

QUESTION ON NOTICE

No. 633

asked on Thursday, 17 May 2018

MR D PEGG ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND ENERGY (HON DR A LYNHAM)—

QUESTION:

Will the Minister (a) provide an update on the use of E10 fuel in Queensland and (b) advise in relation to the success of the biofuels mandate?

ANSWER:

- (a) Use of E10 fuel in Queensland has increased significantly since the introduction of the Queensland biofuels mandate. Queensland fuel retailer reporting indicates that volumes of E10—the most popular ethanol blended petrol grade—increased by more than 76 per cent from the January to March 2016 quarter to the October to December 2018 quarter.

Based on reported sales volumes for the last quarter of 2017, liable fuel retailers achieved an average of 2.5 per cent ethanol sales. This is up from 2.35 per cent for the previous quarter, and up from 1.5 per cent ethanol sales before the Queensland biofuels mandate commenced.

- (b) The biofuels mandate requires the fuel industry to meet targets for the sale of biobased fuels of 3 per cent ethanol for regular unleaded petrol, and 0.5 per cent biodiesel for all diesel fuel.

The measured 76 per cent growth in ethanol sales since early 2016 can be largely attributed to the biofuels mandate. As additional evidence of the success of the mandate, the fuel industry has upgraded a large number of sites to make E10 more widely available. There are now over 600 service stations in Queensland selling E10—an increase of over 260 sites since early 2016.

Biodiesel entered the market in the December quarter, with volumes expected to increase in coming months. This was also an expected outcome of the biofuels mandate.

The data indicates the Queensland biofuels mandate has been successful in delivering the intended policy objectives, including to provide assurance to existing ethanol and biodiesel producers, and to stimulate investment in the biofuels industry in Queensland.