




Speech By  
**James Martin**

**MEMBER FOR STRETTON**

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

 **Mr MARTIN** (Stretton—ALP) (6.24 pm): I rise to speak on the Liquid Fuel Supply (Minimum Biobased Petrol Content) Amendment Bill 2022, introduced by Katter's Australian Party. This private member's bill proposes to double penalties for noncompliance for fuel retailers who do not sell the prescribed minimum amount of four per cent bio-based petrol such as E10. The bill also proposes to prescribe a minimum of nine per cent bio-based petrol content for all blended petrol sold by fuel retailers in Queensland, with a new offence and new penalties for all those who do not take reasonable care to ensure compliance with that requirement. Ultimately, the proposals in the bill really take a hammer to consumers and a hammer to small and medium retailers. In my opinion, neither of the proposals is likely to have the desired effect, which, as stated by the KAP, is to try to increase E10 sales. The proposals are not necessary. They are not workable. As such, the government will not be supporting the bill.

In April, the Transport and Resources Committee tabled its report in response to the bill. The committee took submissions and held public hearings to inform its findings and recommendations in the report. The committee recommended that the bill not be passed for a multitude of reasons. Firstly, the double penalties are excessive and fall well outside the range that currently exists in similar legislation. Secondly, the value proposition for applying these fines does not address all of the factors contributing to consumer uptake of E10 petrol. Basically, fining retailers is not a particularly good way of increasing demand for E10. It is important to remember that motorists still need to have choice between regular unleaded petrol and E10 when they fill up at the bowser. Thirdly, the minimum content provisions would be unconstitutional if enacted as they are inconsistent with Australian government laws that already regulate fuel quality and labelling standards.

Furthermore, the proposals would add an onerous level of record keeping on individual fuel sellers. Whilst many servos such as BP, Caltex or Ampol might display big-brand fuel prices, often they are owned and operated by small businesses with an exclusive supply and branding agreement. Just because you see a petrol station that says 'Ampol' does mean it is owned by big oil; it is owned by a local Queenslander. Many owners may have one, two or a small number of petrol stations. The majority of Queensland servos are actually owned and operated by Australian companies or small to medium enterprises. In fact, only 13 per cent of servos are operated by big oil companies.

Queensland motorists consume on average about 60 million litres of pure ethanol a year. This is equivalent to the production capacity of Wilmar's biorefinery at Sarina in North Queensland. Since 2017, the number of retailers selling E10 has doubled. There are of course some remote towns where E10 is not available from the fuel supplier; however, almost all new sites that have been opened since 2022 have installed E10.

An experiment similar to this bill was introduced in New South Wales about 15 years ago—removing the purchasing choice in fuel for motorists by trying to phase out regular unleaded petrol without ethanol. The result was that motorists switched towards more expensive premium fuels without ethanol. Premium petrol, as we all know, can cost about 20 cents more per litre than regular unleaded

petrol. This puts significantly more pressure on household budgets. Moreover, a report from the ACCC found that it ended up costing New South Wales motorists \$85 million in higher fuel prices over just two years.

Instead of supporting this bill, the government will be taking a positive approach by promoting strategies to improve consumer confidence in fuels manufactured using renewable energy and sources. Our sustainable liquid fuels strategy will build on the existing government support for sustainable liquid fuels, demonstrated in the Queensland Biofuels 10-Year Roadmap and Action Plan.

It is vital that we remain future focused and recognise that electrification of transport and hydrogen is expected to play a significant role in the transition away from petroleum fuels, which currently make up about half of Australia's energy consumption. This transition is supported by our Queensland Energy and Jobs Plan. There is no doubt that internal combustion engine vehicles will be on the road for many years to come, for the foreseeable future; however, the petrol market is declining. Whilst E10 is a valuable transition fuel that provides motorists with a lower carbon fuel option, as the electric vehicle take-up increases other emerging liquid fuels, including sustainable aviation fuel and renewable diesel, are also expected to play an important role in supporting decarbonisation in hard-to-abate sectors.

In order to meet our goals and commitments, we will need to adopt a wide range of lower carbon energy sources. As part of our sustainable fuel strategy, we will be seeking further input from industry, fuel users and supply chain stakeholders to unlock opportunities and develop industries. This is already happening in Queensland. The sustainable fuels industry will be supported by local feed stocks that will provide further opportunities for our agricultural industry and also help protect Queensland from international oil price shocks.

For example, emerging technologies such as alcohol to jet can provide new opportunities for the sugar industry to supply fuels where there is expected to be long-term growth as petrol declines. Renewable diesel is another one that is expected to be an essential contributor to decarbonise heavy industry. It is an advanced drop-in replacement for mineral diesel which means it can be substituted without any expense or modification to diesel engines and fuel systems. I look forward to our upcoming fuel strategy to increase the uptake of sustainable liquid fuels. It will be a collaborative and consumer focused approach, which is important because it is the willingness of customers that drives the uptake of sustainable liquid fuels. That is one key thing that I think that this bill misses.

I note that the LNP did not support sustainable liquid fuels when they were in government. They also did not support fuel efficiency standards. It is this government that has a strategy and it will be backing the development of our industries. I know that other members in this place, like the member for Bundaberg and the member for Mackay, are huge supporters of the sugarcane industry and will be keen to see opportunities provided to this industry to supply new fuels as new technologies emerge. In fact, the Transport and Resources Committee only a few months ago visited a pilot biorefinery plant in Mackay. It is a massive investment by US company Mercurius, partnering with QUT. It is using sugarcane waste to create renewable diesel and sustainable aviation fuel. It certainly looks very promising.

To conclude, in response to the Transport and Resources Committee inquiry the Motor Trades Association of Queensland stressed that there was no wilful lack of compliance by retailers and that no cost-benefit analysis was provided to support the proposed amendments. They also stated that the proposed penalties would put most small retailers out of business and that regional communities could be the ones that end up suffering.

It is evident from the drop in bio-based petrol sales in New South Wales that we cannot force motorists to buy E10 and impose higher fines for seller. That will not translate into more sales. That is why the government does not support this bill.