

**Liquid Fuel Supply
(Minimum Biobased Petrol Content)
Amendment Bill 2022**

**Report No. 32, 57th Parliament
Transport and Resources Committee
April 2023**

Transport and Resources Committee

Chair	Mr Shane King MP, Member for Kurwongbah
Deputy Chair	Mr Lachlan Millar MP, Member for Gregory
Members	Mr Bryson Head MP, Member for Callide Mr James Martin MP, Member for Stretton Mr Les Walker MP, Member for Mundingburra Mr Trevor Watts MP, Member for Toowoomba North
Committee Secretariat	Dr Jodhi Rutherford
Telephone	+61 7 3553 6621
Email	trc@parliament.qld.gov.au
Committee webpage	www.parliament.qld.gov.au/trc

All web address references are current at the time of publishing.

Contents

Chair’s foreword	ii
Recommendations	iii
Executive Summary	iii
1 Introduction	1
1.1 Policy objectives of the Bill	1
1.2 Background	1
1.3 Legislative compliance	2
1.3.1 <i>Legislative Standards Act 1992</i>	2
1.3.2 <i>Human Rights Act 2019</i>	5
Committee comment	5
1.4 Should the Bill be passed?	5
2 Examination of the Bill	5
2.1 Truth in advertising	6
Committee comment	9
2.2 Demand for ethanol	10
2.2.1 Consumer demand	10
2.2.2 Need for investment	12
Committee comment	14
2.3 Compliance and enforcement regime	14
Committee comment	16
Appendix A – Submitters	17
Appendix B – Member at public briefing and public hearing	18
Appendix C – Abbreviations	19

Chair's foreword

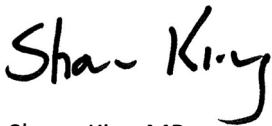
This report presents a summary of the Transport and Resources Committee's examination of the Liquid Fuel Supply (Minimum Biobased Petrol Content) Amendment Bill 2022.

The committee's task was to consider the policy to be achieved by the legislation and the application of fundamental legislative principles – that is, to consider whether the Bill has sufficient regard to the rights and liberties of individuals, and to the institution of Parliament. The committee also examined the Bill for compatibility with human rights in accordance with the *Human Rights Act 2019*.

As we move towards a future in which the motoring fleet will be transformed by innovative technologies including hydrogen and electric vehicles, further regulatory support for ethanol as an alternative fuel source should advance proportionately to support offered for these other technologies.

On behalf of the committee, I thank those individuals and organisations who made written submissions on the Bill. I also thank our Parliamentary Service staff.

I commend this report to the House.



Shane King MP

Chair

Recommendations

Recommendation 1

5

The committee recommends the Liquid Fuel Supply (Minimum Biobased Petrol Content) Amendment Bill 2022 not be passed.

Recommendation 2

14

The Minister consider promoting strategies to improve consumer confidence in fuels manufactured using renewable energy sources.

Executive Summary

This is a Private Member's Bill that was introduced on 13 October 2022. It seeks to increase penalties for liable fuel sellers for non-compliance with Queensland's ethanol mandate. It also seeks to instate a minimum nine percent ethanol content for all petrol sold as E10 in Queensland, and introduces a new offence and penalties for all sellers who do not take reasonable care to ensure compliance with that requirement.

1 Introduction

1.1 Policy objectives of the Bill

The objectives of the Bill as stated by its sponsor, Mr Nick Dametto MP, Member for Hinchinbrook, are to expand on the provisions enacted by the *Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill 2015*, by further amending the *Liquid Fuel Supply Act 1984* (the 'Act') for the following purposes:

1. To increase two-fold all penalties for non-compliance by liable fuel retailers with the State's bio-based petrol mandate, which presently sits at four (4) per cent of the total volume of all petrol sold; and
2. To require that fuel retailers take reasonable action (on a continuing basis) to ensure that the bio-based petrol blended fuels (referred commonly to as E10) they sell contains a minimum of nine (9) per cent ethanol and is advertised as such.

1.2 Background

This is a Private Member's Bill that was introduced on 13 October 2022. The explanatory notes for the Bill state that it seeks to address issues that exist with the operation of Queensland's E10 mandate, which despite being in operation since 2017, has not delivered a significantly increased uptake of cleaner and cheaper locally produced fuel. In his introductory speech, Mr Dametto MP submitted:

From the outset I must say that this is not about forcing people to use E10 in Queensland. This is about those people who choose to use E10 being assured that the petroleum blend they put in their car at the bowser has at least nine per cent ethanol in it ...

Right now when we go to the bowser in Queensland we are not assured that what we are getting is E10. I think that when consumers buy E10 they have the right to be assured by state government legislation that what they are buying is in fact that.¹

The E10 mandate of four per cent has never been reached; during the October to December 2021 quarter the E10 sale rate was 2.9 per cent.² It is noted this is higher than the pre-mandate commencement rate of 1.5 per cent.³

The number of sites selling E10 has more than doubled (from 343 in early 2016 to 824 in late 2021). Approximately 570 megalitres (ML) of E10 was sold in Queensland in 2021, equating to approximately 57ML of pure ethanol (if a maximum potency rate of 10 per cent ethanol is assumed).⁴ Ethanol production in Queensland is limited to one plant in Sarina that produces 60ML of ethanol per annum. Multiple ethanol production projects have been proposed for construction in Ingham, Pentland and Ayr, and evidence suggests a potential for future ethanol production in Queensland of above 200ML per annum.⁵ In his introductory speech, Mr Dametto MP submitted:

The reality in Queensland is economies of scale. The more ethanol you produce in Queensland, the cheaper it will become for the end user to buy it from the bowser. At this stage there is nothing to force retailers to ensure their E10 blend has at least 10 per cent ethanol in it. There is nothing to give consumers and the market confidence to invest in ethanol in Queensland.⁶

¹ Queensland Parliament, Record of Proceedings, 13 October 2022, p 2715.

² Explanatory notes, p 1.

³ Explanatory notes, p 1.

⁴ Explanatory notes, p 1.

⁵ Explanatory notes, p 2.

⁶ Queensland Parliament, Record of Proceedings, 13 October 2022, p 2716.

