

# Biofuels policies, current and future trends in Australia

IEA Task 39 Meeting

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BUCT, Beijing, China

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# Federal Biofuel History

- Effectively Zero Excise

- Ethanol

*ethanol* means denatured ethanol:

- (a) for use as fuel in an internal combustion engine; and
- (b) complying with the applicable fuel standard for such fuel.

- Bio Diesel

*biodiesel* means fuel that:

- (a) is manufactured by chemically altering vegetable oils or animal fats (including recycled oils from these sources) to form mono-alkyl esters; and
- (b) complies with the applicable fuel standard for such fuel.

- Renewable Diesel

(1) For the purposes of this Act, *renewable diesel* means liquid fuel that:

- (a) is manufactured by chemically altering vegetable oils or animal fats (including recycled oils from these sources) through a process of hydrogenation (whether or not that process was part of some other process); and
- (b) complies with the applicable fuel standard for diesel.

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## The Ethanol Production Grants Program

9. The EPGP has had five participants. When the program commenced, it had two initial participants, increasing to five participants for a single year (2008–09), then declining and remaining at three participants since. Between 2002–03 and 2013–14, one participant (Honan Holdings Pty Ltd) received \$543.4 million (70.2 per cent of all program funding).

10. At a number of key program phases, reviews of the EPGP have been commissioned. In February 2014, an assessment by the Bureau of Resources and Energy Economics (BREE)<sup>6</sup>, a unit within Industry, found that:

- while the annual cost of the program had been significant, regional employment and greenhouse gas abatement benefits had been modest;
- the health benefits that accrue from reduced air pollution are also modest and declining;
- there would appear to be no net benefit for agricultural producers;
- while the program supported an additional lower priced fuel product, the benefits to motorists were less than they should have been; and
- there was no evidence that provision of support for the Australian ethanol industry provided downward pressure on petrol prices.

