



## Media Release

### Clear signals needed on Government's biofuels ambitions

In its submission to the Federal Government consultation on the Transport and Infrastructure Net Zero Roadmap, the Australian Sugar Milling Council has highlighted that the window to establish a domestic biofuels capacity is fast closing without government signals and incentives to establish a market.

“Aviation, maritime movements, long-haul freight and even agriculture have very little net zero options outside of biofuels. Sugar can be a solution, providing close to 10% of Australia’s sustainable aviation fuel (SAF) needs through the use of sugar byproducts alone,” said ASMC CEO Ash Salardini.

“Diverting some of the cane juice from manufacturing raw sugar to the production of SAF would allow our sector to contribute a significant portion of Australia’s domestic aviation fuel needs and provide diversification opportunities for our sector.”

However, there is a dangerous assumption that feedstock will simply be available for use in biofuels, and this is further exacerbated by the mischaracterisation of agricultural byproducts as waste.

“Sugar byproducts are not waste. The same bagasse that could be used in biofuels production can be used in the cogeneration of renewable electricity. We currently have 450mw of installed cogeneration capacity, and with right market incentives we could have over 1000mw of capacity - enough to power 950,000 Australian homes.”

The transition to net-zero will require billions of dollars of investment in long-lived assets in cogeneration and/or biofuel production. While the electricity market is more mature in incentivising low carbon outcomes, without a clear signal and incentives from government on biofuels, agricultural feedstock will be diverted to other economic uses.

“We are making investment decisions now on how we utilise feedstock that will lock us in for decades to come. Governments and biofuels proponents really need to come to the table to make investment and participation in the biofuels supply chain viable.”

“The market alone will not get us over the line. Biofuels plants are closing and proposals are being pulled across the world, including the proposed \$500m Oceania Biofuels plant in Gladstone. This does not engender confidence for potential feedstock providers.”

To this end, the Australian Sugar Milling Council is calling for:

- Greater Federal Government grant funding for feasibility and prefeasibility assessments of the storage and transport of biofuels feedstock.
- The development of Guarantee of Origin certificates for biofuels and the development of a viable market for them.
- A government-industry taskforce on developing a national biofuels feedstock strategy.

Please contact Ash Salardini, Chief Executive Officer on 0490 785 390 for more information

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***About the Australian Sugar Milling Council:*** *The Australian Sugar Milling Council is the peak industry body for the Australian sugar milling sector – contributing \$4 billion annually to the Australian economy and supporting more than 20,000 jobs. Our mission is to be the influential voice for positive change in the Australian sugar industry through leadership, advocating for the implementation of sensible public policy, and engendering productive government and industry collaboration. The ASMC works with its members, industry stakeholders, other industry representatives and government to develop and promote policies that enhance the sustainability, viability and economic contribution of the sugar industry in Australia.*