Only certain fuel sellers are liable to the E10 mandate of four per cent of total fuel sales. Operators with less than ten service stations or which sell less than 500,000 litres of petrol per quarter are exempt from complying with the mandate. Additionally, an average of 47 per cent of fuel sellers who are liable are exempt from the E10 mandate each quarter, because they have sought an exemption based on:

- Extraordinary and unreasonable costs to change infrastructure
- Incompatible infrastructure with compliance plans (such as infrastructure upgrade programs to convert sites to sell E10), and
- Despite taking all reasonable steps, they are unable to sell at least four (4) per cent ethanol.⁷

Mr Dametto MP submits that:

A number of the current accepted categories of exemption, including the 1) Extraordinary and unreasonable costs to change infrastructure, and 2) Compliance plans including infrastructure upgrade programs, are becoming less valid and less defensible as the period of time following the introduction of the mandate increases.⁸

Mr Dametto MP additionally submits that in respect of the third exemption category, the issue of consumer demand for ethanol is directly relevant.⁹

To date, no liable fuel seller has been prosecuted for failure to comply with the E10 mandate. Research by the Queensland Government in 2019 identified that a major barrier to improving mandate compliance rates was the insufficient enforcement options available, and the relatively low penalties under the Act.¹⁰ This Bill proposes a two-fold increase in penalties for liable fuel sellers for non-compliance with the mandate, with the penalty for a first offence rising from \$27,570 to \$55,140, and the penalty for a subsequent offence rising from \$275,700 to \$551,400.

The Bill also introduces a minimum rate ('floor value') for ethanol content in bio-based petrol blends sold by any fuel seller in Queensland. It proposes that sellers must not sell a bio-based petrol product as E10 if it contains less than nine per cent ethanol. The penalty for a first offence is \$55,140, and for a subsequent offence, it is \$551,400. Importantly, this proposed provision captures all fuel sellers of E10 in Queensland, not just those who are presently liable to the E10 mandate.

In respect of consultation undertaken about the draft Bill, Mr Dametto MP submitted:

Consultation has occurred over a period of months with a key stakeholder group representing major fuel wholesalers, small, medium and independent fuel retailers, the biofuels and agricultural industries, local government organisations, consumers and the motoring public.¹¹

1.3 Legislative compliance

Our deliberations included assessing whether or not the Bill complies with the Parliament's requirements for legislation as contained in the *Parliament of Queensland Act 2001*, *Legislative Standards Act 1992* and the *Human Rights Act 2019*. Our assessment of the Bill's compliance with the *Legislative Standards Act 1992* identified issues that we discuss below.

1.3.1 Legislative Standards Act 1992

Clauses 3, 4 and 5 of the Bill amend Part 5A of the Act to increase existing penalties and to introduce new offences and penalties. The explanatory notes acknowledge that clauses 3 to 5 may not be

⁷ Explanatory notes, p 3.

⁸ Explanatory notes, p 3.

⁹ Explanatory notes, p 3.

¹⁰ Explanatory notes, p 3.

¹¹ Explanatory notes, p 7.

consistent with or may breach fundamental legislative principles.¹² ‘Fundamental legislative principles’ are the ‘principles relating to legislation that underlie a parliamentary democracy based on the rule of law’.¹³ The principles include that legislation has sufficient regard to:

- the rights and liberties of individuals; and
- the institution of Parliament.

Clause 3 of the Bill amends section 35B of the Act to increase the existing penalty for where a fuel seller fails to sell the minimum amount of sustainable bio-based petrol in each calendar quarter. The maximum penalty is increased:

- for a first offence – from 200 to 400 penalty units (i.e. from \$28,750 to \$57,500)¹⁴
- for a second or later offence – from 2000 to 4000 penalty units (i.e. from \$287,500 to \$575,000).

Clause 4 of the Bill inserts a new section 35DA making it an offence for a fuel seller to sell a bio-based petrol blend that contains less than nine per cent ethanol in the blend. The maximum penalty for a first offence is 400 penalty units (currently, \$57,500) and for a second or later offence, 4,000 penalty units (currently, \$575,000).

Clause 5 of the Bill inserts new section 35T making it an offence where a fuel wholesaler fails to give a document stating the minimum percentage of ethanol in the bio-based petrol blend, at the time of supplying a bio-based petrol blend to a fuel retailer. The maximum penalty is 100 penalty units (currently, \$14,375).

*1.3.1.1 Consequences imposed by legislation should be proportionate and relevant to the actions to which the consequences relate*¹⁵

Existing offences contained in Part 5A of the Act attract maximum penalties ranging from 100 penalty units (for instance, a fuel seller’s failure to give a return or keep a record)¹⁶ to 2000 penalty units (for example, a second or later offence, where a fuel seller fails to sell the minimum amount of sustainable bio-based diesel).¹⁷

In addressing clause 3 of the Bill, the explanatory notes state that the penalty increases are comparable to the equivalent offences and penalties in New South Wales legislation:

Currently, the Queensland penalties are much lower which has been indicated as an impediment to enforcement action and subsequently to the success of the *[ethanol]* mandate. The increases seek to mitigate these issues, whilst maintaining a fair and reasonable defence for a fuel seller – in any prosecution against them for non-compliance with s 35B or 35C – to prove they took all reasonable steps to prevent the offence.

It is acknowledged that the increase to the penalties provided by the amended s 35B also makes the penalties between this section and s 35C (which relates to compliance by liable fuel sellers with the State’s biodiesel mandate) inconsistent. This is considered fair and reasonable because of the lack of local supply of biodiesel in the Australian market, and therefore the limited benefits that would

¹² Explanatory notes, p 5.

¹³ *Legislative Standards Act 1992* s 4.

¹⁴ The value of a penalty unit is currently \$143.75: Penalties and Sentences Regulation 2015, s 3; *Penalties and Sentences Act 1992*, s 5A.

¹⁵ Office of the Queensland Parliamentary Counsel (OQPC), *Fundamental Legislative Principles: The OQPC Notebook*, p 120.

¹⁶ *Liquid Fuel Supply Act 1984*, ss 35E and 35F, respectively.