# Federal Biofuel Incentives

- Reduced Excise

- Ethanol

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- Bio Diesel

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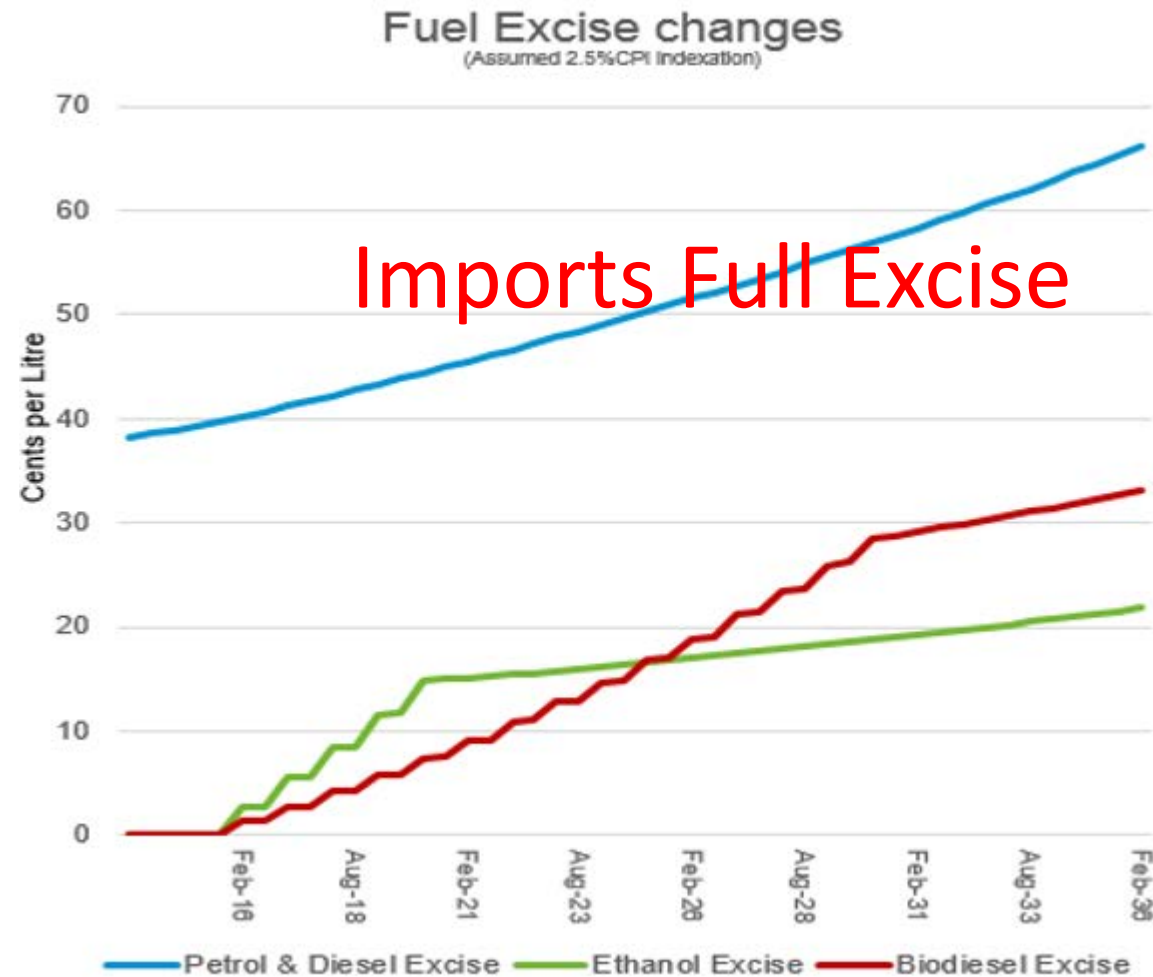
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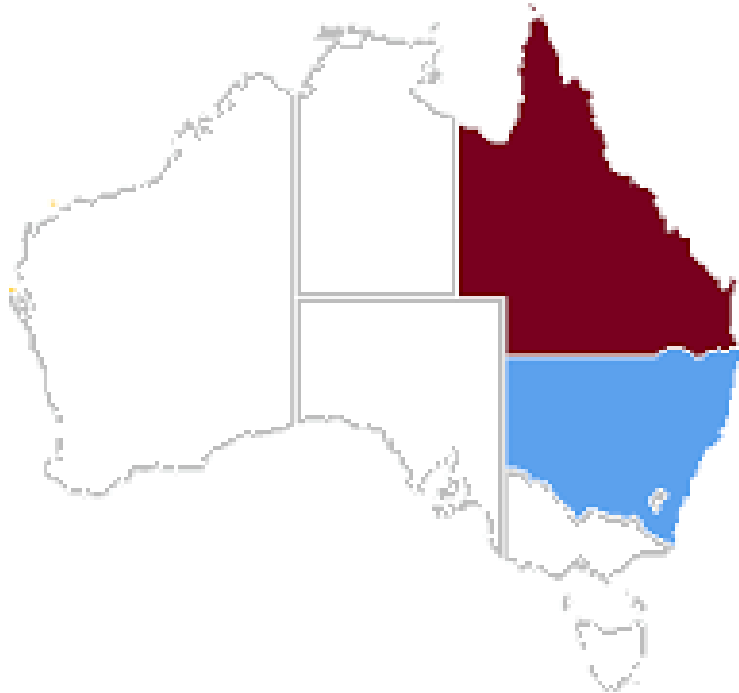
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# State Biofuels Mandates



