

Sugarcane Bioenergy Inquiry 2025

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27 October 2025

Mr Stephen Bennett MP
Chair of Primary Industries and Resources Committee
Parliament House
Corner George and Alice Streets
BRISBANE QLD 4000

Dear Mr Bennett,

RE: Inquiry into Sugarcane Bioenergy Opportunities in Queensland

CANEGROWERS Burdekin Limited (CBL) is a member based not for profit grower collective which represents the interests of 200 sugarcane growers who produce approximately 2,400,000t of sugarcane in the Burdekin district.

CBL endorses the submission provided by QUEENSLAND CANE GROWERS ORGANISATION LTD and in addition we are pleased to provide our own submission to the Inquiry. Please note that CBL had previously provided a Letter of Support dated 18/7/25 to the Inquiry for SKY Renewables Project Lion submission which is investigating the use of tops and trash to manufacture briquettes for subsequent gasification to biomethane for export. CBL still supports this project as a potential new income stream for growers subject to SKY Renewables completing their feasibility study and securing the stakeholder collaborations required for Project Lion to be successful.

The sugarcane industry is ideally placed to enable a meaningful transition to the bioeconomy for Queensland which would provide a transformational growth opportunity for the industry and the regions underpinned by it. This would also provide an important source of future growth under the Crisafulli's Government Primary Industries Prosper 2050, A 25-year blueprint for Queensland's primary industries, a vision that CBL strongly endorses.

Our position addressing the terms of reference for the Inquiry is as follows:

- 1. The role and benefits of sugar cogeneration in Queensland's electricity generation mix, including existing capacity and potential for expansion.*

In regard to electricity supply, customers want, demand and expect reliable and affordable power. The build towards renewables has been biased towards intermittent renewables such as solar and wind that the grid infrastructure is unable to properly accommodate and doesn't deliver when the free wind and sunshine does not materialise. Sky high power prices and blackouts will be the price to pay for the bias towards intermittent supply, but it is not all doom and gloom as Queensland has the sugarcane industry which can deliver renewable baseload synchronous cogeneration electricity from our regionally based sugarcane mills to assist with providing certainty of supply. Cogeneration capacity from existing sugar mills at present is 448MW and the Australian Sugar Manufacturers (ASM) have confirmed this capacity could be expanded to 835MW which could power 500,000 Queensland homes.

There could also be the capacity to expand this further with the development of new land to sugarcane, growing energy canes for cogeneration and alcohols. The Burdekin has the land available and water resources through the Burdekin Falls Dam to expand the local sugarcane industry for future bioenergy purposes. There is also the opportunity through increased cogeneration to facilitate legislative changes to enable the creation of microgrids for local irrigators to source electricity direct from the sugar mill that they provide their sugarcane to which is ultimately utilised to make the electricity.

2. Market, regulatory, and infrastructure barriers to increased bioenergy production from sugar.

The main barrier is that there are no current market and regulatory incentives to increase bioenergy production from sugarcane. Any fledgling industry needs Government support to first establish itself. We sometimes hear comments that any new biofuels/bioenergy business needs to stand on its own two feet, wash its own face etc, but this is not realistic in the start-up initiation phase where Government support is needed. If the Government and community wish to decarbonise they need to create the market and regulatory frameworks to develop the sector to achieve the decarbonisations goals and targets they have agreed to.

3. Opportunities to align sugar biofuel production with national security and Defence liquid fuel needs.

Senator James Molan Source 2GB, 16 April 2018 stated, *"At the moment, from my estimations, in relation to petrol we have something between 19 to 24 days. In relation to diesel we have something between 12 to 17 days and in relation to aviation fuel... we've got something like 17 to 19 days."*

The late Senator Jim Molan was rightly a champion of this cause, and sadly this can has been kicked down the road for far too long. The resultant policy vacuum is deeply concerning, perhaps even verging on irresponsible, that Australia does not have our own Sovereign Fuel Security Program. Unfortunately, the casual Aussie vernacular of *"She'll be right mate"* which assumes that fuel tankers will always conveniently arrive from afar, full and on time, looks a bit shaky given the current geopolitical climate. Fuel security for biodiesel and SAF is critical, and the Government should provide the regulatory framework and funding necessary to establish our own Defence fuel security capability as a matter of urgency. This would then go hand in hand to align sugarcane biofuel production with other sectors and significant users of biodiesel being the mining and transportation/logistics sectors, SAF for the aviation sector and mandated ethanol blends for retail consumers.

4. Policy and funding mechanisms to de-risk investment in cogeneration and biofuels by manufacturers and growers, including examples of successful policy implementation from overseas and other industries.