¹⁷ *Liquid Fuel Supply Act 1984*, s 35C.

be provided to the people of Queensland by greater uptake of biodiesel as an alternative fuel source.¹⁸

In addressing the introduction of a new offence and penalties in clause 4 of the Bill, the explanatory notes indicate that the maximum penalties align with those applicable to liable fuel sellers for failing to comply with the ethanol mandate:

This is because the success of the State's ethanol mandate, and the growth of the local biofuels industry, is directly related to the willingness of consumers to purchase ethanol-blended fuel. As most consumers demand – and vehicle manufacturers require – E10 blends, there is an onus on all fuel sellers to provide this product with certainty at the bowser.¹⁹

In commenting on clause 5 of the Bill, the explanatory notes state that the increased penalty is low in comparison to other offences in the Act, but 'comparable to the Commonwealth's penalties for non-compliance with a fuel information standard'.²⁰

1.3.1.2 *Reversal of onus of proof*

Whether legislation has sufficient regard to rights and liberties of individuals depends on whether, for example, the legislation does not reverse the onus of proof in criminal proceedings without adequate justification.²¹

Legislation should not reverse the onus of proof in criminal matters, and it should not provide that it is the responsibility of an alleged offender in court proceedings to prove innocence.²² According to the Office of the Queensland Parliamentary Counsel, for a reversal to be justified, 'the relevant fact must be something inherently impractical to test by alternative evidential means and the defendant would be particularly well positioned to disprove guilt'.²³

Generally, in criminal proceedings:

- the legal onus of proof lies with the prosecution to prove the elements of the relevant offence beyond reasonable doubt, and
- the accused person must satisfy the evidential onus of proof for any defence or excuse he or she raises and, if the accused person does satisfy the evidential onus, the prosecution then bears the onus of negating the excuse or defence beyond reasonable doubt.²⁴

The Act currently includes some provisions that may be characterised as a reversal of the onus of proof, namely:

- Section 26, which provides a defence to a charge that an applicant for a permit did not know, and could not by the exercise of reasonable diligence have ascertained, that their statement or representation was false or misleading in a material particular; and
- Section 35D, which provides that in a proceeding for an offence against sections 35B or 35C, it is a defence for the person charged with the offence to prove that the person took all reasonable steps to prevent the offence.

¹⁸ Explanatory notes, p 6.

¹⁹ Explanatory notes, p 6.

²⁰ Explanatory notes, p 6.

²¹ See *Legislative Standards Act 1992*, ss 4(2)(a), 4(3)(b), 4(3)(d).

²² OQPC, *Fundamental Legislative Principles: The OQPC Notebook*, p 36.

²³ OQPC, *Fundamental Legislative Principles: The OQPC Notebook*, p 36.

²⁴ OQPC, *Principles of good legislation: Reversal of onus of proof*, p 3.

Clause 4 of the Bill makes it a defence for a person charged with the new offence to prove they did not know, and could not reasonably have known, that the bio-based petrol blend they sold contained less than nine per cent ethanol.

1.3.2 Human Rights Act 2019

Our assessment of the Bill's compatibility with the *Human Rights Act 2019* did not identify any incompatibilities. We find the Bill is compatible with human rights.

A statement of compatibility was tabled with the introduction of the Bill as required by section 38 of the HRA. The statement contained a sufficient level of information to facilitate understanding of the Bill in relation to its compatibility with human rights.

Committee comment

We note that the penalties of 100 to 400 penalty units proposed in Clauses 3-5 of this Bill fall within the range of penalties that currently exist under the Act. However, having said that, the proposed increased and new penalties for first offences would double existing penalties contained in the Act. The penalty of 4000 penalty units proposed in Clauses 3 and 4 of this Bill fall outside the range of penalties that currently exist under the Act, and doubles the existing penalties for second and later offences. We consider this excessive.

We additionally note that Clause 4 of the Bill proposes to require a person charged with an offence to prove that they did not know, and could not reasonably have known, about their non-compliance with the requirement to sell E10 fuel that has a minimum 9% ethanol. This defence involves a reversal of the onus of proof, which has not been identified in the explanatory notes, but which we note exists in certain current provisions of the Act. We note that in order for this clause to have sufficient regard to the rights and liberties of individuals, the defendant would have to be particularly well positioned to disprove guilt. We are concerned that such a provision would add an onerous level of record keeping on individual fuel sellers.

1.4 Should the Bill be passed?

The committee is required to determine whether or not to recommend that the Bill be passed.

Recommendation 1

The committee recommends the Liquid Fuel Supply (Minimum Biobased Petrol Content) Amendment Bill 2022 not be passed.

2 Examination of the Bill

From Mr Dametto MP's introductory speech, we understand that this Bill is proposing to achieve a number of objectives:

It seeks to do a number of things: it seeks to ensure that people in Queensland know exactly what they are buying from the bowser; it ensures that there is confidence in the market for people to invest in biofuels; and it helps this state government have the stick required to make sure that fuel retailers are complying.²⁵

We understand the major themes of this Bill include:

1. Petrol sold in Queensland as E10 should contain at least nine per cent ethanol. In other words, a requirement for truth in advertising;

²⁵ Queensland Parliament, Record of Proceedings, 13 October 2022, p 2717.

2. Driving consumer demand and investor willingness to grow the Queensland ethanol market; and
3. Ensuring sufficient enforcement and compliance options exist to support that growth.

2.1 Truth in advertising

Clause 4 of this Bill creates a new requirement that all fuel sellers, not just those liable to comply with the E10 mandate, must not sell a bio-based petrol blend that contains less than nine per cent ethanol in the blend. The maximum penalty for failing to comply with this requirement is, for a first offence, 400 penalty points (\$55,140 as at 2022) and, for a second and later offence, 4,000 penalty points (\$551,400 as at 2022). In a proceeding for an offence against this requirement, the Bill outlines that it is a defence for the fuel seller to prove that the person did not know, and could not reasonably have known, that the bio-based petrol blend contained less than nine per cent ethanol.

This section deals only with the setting of a 'floor value' in ethanol blends. That is opposed to a 'floor' and a 'ceiling', as per the Commonwealth's Fuel Quality Standards (Petrol) Determination 2019.²⁶

The explanatory notes state:

In July 2003, following consultation with the states and territories, the Commonwealth Government introduced standards for regular unleaded petrol and ethanol-blended petrol, which capped the amount of ethanol that could be added to petrol at 10 per cent. It made no determination with regards to a minimum content of these blends, requiring only that the legal ethanol content for ethanol-blended fuel/E10 be at least one (1) per cent.

It should be noted that the standards deal separately with the more potent ethanol petrol blend known as E85, which is largely reserved for use in high-performance vehicles, and specifically requires that this fuel blend consist of 70–85 per cent ethanol and 15–30 per cent petrol.

On 1 March 2005, the Fuel Quality Information Standard (Ethanol) Determination 2003 was introduced nationally, setting a standard for the labelling of ethanol-blended fuel. This standard, which was updated in 2019, requires that information relating to ethanol potency be provided with the supply of ethanol blended petrol from a service station in one of the following ways:

- (a) the words "Contains up to x% ethanol", where x is no less than the percentage of ethanol in the ethanol blend;
- (b) the words "Contains y% ethanol", where y is the percentage of ethanol in the ethanol blend.