## Queensland:

- Ethanol: 3% to 4% from 1 July 2018
- Biodiesel: 0.5%

## New South Wales:

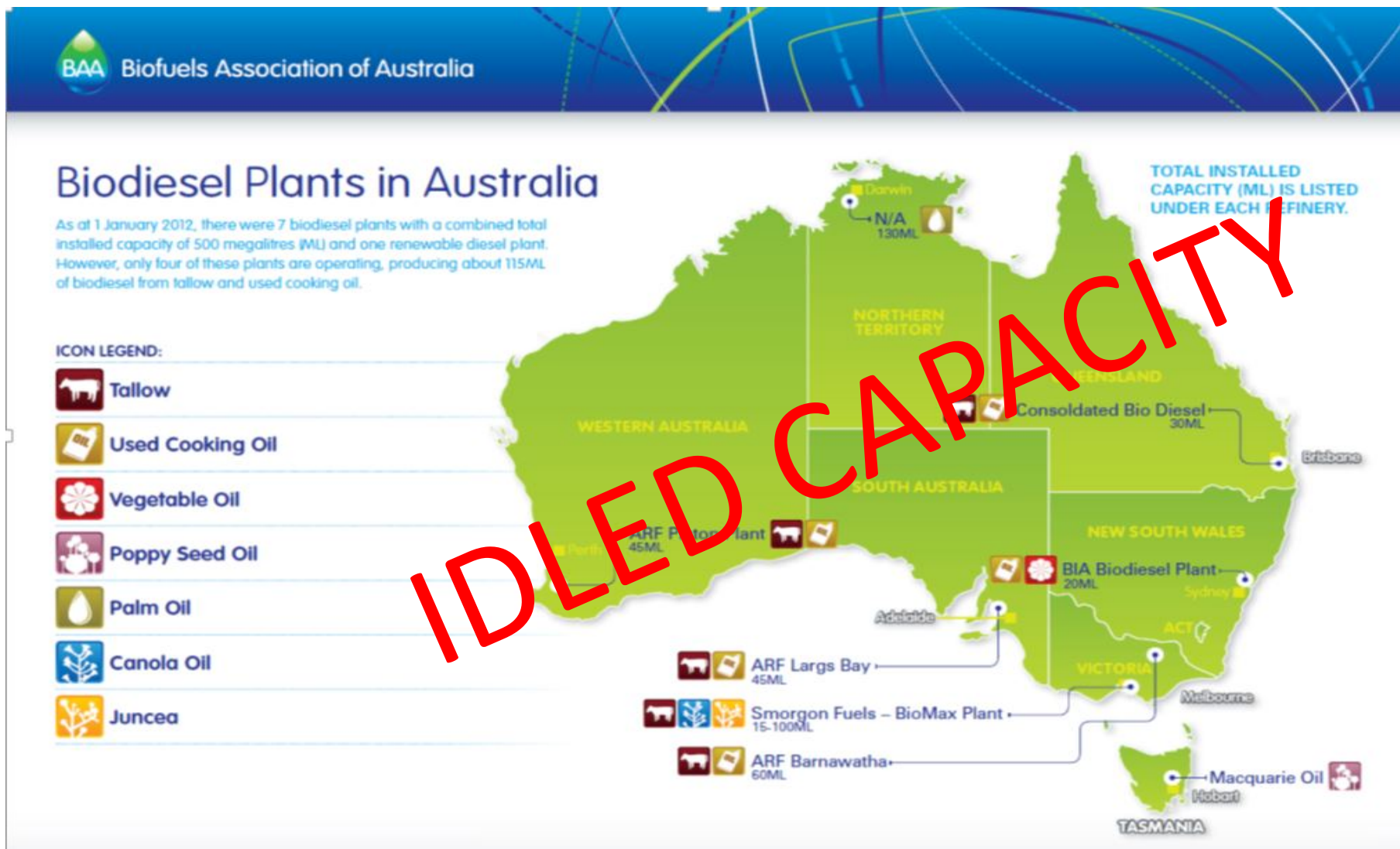
- Ethanol: 2% to 6%
  - Use under 2% i.e. mandate not enforced

