




Speech By  
**Patrick Weir**

**MEMBER FOR CONDAMINE**

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

 **Mr WEIR** (Condamine—LNP) (6.04 pm): I rise to speak to the Liquid Fuel Supply (Minimum Biobased Petrol Content) Amendment Bill 2022 as shadow minister for natural resources, mines and energy. In doing so I would like to recognise the Transport and Resources Committee for their work in overseeing the inquiry and, of course, in particular, the efforts of the deputy chair, the member for Gregory, the member for Callide and the member for Toowoomba North. The report offered two recommendations: firstly, to not pass the bill and, secondly, that the minister consider promoting strategies to improve consumer confidence in fuels manufactured using renewable energy sources. From the outset, I would like to say that this bill has sound intent. However, the LNP has concerns surrounding the practicality of the legislation and unintended consequences. We also have concerns that the bill is becoming more outdated by the day, given advancements in motoring and the biofuel industry and the fact that this bill was introduced in October 2022. There has been a lot that has changed since that date. Given these concerns the LNP will not be supporting the bill and I will outline my reasons for this during this contribution.

As I touched on, the detail of the legislation has unintended consequences which will be particularly felt by small and family service station operators across our state depending on the ownership structure of those businesses. If the bill is passed it would present inconsistencies for fuel standards across state jurisdictions. Queensland has three borders. I am particularly concerned for cross-border communities, such as those represented by the member for Currumbin, Laura Gerber, the member for Southern Downs, James Lister, and the member for Warrego, Ann Leahy. Border retailers would risk noncompliance through no fault of their own depending on what side of the border the fuel is being sourced from. We do not believe that is an acceptable risk. There is also the concern that added red tape for these businesses will undoubtedly increase the sale price of fuel which motorists have to pay at the bowser. Overregulation and red tape is one of the biggest challenges that small businesses face. In the middle of Labor's cost-of-living crisis this is the last thing that Queensland small businesses need imposed upon them.

Another issue with the legislation is the disproportionate penalties the bill seeks to impose for noncompliance. The penalties as proposed in the bill seem a little out of whack, given small retailers are facing hefty fines for noncompliance when compared to major wholesalers and manufacturers. The Motor Trades Association of Queensland has warned, 'It is also difficult to understand how strengthening enforcement will achieve a material increase in bio-based petrol sales.' On the topic of enforcement, the level of regulatory work that would be required to enforce the proposed provision will be significant. As it stands, very little detail has been provided as to how the compliance and enforcement regime would work and who would wear that cost.

The proposed provision is also potentially inconsistent with Commonwealth legislation that does not mandate a floor value for E10 fuel which we believe could have significant implications for fuel sellers. The Motor Trades Association of Queensland said in its submission, 'The challenge in the

proposed amendments, however, is that it seeks to change labelling requirements for one state (i.e. Queensland) contrary to Federal laws.' The Motor Trades Association goes on to warn of 'market confusion for motorists buying E10 in Border regions.' After all that our small businesses in border communities have been put through in the last few years, this would add insult to injury and cause unnecessary angst and heartache.

It would be remiss of me not to point out that there would be no need for this bill had the uptake of E10 been stronger. That is a failure that lies squarely at the feet of this Palaszczuk government. In the current climate, all government investment seems to be in batteries, storage and hydrogen. You barely hear E10 get a mention at all from the government or the Minister for Energy. It is no secret that investment in ethanol has completely stalled. This is a huge issue and should not be discounted. In saying that, retailers must not be left with the burden of paying for any public campaigns aimed at improving the uptake of E10. During its inquiry the committee was also able to identify that the Queensland government had discontinued its E10 OK application. It is up to the minister to explain why this has been abandoned.

When I speak about the outdated nature of this legislation, it is clear that the biofuels industry has evolved substantially over the past few years. I note a recent announcement from the Deputy Premier's department that states that there are strong advancements in biofuel blends for aviation fuel. The aviation industry has few options to reduce its carbon footprint and biofuel is one of those few. This is a huge opportunity, particularly for the sugar industry. As technology advances so should policy. It is important that we look at other uses moving forward.

In speaking about the ethanol blend itself, it is also important to consider agriculture, which can and does face grain shortages particularly for the intensive livestock industry. That is common knowledge. We are probably looking at one of those situations right now out on the downs where crops are failing as we speak. The grain harvest is going to be significantly reduced. The area that I represent has the largest intensive livestock of any electorate in Australia, whether that be beef, pork, chicken or dairy. It is a huge user of grain. We cannot risk running short of grain to keep that industry going. There are concerns that grain used for ethanol production is at an opportunity cost for grain used by livestock feed and that needs to be considered.

As I stated earlier in my contribution, the LNP acknowledge that there is sound intent in the formulation of this bill. However, there are flaws with the detail and unintended consequences. The bill as presented is becoming more outdated with advancements in the biofuels industry, particularly for the aviation industry as is happening at the moment. We are looking at introducing legislation that would need to be amended given the fast-moving nature of the fuel industry. In opposing the bill, the opposition notes that it may be more appropriate to consider alternative strategies to improve consumer confidence in E10 and other future fuels manufactured using biofuels.