




Speech By  
**Bryson Head**

**MEMBER FOR CALLIDE**

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### **LIQUID FUEL SUPPLY (MINIMUM BIOBASED PETROL CONTENT) AMENDMENT BILL**

 **Mr HEAD** (Callide—LNP) (6.52 pm): I do thank Katter's Australian Party for bringing the bill to the House because it does highlight the failures of the current government and the lack of enforcement of their own rules with regard to the existing biofuels mandate. Because of their lack of enforcement, the committee heard that a consumer may go to a service station to purchase E10 and there may not be any ethanol in their E10 fuel blend because the current government refuses to enforce their own rules and the current existing mandate. I do note that in a hearing the member for Hinchinbrook acknowledged that, if the government enforced the existing mandate, it would go a long way to achieving what the KAP did set out to achieve in the first place with this bill. If the government enforced the existing mandate that would certainly be a very good thing because biofuels are important to Queensland, they are important to the future of energy and they are an important fuel source. We certainly here at the LNP support a biofuel industry in Queensland. If the mandate is met, then it is absolutely a good thing for Queensland. Biofuels are a good thing for Queensland because the agricultural industry is a good thing for Queensland and it is a critical industry that we here in the LNP support every day of the week. We see continuous failures from the government when it comes to the agriculture sector, and their failure to enforce the current biofuels mandate is just another example of them failing the ag sector in Queensland.

As a member of the Transport and Resources Committee, this bill did come before us and it was great to participate in the hearing process, read the submissions and hear evidence in the public hearings. One of the key recommendations made by the committee was that the minister consider promoting strategies to improve consumer confidence in fuels manufactured using renewable energy sources. This is something that we think needs to be done more here in Queensland, and that is why once again the LNP supports a biofuels industry in Queensland. We do have concerns that this bill is becoming more outdated by the day given advancements in the motoring and biofuels industries. We know there is investment in biofuels for aviation, and of course we all know that the future of the energy market in Queensland has a long way to play out. There are concerns that this bill will add red tape for businesses and increase the sale price of fuel. That is a concern that was raised and that we do hold. We also have concerns about inconsistencies in fuel standards across state jurisdictions because of this bill being a thing in Queensland and not elsewhere as well which, in a country that has relatively small petroleum use compared to other parts of the world, has its own consequences. Retailers in border communities could be open to risk of noncompliance through no fault of their own depending on what side of the border their fuel is being sourced from.

The Motor Trades Association of Queensland did raise the concern that it is difficult to understand how strengthening enforcement will achieve a material increase in bio-based petrol sales. You can increase user supply of anything as much as you want but that does not mean that you increase demand. It was interesting recently when the committee went to see the biofuels plant at Mackay. It is run by QUT. They convert bagasse from sugar cane into a biofuel product. It is a great plant and there is a lot of research being done there in relation to the future of energy use in Queensland.

I grew up north of Brigalow on the Darling Downs and the ethanol plant at Dalby is not very far from my family farm. When the ethanol plant at Dalby opened, it was something that I know my father was very excited about at the time because it did provide more markets where our family could sell our grain. However, since then across the Western Downs we have had a significant increase in investment in feedlots. As a result, the Western Downs Regional Council area is a net importer of grain. This means that they cannot get local grain anymore in order to run that ethanol plant. They have to ship it in from the Central Highlands or other parts of New South Wales. It might have to come up from Narrabri or other parts of the state. This incurs significant transport costs, which then further changes the whole economics of an ethanol plant. After a couple of drought years in Australia followed by a couple of good years, because of global markets grain prices have been incredibly high, which does of course impact the final price of the biofuel product at the bowser. One of our concerns is that adding increased mandates to supply will have a detrimental effect and add to the cost-of-living crisis that is currently facing Queenslanders. We do not want to see a forced increase in supply on a product that may be very expensive because of current markets and those issues I was talking about with a lot of local feedlots.

Biofuels will form a big part of the energy mix into the future, and the opposition is certainly open to what that future brings. One problem is that you need a strong grain industry for a good biofuel industry, but unfortunately in Queensland we have a government that is not very focused on biosecurity. We have the fall armyworm which is an invasive pest that eats corn, sorghum and crops that form an important part of the biofuels industry. If we actually invested properly in biosecurity, that may significantly help a future biofuels industry. In the current climate, all government investment seems to be in battery storage and hydrogen, and investment in ethanol has stalled.