

QUESTION ON NOTICE

No. 2167

asked on 10 November 2016

MR KATTER ASKED THE MINISTER FOR MAIN ROADS, ROAD SAFETY AND PORTS AND MINISTER FOR ENERGY, BIOFUELS AND WATER SUPPLY (HON M BAILEY)—

QUESTION:

Will the Minister advise why costly international certifications, with redundant requirements, already covered by our legal system, such as food security, and human rights provisions, are being considered as regulation for our domestic ethanol producers?

ANSWER:

The Queensland Government is committed to growing our biofuels and bio-refining industry which creates high-value and knowledge-intensive jobs across our regions. A critical demonstration of this commitment is the biofuels mandate which will begin on 1 January 2017. This will create a stable market for biofuels, providing certainty for existing producers and prospective investors.

An important element of creating this market is being able to demonstrate that Queensland's biofuels satisfy sustainability standards. The *Liquid Fuel Supply Regulation 2016* sets out sustainability criteria which must be met by biofuels sold under the mandate. These include a requirement for domestic ethanol producers to meet one of a number of internationally recognised standards including the Roundtable for Sustainable Biomaterials (RSB Standard Version 2.1), Roundtable for Sustainable Palm Oil (RSPO) and the International Sustainability and Carbon Certification (ISCC). There is also the provision for existing domestic producers using sugarcane or molasses as a feedstock to meet the requirements of the Smartcane Best Management Practice.

Accreditation against international sustainability standards such as these is required for entry into some of the world's largest biomaterials and biofuels markets. On its recent trip to Queensland, the US Navy indicated that in sourcing advanced biofuels, it is looking for biofuels accredited under a standard such as RSB. The New South Wales Government has also prescribed RSB as its sustainability standard. Any imports to Queensland would also be required to meet these standards.

Estimates received by the Department of Environment and Heritage Protection indicate the cost of certification under the RSB could range from as little as \$1000 to around \$50,000 depending on the entity type within the fuel supply chain, production practices and the systems and processes that are in place.

The biofuels mandate is expected to more than double the market for ethanol in Queensland over time. Given this, and noting that fuel retailers and wholesalers will also be investing in fuel supply infrastructure to comply with the mandate, it is not unreasonable to expect biofuels producers to invest in certification which confirms the sustainability of their products.

International certification schemes do consider broader sustainability issues such as workers' rights, land rights, food security, human rights provisions and protection of local communities which are already well addressed under Queensland and Australian law. It should therefore pose no burden for Australian producers to show that they comply with the relevant requirements.

Importantly, the sustainability criteria recognise that existing producers are already supplying the market and provide them with appropriate transition periods to achieve accreditation.