In practice these standards mean regular ethanol-blended fuel (which most consumers, sometimes incorrectly, assume is the E10 blend) in Australia can contain a little as one (1) per cent of ethanol, or as much as 10 per cent. In New South Wales, the Biofuels Act 2007 defines E10 as containing between nine (9) per cent and 10 per cent ethanol by volume. Other states, including Queensland, do not prescribe the minimum requirement. This Bill seeks to address this shortcoming, in the aim of improving consumer confidence in not only the suitability of ethanol-blended fuels for their vehicles but also in the composition of the blends available to them at the bowser.²⁷

Mr Dametto MP explained to the committee at a public briefing that this current regulatory scheme allows fuel sellers to mislead consumers about how much ethanol is present in the fuel they sell:

It is about making sure that those selling E10 are actually providing E10 as the product. I have had people come to me in the last two weeks who have driven fuel trucks for large petroleum companies. Just on price alone—not availability of ethanol—they have been told in the past to drop that unleaded fuel straight into that E10 browser tank, and that is concerning. They are the people we want to tighten this loophole on. Are we going to go down the road of asking our fuel

²⁶ Explanatory notes, p 5.

²⁷ Explanatory notes, pp 3-4.

retailers to advertise, instead of E10, 'may contain ethanol'? That is basically what we are allowing them to do right now.²⁸

There is existing consumer protection legislation in Queensland that operates to ensure truth in advertising. This issue was discussed during a public hearing.

Mr WATTS: It would be a consumer affairs issue if they were selling E10 currently and it is not E10.

Mr Dametto: That is correct.

Mr WATTS: That would already be enforceable under legislation.

Mr Dametto: It is and there was a case of that happening a couple of years ago, which was quite well publicised. They may have been selling something that breached consumer law, but the reality is they did not break any laws in relation to the fuel standards here in Queensland because it says in the legislation no more than 10 per cent ethanol and no less than one per cent. Right now there are fuel retailers who are quite legally selling one per cent ethanol in their E10 and they are getting away with it.

Mr WATTS: The main change is just tightening up that gap?

Mr Dametto: That is correct, yes.²⁹

In a public briefing to the committee, Mr Dametto MP explained how the proposed provision would work:

Mr Dametto: The ones that are selling E10 will need to ensure that if they are selling E10 it is between the nine per cent and 10 per cent. That would also come down to the fuel supplier. When they sell them that fuel from the large tanker that goes out there to fuel up their bowzers of E10 at the point of sale they would have to hand them a certificate to say that the E10 that they are selling them actually is E10.

Mr MILLAR: What I am trying to get at is that the certificate gets handed over from the truck driver to the service station but the fuel is not at the compliant rate; it is under the nine per cent. Who gets fined? Is it going to be the truck driver or the bulk fuel supplier or is it going to be the small retailer?

Mr Dametto: What is described here is that they have taken reasonable steps, so buying fuel from a supplier that supplies that certificate would likely be seen by the department as a reasonable step.

Mr MILLAR: What if a certificate is not presented and they say, 'I'm busy. I've got to get this done and that done', what happens then? Should the penalty not be directed to the bulk supplier rather than the retailer?

Mr Dametto: We have two fines here—one for the bulk supplier and one for the person selling the fuel at the bowser.

Mr MILLAR: That is where I have a bit of a concern about the small retailer. They are busy, they are trying to run a business, trying to get staff and they are going to be caught up in this penalty as well.³⁰

The setting of a minimum requirement for ethanol content in fuels labelled as E10 at the bowser had varying support from submitters. Cr Jenny Hill, Mayor of the City of Townsville, wrote in a letter of support for the proposed Bill:

Consumers have a right to have far greater certainty at the bowser. Many Townsville residents and businesses make the conscious decision to use products such as E10 fuel in their vehicles for

²⁸ Public hearing transcript, Brisbane, 13 March 2023, p 3.

²⁹ Public briefing transcript, Brisbane, 30 November 2022, pp 4-5.

³⁰ Public briefing transcript, Brisbane, 30 November 2022, pp 2-3.

a variety of reasons, including to support canegrowers and their employees in the Queensland sugar industry. The fact that this fuel might only include one per cent ethanol is unconscionable for many motorists who use E10 and other ethanol blend fuels.³¹

Manildra Group, which operates an ethanol production facility in New South Wales, submitted:

Motorists are purchasing E10 on the understanding that the petrol blend comprises of 90% petrol and 10% ethanol. This is not the case. The legislation states that "E10 fuel is a blend of up to 10% ethanol and 90% unleaded petrol." Consumers are relying on this blend information when purchasing fuel. Currently, this advertising is misleading, confusing, and inaccurate.

Fuel samples have shown that the ethanol by volume, varies significantly "up to 10% ethanol." This varies between 1% -10% ethanol in the E10 blend. The legislation should stipulate a tolerance of 1% specifically that the fuel blend contains between 9% -10% ethanol.

Enacted in New South Wales, the Biofuels Regulations 2022 stipulates that "E10" means petrol-ethanol blend that contains between 9% and 10% ethanol by volume, being ethanol that complies with a biofuel sustainability standard. Exact blending of ethanol should be legislated, and at precisely between 9% -10%.

Fuel terminals have the capability to technically blend within fine tolerances, as is the practice for all other additives added into petrol blends. Manildra submits that the exact blending of ethanol at a prescribed volumetric level between 9% -10% for E10, would increase consumer confidence at the bowser, rectify false advertising, avoid any misconceptions of the level of ethanol in blends and ensure E10 meets nationwide fuel standards.³²

Fuel wholesale and retail representatives, while in-principle supportive of this proposed requirement, are concerned about its inconsistency with Commonwealth ethanol labelling requirements. The Australian Convenience and Petroleum Marketers Association (ACAPMA) submitted:

... there is a stark inconsistency between the Queensland Government's (and Australian Community's) assumption that E10 contains 10% ethanol in petrol (by volume) and Australian Fuel Quality Labelling Legislation that allows an ethanol blend with an ethanol concentration of 1% to 10% ethanol, to be labelled as 'E10'. Within this context, ACAPMA is supportive of the Queensland Government's push to ensure that E10 contains an ethanol in petrol concentration that is as close as practical to E10.

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. Such a change means that:

- a) Fuel retailers sourcing supplies will have to find a practical mechanism for validating the ethanol concentration of their E10 supply over and above current supply practices (i.e. for those that label their pumps according to Section 6(2)(a) of the current Fuel Quality Standards (Ethanol) Information Standards 2019; and
- b) There is a potential risk of market confusion for motorists buying E10 in Border regions.

