

## QUESTION ON NOTICE

No. 2198

asked on Tuesday, 29 November 2016

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**MR KELLY ASKED THE MINISTER FOR STATE DEVELOPMENT AND MINISTER FOR NATURAL RESOURCES AND MINES (HON DR A LYNHAM)—**

QUESTION:

Will the Minister advise what economic benefits will flow to the entire state from the establishment of a successful biofuels industry?

ANSWER:

In 2014, a Deloitte Access Economics report projected that by 2035 the development of an industrial biotechnology and bioproducts sector, which includes biofuels, could contribute as much as \$1.8 billion to the annual gross state product and support 6640 full-time jobs in Queensland. The report identified that many of these jobs are likely to be knowledge-intensive and regionally based, given the advanced state of biofutures technology and the location of current and future biomass feedstocks.

Indeed, the Queensland Government's vision under the Queensland Biofutures 10-Year Roadmap and Action Plan, released in June 2016 by the Premier, is for a \$1 billion sustainable and export-oriented biofutures sector that attracts significant international investment, and creates regional, high-value and knowledge-intensive jobs over the next decade. The government has committed almost \$20 million to drive the development of this industry through the implementation of the roadmap, including project attraction and facilitation.

An early success has been the attraction of Southern Oil to Queensland to develop a \$16 million Advanced Biofuels Pilot Plant in Gladstone. Construction of the plant began in November 2016 and is supporting some 28 jobs. If the pilot plant proves successful over the next three years, it will be expanded into a \$150 million commercial biorefinery with almost triple its current workforce.

On 6 December 2016, the leading United States (US) industrial biotechnology company, Amyris, announced the development of its South-East Asian hub for the production of sugarcane-derived bioproducts for Asian markets in partnership with the Queensland Government. John Melo, President and CEO of Amyris, stated that the company was delighted to be working with Queensland to facilitate the creation of what it expects will be a leading industrial biotechnology hub supplying growing demand in South-East Asia. The project aims for commercial production by 2020 and \$60 million to \$80 million in annual revenue.

The government's biofutures project attraction and facilitation efforts are also being complemented by the biofuels mandate that commences on 1 January 2017 and will stimulate Queensland consumer demand for ethanol-blended regular unleaded petrol and bio-based diesel.

Further stimulus is possible through large customer off-take that could be supported in the military, aviation and freight sectors via potential commercial opportunities arising out of the Queensland Government–US Navy Biofutures Industry Forum that was held on 7 to 9 December 2016.

The forum was an initiative under the Queensland Government–US Department of the Navy Statement of Cooperation on advanced biofuels, and saw the gathering of over 150 leaders to accelerate the development of Queensland’s biofutures supply chain, including leading international companies and investors.

The government’s action on biofutures is leveraging Queensland’s strategic advantages to grow the state’s share of the global bioproducts and services market – a market estimated to be worth \$1.1 trillion by 2022 – and continue the realisation of commensurate economic benefits, particularly in regional Queensland.

The Premier has stated on many occasions that this government believes a biofuels industry could create ‘thousands of jobs up and down the coast’ and support sugarcane and sorghum farmers.