

Queensland Chicken Meat Council

Primary Producer House

2nd July 2015

Project Manager – Queensland biofuels mandate
Department of Energy and Water Supply
PO Box 15456
City East Queensland 4002

To Whom it May Concern,

The Queensland Chicken Meat Council (QCMC) appreciates the opportunity to make a submission to the Ethanol Mandate Discussion paper.

QCMC is the peak Queensland body representing the interest of processors and contract growers involved in the chicken meat industry. Queensland Chicken Meat Council is a member of the Australian Chicken Meat Federation (ACMF). ACMF is part of an alliance of protein production industries who have grave concerns about how this ethanol mandate will impact on food production. QCMC fully supports the Alliance's submission on the discussion paper.

The chicken meat industry in Queensland which currently generates retail sales in excess of \$600 million has been steadily expanding in recent years at a rate at least equal to the national rate of 3 – 4% and in some years even higher.

The industry directly employs in excess of 4000 people plus creates indirect employment for many more.

The industry consumes around (700,000) tonnes of white grain each year which is normally sourced from within Queensland with sorghum being the preferred grain.

QCMC would like to reiterate some of the points made in the Alliance submission.

Queensland is facing both increased climate variability and the likely more permanent effects associated with climate hence higher temperatures and changing patterns of rain fall either in terms of deficits or out of "season" events. The availability and the price of grain will be affected. While the industry will adapt to these changing circumstance the proposed ethanol mandate is simply seen as an unnecessary externality that has the potential reduce supply and hence artificially put inflationary pressure on price. As grain is the major cost of production in meat chicken farming there will be upward pressure on food prices which will not be offset by any real decrease in the cost of fuel. This will particularly impact on those less well off in society as chicken meat is seen as a lower cost and good value protein.

An ethanol mandate also fails the environmental test as producing ethanol from grain is not efficient in either energy terms or greenhouse gas emissions. If there is a desire to progress ethanol production then the QCMC supports the use of second generation for the production of ethanol. This new technology would use alternative feed stocks such as woody weeds rather than food stuffs.

It also does not appear to be financially viable without government intervention if the history of ethanol production is any judge. The current exemption from the Fuel Excise tax is a form of Government support to this industry and this has been in place for the past thirty (30) years.

As outlined in the Alliance submission ethanol based fuels cannot be universally used in all motors and in fact it some very undesirable characteristics including separating out of fuel when stored for any length of time and it is hygroscopic i.e. it absorbs water which is of particular significance in

Queensland given the level of atmospheric humidity for a major part of the year. This property can have very severe impacts on the serviceability of motors of all descriptions.

One of the proposed benefit of the Biofuel Mandate is that Motorists will have "choice". This is despite the fact that motorist already have choice in using this type of fuel. Independent fuel suppliers already offer this to their customer base as a point of difference.

The introduction of an ethanol mandate in Queensland is not in the best interest of the vast majority of Queenslanders including food producing industries such as the chicken meat industry.

Regards,

A handwritten signature in black ink, consisting of a large, roughly circular loop at the top and several vertical and horizontal strokes below it, resembling the letters 'M' and 'R'.

Mike Rozen
President
QCMC