



Consolidated Bio Diesel Pty Ltd

The Research Director
Utilities, Science and Innovation Committee
Parliament House
George Street
Brisbane, QLD, 4000

By email: usic@parliament.qld.gov.au

To whom it may concern

Ecotech Biodiesel has been producing Biodiesel in Queensland since 2005, and is currently providing biodiesel to multinational nation fuel and chemical companies. Please find below Ecotech Biodiesel's Response to the Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill 2015.

Ecotech would like to express its support of the process the Queensland Government has undertaken in its discussion paper and consultancy of the industry partners that would be impacted by this legislation.

Achievement of Policy Objectives

Level of the Mandate and Increasing the Mandate percentages

The choice of 0.5% as the initial mandated level is a sensible volume to support existing suppliers without compromising the mandate in its intimal phase. The increase in mandate should be in accordance with the capabilities found within Queensland, however with a clear understanding that future investment will be rewarded with the growing demand. With this in mind, Ecotech would like to see that any future mandate level be communicated to the industry with enough lead time to ensure supply and demand are matched and achievable.

Sustainability Criteria

Ecotech strongly supports a sustainable criterion for feedstock supply. Ecotech has never sources palm oil from unsustainable sources and is pleased that the government is supporting this process.



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It is important that a sustainable feedstock supply from a range of agricultural sources produced in Queensland is the major outcome from this mandate. This will reduce pressure on the feedstock supply and price, and will allow Biofuels to remain competitive against mineral based fuels.

Consistency with Fundamental Legislative Principles

Offences and Penalties

Ecotech agrees that any penalties are required to be set at a level that will provide a deterrent to non-compliance. Subsequently, Ecotech believes there is a fundamental difference between a fuel seller under Section 35B for bio based petrol, and a fuel seller under section 35C for bio based diesel. The Fuel seller for petrol ranges from companies with 10 or more services stations to multinational Oil Companies, so fines of approx. \$20,000 for the first offence and \$200,000 thereafter may be applicable. However, for wholesalers in the diesel market, \$20,000 will be little deterrent as this is a much smaller percentage of their revenue. It is Ecotech position that this should be amended to reflect the differences in the obligated parties between petrol and diesel. Subsequently, a penalty system synchronized to the volume of petroleum product at a facility would ensure that penalties were a disincentive and reflected the gross turnover of the obligated party.

Summary

A bio-refining industry is a logical and valuable addition to the Queensland economy, and using the biofuel industry as a kick start to that process is well founded. Ecotech is already showing the benefits of bio refining by providing product streams into the Energy and Utilities market, while recycling a waste stream with a no waste facility.

A mandate rising to 5% over a 5-10 year time frame would produce 10-15 facilities the size of Ecotech and produce a bio-refining industry producing a range of products that are beneficial to the Queensland Economy.

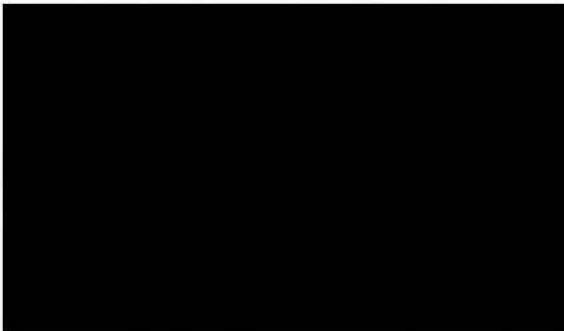


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Feel free to contact me if any further clarification or information is required, or if Ecotech can assist in further initiatives under proposal.

Yours Sincerely



Dr Douglas Stuart
Technical Development Manager
Ecotech Biodiesel.