Given the inherent contradiction in State and Federal Laws that would arise from the adoption of the proposed amendment, there appears to be a need for the Queensland Government fuel suppliers to ensure that the proposed 9% floor is practical....

ACAPMA believes that placing the onus for ensuring minimum ethanol concentration on fuel retailers is wholly inappropriate given current Federal Fuel Quality Labelling laws and existing market supply protocols. Rather, the liability should be placed on the State's fuel suppliers

³¹ Public briefing, Brisbane, 30 November 2022, Tabled paper from the Mayor of Townsville, 14 June 2022, <https://documents.parliament.qld.gov.au/com/TRC-645B/LFSMBPCAB2-CCF3/221130%20Nick%20Dametto%20MP%20tabled%20paper%20-%20Mayor%20of%20Townsville.pdf>

³² Submission 9, p 4.

following further consultation with the State's fuel suppliers about the appropriateness of setting a 9% floor in ethanol concentration.³³

A confidential submission from a fuel wholesaler identified difficulties with ensuring a prescribed floor value for E10 blends:

No blending or delivery system is completely infallible and, although rare, errors can occur. In the rare instances where gantry blend equipment fails or driver delivery errors occur and fuel falls short of the 9-10 percent ethanol content criteria, the Act should allow for fuel blends consistent with the federal Fuel Quality Standards Act (FQSA) and Consumer Law requirements to be still sold as E10 blends. In similar cases in NSW these volumes are simply excluded from reporting and do not contribute to the reporting volumes for E10 but negates the need for the fuel to be pumped out of tank systems or not able to be sold.³⁴

The proposed provision would require new regulations to ensure its enforcement. This issue was explored by the committee at a public hearing.

Mr WATTS: In relation to the certificate, I am interested in who will be authorising it, who will be managing it, who will be authenticating it, how will it be stored and whether it will be electronic or a piece of paper? Tell us a bit about what the planned management around that and the compliance to fit with that is.

Mr Dametto: How the department decides it will manage this part of the certification would be up to them. It is not prescriptive in the legislation. It would have to come through the regulations that follow the legislation. If it was me running the department, it would have to be someone either within the department checking people who are accredited to do the measuring of the ethanol percentages, just like we have people who are certified across different industries to do those sorts of things. Then the regulator checks those certifications to make sure people are doing the right thing. The certification I would like to see I would imagine would be a new thing for Queensland; it would be online and have the ability to print paper copies. Apps could also be used, online portals and those sorts of things—that infrastructure.

Mr WATTS: Would you see that as being for trade, weights and measures? I am trying to work out who will be responsible for it, how it will be staffed, who is going to monitor it and who is checking that the certificates have been issued and how that is all being managed and who is paying for that.

Mr Dametto: I would imagine most of the cost would be pushed back onto the large fuel retailers. The big fuel retailers in Queensland have the ability to take on some of these costs. This would be part of adhering to the Queensland fuel standards.³⁵

Committee comment

While we appreciate the Honourable Member's efforts to ensure truth in advertising for Queensland E10 consumers, the proposed bill seeks to apply a significant penalty (quite disproportionate to existing penalties contained in the Act) to all sellers of E10 fuel in Queensland, including some small scale, family businesses who to date have not been required to comply with any E10 mandate.

The provision makes it an additional responsibility of fuel sellers to ensure the fuel they sell as E10 contains a minimum nine per cent ethanol. While we appreciate that the onus of proof here can be rebutted by the demonstration of reasonable efforts on the fuel sellers' part, we are wary about adding to the regulatory compliance load of many small-scale, family business service station operators, given that the value proposition from doing so does not appear significant, as our examination of consumer demand for ethanol in Section Two of this report indicates. We also note

³³ Submission 6, p 4 and Submission 8, p 3.

³⁴ Submission 7.

³⁵ Public briefing transcript, Brisbane, 30 November 2022, p 4.

the existence of consumer protection legislation that would support proceedings against fuel sellers who mislabel their product.

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, particularly those in border regions that may be serviced by interstate fuel tankers.

Additionally, the level of regulatory work that might be required to enforce the proposed provision appears significant, and not enough detail has been provided by the Honourable Member as to how the compliance and enforcement regime would work. Without a persuasive value proposition underpinning such a complex enforcement regime, we are not supportive of the proposed Bill.

2.2 Demand for ethanol

This Bill seeks to enact legislative provisions to support stronger consumer demand for, and investor confidence in, locally produced ethanol.

2.2.1 Consumer demand

The E10 mandate of four percent of overall fuel sales in Queensland has not been met since its inception in 2017. One confidential submission from a fuel wholesaler stated:

Our failure to meet the mandated biofuel levels has been due to a lack of consumer confidence and lack of customer demand for biofuels products.

In our experience, and despite government education campaigns, customers remain wary of biofuels. They are also not prepared to pay higher fuel prices to support the higher cost of biofuels which can occur when oil prices are lower than the cost of bio-feedstocks. As noted above, E10 has at times been more expensive than ULP91 and it has only been through our strategy of pricing E10 below ULP91 that has driven the volumes of this product. These ongoing negative perceptions have made it challenging to meet mandates in both NSW and Queensland due to low customer demand for these products.

Consumer vehicle preferences have also changed over time with the dieselization of the vehicle fleet impacting gasoline sales and more recently purchasers of new vehicles will increasingly be looking to electric vehicles as a preferred option which will further impact on the demand for biobased products in the future.³⁶

Low consumer demand for E10 was also identified by the Motor Trades Association of Queensland (MTA Queensland) in its submission:

... MTA Queensland expressed its concerns about the cost of compliance with the mandate and reservations about the prospects of legislating a change in consumer behaviour. The data contained in the Explanatory Notes accompanying the Bill confirm these issues remain relevant to the success of the proposed amendments. The motoring public clearly has not embraced biobased petrol and any significant increase in its use must address this fundamental consumer reluctance. Increasing penalties will not address this issue.

The proposed amendments, or other actions to boost biobased petrol use, need to be seen against the backdrop of the fundamental shift underway in the automotive industry as battery electric and other alternative-fuelled vehicles grow their share of the passenger and light commercial vehicle market. This shift is being driven by consumer preferences and strong government policy.

As the shift to electric vehicles gathers pace, the sale of petrol and biobased fuels will decline, bringing into question the medium-term viability of the biobased petrol mandate, with or without the proposed amendments.³⁷

³⁶ Submission 7.

³⁷ Submission 8, p 2.

