them there to look after it. Insurance companies are putting insurance premiums through the roof. It is hard to get insurance on harvesters; some companies will not insure them. These are the obstacles that every industry, not only the sugar industry, is facing.

I believe that the training should go back to the old skill trade days, not to the universities—to the trade schools for people who want to stay in our communities and be trained there and who our industry want to train to do harvesting, farm work or whatever—to train these people up and bring them back. These are some of the burning issues. I think the government can help us in that department through implementing the recommendations in the submissions to this committee when you go back.

I visited the industry in Brazil. When they built their mills over there as they were developing, they built the ethanol and cogeneration first. Sugar came second; they built that two years later.

Their fuel industry over there—Petrobras—did not want the ethanol industry, but when the government mandated it, who was the first to have their foot in the door? Petrobras. Do we follow suit? We do not need to do a study. We do not have to spend a million dollars looking. It has been done; it has been proven.

A friend in India, Andhra Sugars—right now ethanol is going ahead in India. Because the growers over there only own five acres, they are going to grow corn because they get two crops a year. If the mill does not give them the money, they will feed it to the cows or the chooks. He is having to shift a couple of his mills away from the growing area to where it is not so easy to grow corn. These are the obstacles our industry will face as we negotiate. We do not have to learn from an inquiry. We can already see what is happening in the rest of the world. Why reinvent the wheel?

CHAIR: Thank you.

DAMETTO, Mr Nick, Member for Hinchinbrook, Parliament of Queensland

CHAIR: I now welcome Mr Nick Dametto MP.

Mr Dametto: Thank you, Chair, for your indulgence. I usually like to listen to the experts on this, but I will take the opportunity to speak today. I have had a chance over the last eight years to talk to a lot of the experts that you see in this room here today. I think the message has been clear today—and also we tried to get the message through to the previous government—that unless government gets involved and is interested in getting its hands dirty in supporting the industry, whether it is through regulation, legislation or support in other ways to help build an industry so it can get off the ground, I think we will still be here, like a gentleman said earlier, 25 years from now, still talking about building an ethanol industry. There is no way we can get this off the ground without this government's support.

I implore everyone who sits on this committee today to listen to the people behind us. They are the people who have been up to their knees in dirt, working the paddocks. There are 400 growers out there who have invested into a bioenergy sugar mill incentive or idea over the last 15 to 20 years. There has been plenty of money spent on this but no action. We want to see concrete and steel coming out of the ground. We want to see ethanol at our bowlers somewhere. We want to be able to see SAF get off the ground. Whatever it is, it needs government support. Whatever government can do to change regulation to ensure there is an industry moving forward is the only way we are going to save this industry and ensure it has a future. With the Premier himself invested in the sugar industry, this is the best opportunity I think we are going to get, so I would say to this committee: do not waste this opportunity. We have good people sitting behind me who deserve a future. We have communities that deserve a future. We have an opportunity to tap into something great here.

CHAIR: Well said, Nick. Remember, most of the members of this committee are from sugar seats as well.

Mr Dametto: That is right. We are all invested here.

CHAIR: We know what we are up for and what we have against us. Thank you, Nick. Is there anyone else who would like to make a comment before we close?

JAYO, Mr Ramon, Mayor, Hinchinbrook Shire Council

CHAIR: I welcome Mayor Ramon Jayo.

Mr Jayo: I am the mayor of Hinchinbrook shire and I am a canefarmer. Thank you, Mr Bennett, for this opportunity. I want to raise one point. A previous speaker said in relation to SAF that at the moment the technology is not there and what technology is there is not efficient. That is the issue. It comes back to governments regulating the policy. You really need to incentivise for that technology to develop. There have to be mandates. We have heard that that already happens.

I want to give you an example of how I see the world. We know for a fact that certain millers can make paper cups, paper plates—paper everything. If you talk to that miller he will tell you, 'Yes, we have the technology—we can do it—but for each product it is 20 cents or 25 cents dearer than the petrochemical ones.' Five years ago, what was worrying you guys? Plastic bags. Does anyone worry about plastic bags anymore? The government stepped in and said, 'We're going to get rid of plastic bags,' but the government has not gone the further step and got rid of the plastic knives, the plastic forks and the plastic cups which still cause environmental harm.

We have the product. We know we can produce it through sugarcane bagasse, and this is just one example of the technology out there. However, the policies of the day have not been pushed far enough because if the petrochemical plastics—cups and all that—are banned, what becomes the norm? The bagasse, so that 20 cents per plate is no longer relevant. Look at the big advantage we have just created for the environment—no more microplastics out in the ocean. This is the real need: to get behind the industry and incentivise and create mandates. We have an ethanol mandate. Tell me who enforces it. No-one. There is your big problem. That is all I want to say. You really have to look at it.

As far as I am concerned, previous governments have only paid lip-service to this. Have a look at the last energy policy that was released three to four years ago. What was it—\$8 billion to look at renewables? Go to page 9.4—the sugar industry—80,000. There is your answer. Use the paper cups or bagasse cups, or whatever you want to call it, as an example—and why have we not progressed the banning of petrochemical plastics and then everything becomes the norm? Thank you.

CHAIR: Thank you very much. There was one question taken on notice from the member for Stretton to Chris. Could your response to that be returned by 5 pm on 24 September, please?

In closing, I wish to thank everyone who has showed us hospitality in both Mackay and Townsville. The participation has been welcomed. We have been followed around by some members from different groups, and we thank you very sincerely. We will conclude the hearing now. I thank everyone who participated today. Thank you to Hansard. A transcript of proceedings will be available on the parliamentary webpage in due course for anyone who wants to go back over the words. Thank you.

The committee adjourned at 4.14 pm.