We need to establish an enduring bioenergy industry of scale in Australia and this can only be achieved via supportive Government policy that enables and encourages investment into the bioeconomy via:

1. Meaningful mandates, enforcement of these mandates and offtake agreements for:
 - a. Biodiesel, a key circular economy input for agriculture.
 - b. Ethanol and ethanol blends.
 - c. Sustainable Aviation Fuel (SAF).
 - d. Solid biofuels made from bagasse and tops and trash for power generation.
2. Import controls on biofuels to ensure any new domestic biofuels industry is not undercut out of existence by imports from other countries to the detriment of Australia's own sovereign fuel security.
3. To attract long term investment capital for Cogeneration expansion, investors require a reasonable degree of certainty to take risk. The industry would need long term Power

Purchase Agreements, grid connection upgrades, fast tracked approvals processes to provide this certainty.

Brazil, India and Thailand have established enduring biofuels businesses that provide a portion of their countries fuel needs from their sugarcane industries. This was achieved via a steadfast backing for a mix of mandates and in some cases import controls and there is no reason why Australian can't do the same. Our competitors are growing and we are not even going. Now is the time for Australia to provide for ourselves.

5. The R&D agenda to underpin a world leading sugar-led bioenergy industry.

R&D funding would need to be boosted for the following:

1. Growing sector - new cane varieties for energy canes, modelling extended season length for harvest of energy canes from March to December and optimum product mix and timing from sugarcane.
2. Milling sector - Advanced manufacturing and technology assessment.
3. Development of pre-feasibility and feasibility studies to assess opportunities for both the growing and milling sectors.

6. Strategic land use and regional development considerations affecting cane growing and sugar manufacturing capacity.

Locally, the bioeconomy would be an important source of future growth for regional economies like the Burdekin where we do have the land and water to expand and a desire to do so, with the right conditions. The Burdekin sugarcane industry has reached a comfortable level of growing 8,000,000 tonnes of sugarcane, but we can do better and whilst we have the capacity to expand, we need a catalyst to do so and we see the bioeconomy as being that catalyst for transformational change.

There may be a need to utilise prime agricultural land for industrial purposes to build new biofactories, but this would be a natural extension of the underlying agricultural sector to establish the industry. If the demand for sugarcane increases, we could even see disrupters enter the industry to provide more competition for sugarcane. The opening up of new land to grow more sugarcane to meet demand would be great for local communities in terms of new employment opportunities during the construction then operational phases. We have some second-class cattle country in the Burdekin catchment that could be turned into first class irrigated cropping land with water from the Burdekin Falls Dam to expand and grow more sugarcane and vegetation management protocols would be to be reviewed to facilitate this expansion.

7. Benefits for growers in diversification opportunities.

In terms of risk management, we can't settle for a sugarcane industry that is just solely reliant on sugar crystal and being 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 sugarcane will increase its value and grow the pie, which benefits growers, millers, the community, Government and the economy. The benefits to growers are numerous and some of these are as follows:

- Cogeneration – increased cogeneration would require an investment into boiler upgrades which should in theory improve mill performance and reliability. The creation of microgrids would enable growers to source electricity locally on a direct basis.
- Biofuels - increased demand for the sugarcane plant due to biofuels demand could provide increased revenue streams for growers and millers from this diversification opportunity.
- Better utilisation of capital - growing energy canes for cogeneration and biofuels could see a longer season length either side of the peak CCS periods which would provide better utilisation of capital by industry participants and more stable employment opportunities instead of the current seasonal nature of the industry.
- Opportunities for growers to coinvest in new bioenergy projects.

8. Consideration of food verses fuel.

Australia exports 85% of our sugar crystal so we manufacture far more than what we need for food consumption to negate this concern and if we can augment this export revenue with increased domestic income from renewables, then it places the Australian sugarcane industry in a strong position from this diversification benefit. We would be in a much superior position if we have multiple income streams from the same sugarcane plant.

Australia has sadly squandered its opportunity for energy cost competitiveness through not harnessing the abundance of resources we have with coal, gas, uranium and water. Let us not miss the bioenergy opportunity as well through not proactively creating its establishment. The bioeconomy represents an exciting opportunity for agriculture, in particular sugarcane, 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 industries with the provision of other sources of revenue from the same feedstock. 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 Qld primary industries.

Should you have any questions in this regard, please do not hesitate to contact myself on mobile [REDACTED] or via email to [REDACTED]

Yours sincerely,



Glenn Betteridge
Chair
CANEGROWERS Burdekin Limited