Regarding concerns that rising popularity of electric vehicles will entrench low consumer support for E10, Mr Dametto MP stated in his introductory speech:

We are trying to push towards renewable energy in every other space with cleaner, greener sources, but we have failed to do that in the liquid fuel market. I have no doubt that we will see a transition at some stage to electric vehicles, but right now we are not in that space. We are probably 15 to 20 years away from having a vehicle that can travel 1,000 kilometres through regional Queensland on a single charge. Having the opportunity to buy renewable fuel at the bowser quickly and easily is something that Queenslanders demand.

It has been said that there will be a transition. We will not go straight to electric vehicles for the masses, although there are very reliable electric vehicles out there right now for someone in the city who wants to use them. There will be a transition, and hybrids will bridge the gap between electric vehicles and the liquid fuel vehicles we use now.

Using E10 in your vehicle can reduce your tailpipe emissions by up to 28 per cent. Just think of that right now. If every vehicle in Queensland that burns unleaded fuel was using E10, that would be like taking 28 per cent of all vehicles off our highways. That is a great idea for any government that seeks to bring down CO2 emissions.³⁸

Other reasons for slow consumer take-up of E10 that were identified at the time of commencement of the E10 mandate in 2017 continue to perpetuate. The explanatory notes state:

When the ethanol mandate was introduced, the Government launched the E10 OK campaign to improve the uptake of ethanol blended fuels. It is acknowledged that the campaign had a noticeable impact on awareness and consumer demand for E10, but that ongoing education and awareness of biofuels are important for consumers and also for those who influence consumer attitudes.

In [a] 2019 Review, the Department of Natural Resources, Mines and Energy outlined the significant influence automotive industry professionals often exert over their customers. This is particularly true of the mechanics who service customer vehicles and the dealers and manufacturers from which people purchase their vehicles. A number of stakeholders who contributed to the Review indicated that mechanics in particular, continue to hold out-dated or incorrect perceptions of biobased petrol compatibility and anecdotally continue to advise consumers not to use E10 in their vehicles, despite manufacturers' specifications indicating that vehicles are E10 compatible.³⁹

Slow consumer take-up was also discussed at a public briefing on the Bill.

Mr HEAD: One of the reasons sales of ethanol have not increased or reached the four per cent sales target may be that consumers do not have confidence in the product. For example, submission No. 2 includes concerns about E10. Do you have any suggestions about how we might improve these negative perceptions and how consumer confidence issues can be overcome in relation to this product?

Mr Dametto: The state government did a brilliant thing a few years ago with their E10 OK application. You were able to go online, download the application and punch in your registration, and it would tell you not only all the great things about ethanol but also whether or not your vehicle was able to use ethanol. For whatever reason, around that COVID period, I believe the funding dropped off for that app and it ceases to exist. We would like to see more investment in that to make sure that those consumers who have the ability to use E10 feel confident using it. There are a lot of old wives tales around what ethanol can and cannot do for your vehicle—the damage it can do ... The issue is mainly around those vehicles that were produced from a certain time that are not able to handle ethanol fuels in the fuel system.⁴⁰

³⁸ Queensland Parliament, Record of Proceedings, 13 October 2022, p 2716.

³⁹ Explanatory notes, p 3.

⁴⁰ Public hearing transcript, Brisbane, 13 March 2023, pp 3-4.

2.2.2 Need for investment

The Bill's explanatory notes state:

In 2015 when the original ethanol mandate was passed, total production capacity of Queensland's two ethanol producers (Wilmar in Sarina and United in Dalby) was estimated to be around 140ML per year. It was determined, as this time, this rate of production rate would be capable of meeting a mandate of between 2.8 and 4.7 per cent depending on Queensland's future fuel sales. In 2020, the Dalby plant was closed however the Sarina plant continues to produce ethanol at a rate of 60ML per annum, the majority of which is provided to the Australian market. A myriad of other ethanol production projects has been slated for construction in Queensland, including at Ingham, Pentland and Ayr in North Queensland. This signifies vast but unrealised regional opportunities for value-adding in some contexts to pre-existing industries such as cane farming, as well as creating regional jobs and stimulating local, and state-wide, economies ...

In spite of this potential, the lack of Governmental enforcement of Queensland's current ethanol mandate remains a major impediment to the growth of the local biofuels sector and, subsequently, the benefits that would result from its expansion. These benefits are vast, and include employment opportunities, economic stimulation at the local, regional, and state-wide levels, improved health outcomes, environmental impacts including emissions reduction and enhanced national fuel and energy security.⁴¹

At a public hearing, the committee inquired into the degree of support from industry for the proposed Bill.

Mr MILLAR: Where has the push come from for this to happen in Queensland? Has it been from the ethanol producers?

Mr Dametto: Everyone from the biofuels industry through to sugar cane farmers, grain producers—everyone who has been very excited over the last 10 to 15 years about the proposal of the biofuels industry to take off in Queensland—has been quite excited about this. We have had biofuel plants proposed for places like Burdekin, Ingham, Pentland—a number of places up and down the North Queensland coast mainly around those sugar cane and grain growing communities that are really excited about a biofuels industry, but there has been an unwillingness for any legislative changes to ensure there is some guarantee there would be an offtake for their produce. The reality is that when we kicked off with the biofuels mandate we had two plants running in Queensland; now we are down to one. So not only are we going backwards but we are definitely not growing to capacity. After consulting with sugar millers, growers and ethanol producers we saw this would be a small way to add a bit of rigour around the current legislation without taking things too far.⁴²

Some submissions support the Bill on the basis of its potential to revitalise the ethanol industry in Queensland. The Australian Sugar Milling Council (ASMC) states there is 'the need for policy support and removal of regulatory barriers to promote both sufficient demand and investment certainty.'⁴³

Western Downs Regional Council submitted:

Dalby Bio-Refinery, owned by United Petroleum, was Australia's first grain-to-ethanol facility which has the capacity to produce up to 80 million litres annually. This facility closed in 2020 and remains closed today. A stronger legislated mandate that supports increasing the demand for ethanol in petrol fuel may support the reopening of this facility, other ethanol producers continuing to operate and support Queensland's farmers. This in turn will create more jobs in regional Australia. The reopening of the Dalby Bio-Refinery would create 50 direct jobs at the Plant in Dalby.⁴⁴

⁴¹ Explanatory notes, p 2.

⁴² Public briefing transcript, Brisbane, 30 November 2022, p 6.

⁴³ Submission 5, p 2.

⁴⁴ Submission 4, p 1.