Delivering 1.1% of Australia's liquid fuels

# Implication of US incentives



# Biofuels Mandates & Policies: Failed



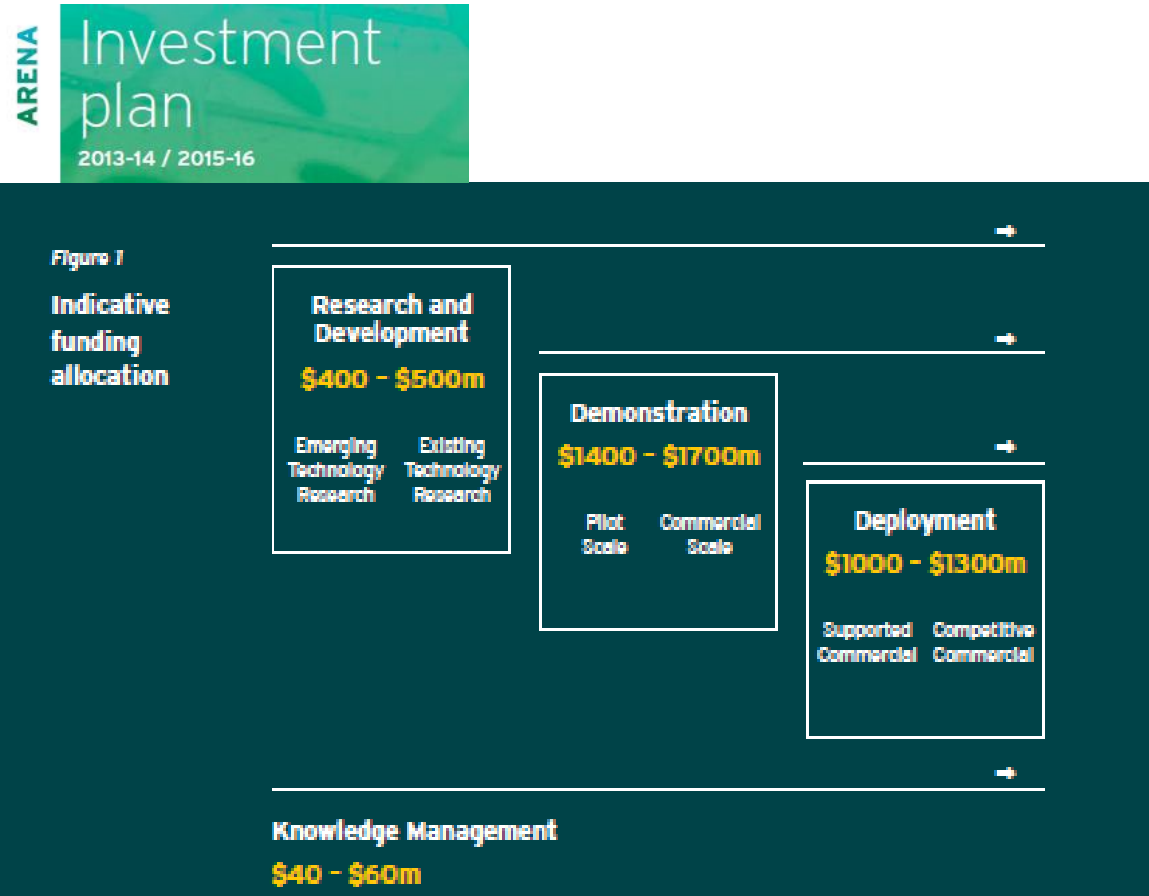
# Biofuels – Other Support Programs



- R&D: 40-45% rebate
- ARENA



# Biofuels – Incentive Programs & Grants



# Biofuels – Incentive Programs & Grants



# Biofuels – Other Support Programs

- R&D: 40-45% rebate
- ARENA: revised investment plan
- CEFC: \$10 Bn
- Department of Industry, Innovation and Science

# Australian Biofuel Landscape

- [Bioenergy Australia](#) –
  - Revamped Board
  - Keen to engage & influence Policy
    - National Liquid Biofuel Committee
- [Queensland Biofutures – 10 Year Roadmap and action plan](#)

## Vision

Our vision is for a \$1 billion sustainable and export-oriented industrial biotechnology and bioproducts sector attracting significant international investment, and creating regional, high-value and knowledge-intensive jobs.

# Australian Biofuel – Future Strategy & Policy

**Please tell us your views on what works and what doesn't**