ENRC Biofuels submission
Tom Crook 5/30 Mitchel St., Northcote, 3070. mob: 0428 398 322

ENRC Biofuels Submission

I would like to thank the government for its interest in renewable fuels and the opportunity to contribute to this process.

I have been using and producing biodiesel on a small scale for a number of years in far eastern Victoria and have recently become involved, in a professional capacity, in the biodiesel industry. I am also an active member of the Melbourne Biodiesel Club (www.melbournebiodiesel.org). As my experience with biofuels is largely limited to the use and production of Biodiesel, this will for the basis of my submission.

Key points requiring government support and/or leadership.

1. Support the small scale, decentralised production of biodiesel through excise exemption for small producers (less than 20 000 L pa).
2. Mandate the use of biofuels /diesel blends in all government fleet vehicles and state funded projects.
3. Promote biodiesel blends in all urban areas to reduce green house gas and particulate emissions.
4. Work to promote environmentally sustainable farming practises in the domestic production of feedstocks for biodiesel and ensure clear labelling laws exist to promote an environmentally sound and domestically produced product.

- The Capacity for domestically produced Biodiesel in Australia is expanding rapidly. Commercial plants already operate Australia wide and more are being built every day.

While commercial biodiesel production is set to role out, Biodiesel is also being produced by many individuals and community based collectives at a small scale for personal use. Farmers, uni students and other enthusiasts currently produce biodiesel predominantly from waste cooling oils, sourced from the catering and fast food industries and oils derived from energy cropping and crushing on farms.

Fast food outlets and oil recyclers have an established system of collecting ‘waste oil’. A majority of this oil is currently exported to various parts of Asia for the manufacturing of soap and cosmetic products.

- The tax excise grace period that exists up to 2011 is allowing small producers to exist at present. When this excise exemption is lifted small producers will continue to fall under the same excise laws as commercial industry. The current system by not differentiating between the various scales and end uses of production will effectively make small scale biodiesel production uneconomically viable. It has been estimated that economies of scale will dictate

that producers will need to make in excess of 50,000 L of biodiesel per week to remain viable.

Small scale biodiesel use has significant benefits at local and national levels. Farmers who wish to integrate energy cropping into their production systems will not be able to because of tax laws. There is a real need for excise tax reform for biodiesel at both a state and national level.

The same farmers currently receive a fuel excise rebate. If tax reform is not undertaken then the government will be subsiding the use of imported fossil diesel at the expense of sustainable regionally produced biofuels. Other excise tax exemptions also exist for the small scale production of alcohols such as beer. The same logic needs to be applied to small scale biodiesel production.

- An opportunity exists for this waste oil to be recycled into biodiesel in rural areas and metropolitan cities. European countries have effectively pioneered this process.

Austrian provincial councils currently employ a system akin to the curb side recycling of glass in Melbourne. Each house hold is issues with a purpose built container in which to collect used coking oil. This material is collected and the oil processed into biodiesel which is then sold back to the general consumer through already establish fuel out lets i.e. service stations.

Biodiesel production in Victorian rural communities has the potential to provide an engine for economic growth to other wise stagnant or depressed local economies in rural areas.

The Government also needs to play a role in building consumer confidence and promotion of biodiesel. This would best be achieved through government use of biodiesel in it's fleet vehicles and council infrastructure such as garbage trucks.

It is recommended that biodiesel blends actually be mandated for use in all diesel sold in Victoria.

Implementation of wide scale biodiesel use in Victoria would not be hard as biodiesel can be transported, stored and retailed from existing conventional fuel infrastructure.

Biodiesel use presents an opportunity for the government to significantly reduce greenhouse gas and particulate emissions. Many studies (which I can supply if requested) have demonstrated the health benefits of using biodiesel.

The ecological toxicity of biodiesel is extremely low when compared to fossil diesel and it's broad scale use has the potential to slash millions off the state health budget

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From a holistic view point biodiesel, unfortunately, has the capacity to drive large scale land clearance and deforestation. As the global production of biodiesel intensifies, increasingly large tracts of tropical rainforest and being cleared across Malaysia and Indonesia for feedstocks plantations. Palm oil is currently the main crop responsible for these negative environmental out come. Ramifications at a local and international level will be felt as a direct consequence of such plantation establishment unless the government acts to prevent it.

Strong leadership is desperately needed to ensure that such feed stocks as Palm oil are not promoted or used in Australia and rather a truly sustainable feedstock is supplied domestically by a regionally based biodiesel industry.

Thankyou,

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