Mr Dametto MP submitted in his introductory speech that support for the Queensland ethanol industry would have flow-on effects for the consumer. 'Fuel sovereignty has been highlighted by the recent overseas conflicts which have seen oil prices soar and therefore petrol prices soar for everyone at the bowser. Wouldn't it be great if we had biofuels being produced here en masse which could bring down the cost of fuel?'⁴⁵

Some industry submitters identify a virtual monopoly on ethanol production in Queensland. ACAPMA submit:

The absence of suitable controls on the price escalation of wholesale ethanol – the price of which has been escalating at the same rate as crude oil without apparent justification. This practice has meant that the opportunity to maintain a larger price differential for E10 relative to conventional petrol grades has been lost due to apparent higher margin capture by ethanol producers... The Queensland Government should seek to ensure that all future rises are justifiable via the introduction of a regulatory mechanism that is similar to the architecture of the pricing oversight mechanism that operates in NSW.⁴⁶

The second issue relates to a tight, virtually monopolistic, ethanol supply in Queensland. The loss of the Dalby Ethanol facility since commencement of the mandate in 2017 has created significant challenges in the economic distribution of ethanol-blended petrol to many regional and rural areas of the State. This change has also resulted in a ceding of monopoly market power to the State's only remaining ethanol producer (notwithstanding the existence of an interstate producer), thereby removing the wholesale price tension in the market (as operates widely and openly in the conventional fuels market).⁴⁷

Mr Dametto MP submits that the issue of monopoly would be addressing by legislating support to improve economy of scale in the ethanol industry.

We can produce ethanol a lot cheaper than we can buy overseas unleaded fuel at this point. The reason we have seen ethanol go up in price, whether it is E85, for example, which is a highly blended fuel, is we do not have the economy of scale of production in Queensland at the moment. When the four per cent ethanol mandate was first introduced, we were producing around 140 megalitres per year.⁴⁸

A confidential submission from a fuel wholesaler identified the cost of transitioning infrastructure to ethanol facility as another disincentive for industry.

It is costly to install biofuels storage and blending facilities at all of our terminals ... it is difficult to justify further investment in many of the smaller facilities which service our more regional locations where fuel demand is naturally lower, such as in Northern Queensland. Supplying bio fuels from Brisbane into these areas is not logistically feasible due to the vast distances involved which results in prohibitive costs and impacts to safety through greater numbers of trucks on regional roads.⁴⁹

The age of tanks can prohibit introducing E10 as older steel tanks have generally proven to be unsuitable for storing this product. The cost of new tank installations can be many hundreds of thousands of dollars and in most cases not economically feasible given the relatively low demand for bio fuels.⁵⁰

⁴⁵ Queensland Parliament, Record of Proceedings, 13 October 2022, p 2716.

⁴⁶ Submission 6, p 3.

⁴⁷ Submission 6, p 3.

⁴⁸ Public briefing transcript, Brisbane, 30 November 2022, p 5.

⁴⁹ Submission 7.

⁵⁰ Submission 7.

Committee comment

We acknowledge the various rationales put forth for low consumer demand, and low investment in Queensland's ethanol industry. We agree with the observation by the MTA Queensland that legislating a change in consumer behaviour towards E10 has a low prospect for success in the face of increasing and substantial competition from electric vehicles and other sources of renewable energy that will provide future fuels.

It may be more appropriate to consider alternative strategies to improve consumer confidence in the utility of E10 and other future fuels.

Recommendation 2

The Minister consider promoting strategies to improve consumer confidence in fuels manufactured using renewable energy sources.

2.3 Compliance and enforcement regime

The proposed Bill seeks to double the current penalty for non-compliance with the E10 mandate by liable fuel sellers, and to create a new offence for failure to ensure that petrol sold at the bowser in Queensland as E10 contains a minimum nine percent ethanol. This new offence will capture all fuel sellers, not just those who currently are liable under the ethanol mandate.

Regarding the proposed increase in penalty, Mr Dametto MP states 'the increased fine seeks to mitigate the issue of the unsatisfactory level of compliance that has been seen and was previously outlined in part of my introductory speech. Noncompliance in the marketplace by retailers is giving them a hall pass from this government.'⁵¹

The explanatory notes additionally state 'these increases seek to mitigate issues with unsatisfactory levels of compliance which have been, as previously outlined, casually linked to a reduced willingness by the Government to enforce the mandate due to low fine amounts.'⁵²

Mr Dametto MP submitted that a number of retailers are avoiding compliance with the ethanol mandate on outdated or unjustified grounds. The explanatory notes state:

A number of the current accepted categories of exemption, including the 1) Extraordinary and unreasonable costs to change infrastructure, and 2) Compliance plans including infrastructure upgrade programs, are becoming less valid and less defensible as the period of time following the introduction of the mandate increases. In the case of ethanol, where there is a sufficient production capacity across Queensland and New South Wales to provide the local supply needed by fuel wholesalers and retailers, there is a reasonable expectation that the Queensland's ethanol mandate be complied with by all those to which it applies. This includes the upgrading, and where necessary fast-tracking, of the infrastructure needed to supply this fuel type to consumers at the bowser.⁵³

The ASMC supports an increase in penalties submitting:

... if there is a complementary tightening of the compliance rules on liable fuel retailers and adequate enforcement of these rules by Government. As part of this, we believe that:

- Exemptions should only be granted in exceptional circumstances; and

⁵¹ Queensland Parliament, Record of Proceedings, 13 October 2022, p 2717.

⁵² Explanatory notes, p 4.

⁵³ Explanatory notes, p 3.

- There should be an obligation on liable parties with multiple sites to aggregate sales rather than seek exemptions for individual sites.⁵⁴

Ethanol producer, Manildra Group, also support an increase in penalties:

... the primary reasons for the soft biofuel uptake (below the mandated 4%) are unrelated to the price or availability of ethanol enhanced fuels, as E10 has remained the cheapest fuel option for consumers on the petrol stations forecourts. We surmise that E10 sales remain below target levels due to the lack of compliance by liable parties. The current compliance approach is not effective in the administration, enforcement, and intent of the legislation. Penalty increases for non-compliance should be implemented, to ensure that the enforcement regime is successful.⁵⁵

There is conditional support from the fuel industry on the proposed increase in penalties. ACAPMA submits:

... the intent of the proposed change is to increase the degree to which fines can be used to deter fuel retail businesses from breaching the provisions of the State's biofuels legislation. While the degree to which increased financial penalties may deter noncompliant behaviour is contestable, ACAPMA is not ideologically opposed to the use of increased fines provided they are applied judiciously and consistently.⁵⁶

However, ACAPMA also emphasise that the penalty must be proportionate to the harm created:

Based on the current penalty unit of \$143.75, an initial breach of the requirements of the *Liquid Fuel Supply Act* (1984) by a fuel retail business to sell the mandated volume of sustainable biobased petrol amounts to a fine of \$57,500 – which is around 55% of the average annual pre-tax profit (EBITDA) per service station site. The proposed increase to 4000 penalty points for a second and subsequent offence would therefore impose a fine of \$575,000 on a fuel retailer – that is, more than 5 times the average annual pre-tax profit (EBITDA) of the business. Such a penalty would ultimately put a small single site operator or multi-site family business operator out of business for good. Not only would this action destroy the livelihood of the operator and the jobs of their employees, it may well result in regional/rural communities losing a fuel retail business with consequent impact on fuel accessibility and average fuel prices.⁵⁷

The proposed increase in enforcement and penalty is also not supported by MTA Queensland:

The basis for the increased fines, outlined in the Bill's Explanatory Notes, seems to hinge on making the fines high enough to make enforcement financially viable for government. It is not clear there is a wilful lack of compliance by retailers. There is no cost-benefit analysis provided to support this proposed amendment, nor indeed any of the proposed amendments. The Explanatory Notes indicate the increased fines would bring Queensland into line with biobased petrol enforcement arrangements in New South Wales where a mandate has been in place since 2007. However, as the Australasian Convenience and Petroleum Marketers Association outlined in a paper in response to a biofuels mandate review in that state, biobased petrol sales have declined since the introduction of the mandate, notwithstanding the enforcement regime in place. Like Queensland, New South Wales has not achieved its biobased petrol sales targets.⁵⁸

In response to lack of fuel industry support for the proposed increase in penalties, Mr Dametto MP told the committee at a public hearing:

Mr Dametto: The reality is that a couple of submitters disagree with an increase in fines, especially in the second fines that are available for noncompliance. To debug some of that—

⁵⁴ Submission 5, p 2.

⁵⁵ Submission 8, p 3.

⁵⁶ Submission 6, p 4, and Submission 8, p 3.

⁵⁷ Submission 6, p 4, and Submission 8, p 3.

⁵⁸ Submission 8, pp 2-3.

and we will get to that in a second through some of the questions—the state has not handed out any fines since 2015. The chances right now of one of those small fuel retailers being shut down through a second fine, given what has happened up to now, are very low. Through fines we need to send a strong message to retailers that are not doing the right thing. I want to make it very clear that there is plenty of ability for retailers to seek exemptions and they have been doing so up until now and doing it quite successfully. That is why we create exemptions in the regulations and the legislation, so that those that have a valid reason within the constraints have the ability to apply for that.

Mr MILLAR: As I have said, I understand the intent of this bill. Submission 6 from the Australasian Convenience and Petroleum Marketers Association and submission 8 from the Motor Trades Association Queensland do not support the bill's increased penalties for noncompliance. They say that the proposed increase of 4,000 penalty points is unreasonable and grossly disproportionate to the nature of the offence and would ultimately put a small, single-site operator or a multisite family business operator out of business for good. Of course, I have spoken to you about this before given the electorate that I cover. It is the same with your electorate and the same with Robbie's. We have small operators that are busy and would fear 4,000 penalty points.

Mr Dametto: Yes.

Mr MILLAR: Could there be an issue there that they might say, 'We won't sell E10'?

Mr Dametto: The best way to answer that question is by asking: how many times have they been fined under the current regime? We are talking about increasing the fines. They have not been fined yet. They have had the opportunity, and I would imagine some of your smaller retailers have already applied for an exemption and fall within that exemption framework. I think that is good, because if they are doing the right thing there is not an opportunity to be fined. Also, if there is a valid reason for an exemption then there is that framework for them to apply for it right now. The increase in the penalty units is more around sending a very clear message to those that are noncompliant. Anyone that investigates this sort of stuff has a discretion whether or not they will administer a fine. If people are clearly and intentionally working outside the framework, I believe the department has the opportunity to administer fines to those people working grossly outside the criteria.⁵⁹

Committee comment

We reiterate our earlier comment that the proposed bill seeks to apply a significant penalty (quite disproportionate to existing penalties contained in the Act) to all sellers of E10 fuel in Queensland, including small-scale, family businesses which to date have not been required to comply with the E10 mandate. We find this excessive and do not support it, given that the value proposition for applying such a fine (e.g. improving consumer demand by ensuring the product they buy contains at least 9% ethanol) does not appear to address all the factors contributing to low consumer take-up of E10 petrol.

⁵⁹ Public hearing transcript, Brisbane, 13 March 2022, p 2.

Appendix A – Submitters

Sub #	Submitter
001	Mark Sznajder
002	Robert Heron
003	Townsville City Council
004	Western Downs Regional Council
005	Australian Sugar Milling Council
006	Australasian Convenience and Petroleum Marketers Association
007	confidential submission
008	Motor Trades Association of Queensland
009	Manildra Group

Appendix B – Member at public briefing and public hearing

Public briefing - 30 November 2022

- Mr Nick Dametto MP, Member for Hinchinbrook

Public hearing - 13 March 2023

- Mr Nick Dametto MP, Member for Hinchinbrook

Appendix C – Abbreviations

ACAPMA	Australian Convenience and Petroleum Marketers Association
ASMC	Australian Sugar Milling Council
EBITDA	earnings before interest, taxes, depreciation, and amortization
FQSA	Fuel Quality Standards Act 2000 (Commonwealth)
ML	megalitre
OQPC	Office of the Queensland Parliamentary Counsel

Statement of Reservation
LNP Members of the Transport and Resources Committee

The LNP acknowledges there has been sound intent in the formulation of this bill. However, there are flaws and unintended consequences with this Bill that will be felt by small and family business in particular.

It is concerning the government has failed to promote the uptake of E10, with all government investment seeming to now be in favour of batteries and hydrogen instead. This is a huge issue and evidenced by the government's decision to discontinue its E10 OK application.

The LNP has serious concerns about this Bill's disproportionate penalties which see small retailers facing significantly higher fines for noncompliance, when compared to major wholesalers and manufacturers.

The LNP believes there are many alternative strategies that could improve consumer confidence in E10 and other future fuels manufactured using renewable energy sources.



Lachlan Millar MP
Member for Gregory
Deputy Chair



Bryson Head MP
Member for Callide



Trevor Watts MP
Member for Toowoomba North