

GRAINGROWERS' LOW CARBON LIQUID FUEL POLICY

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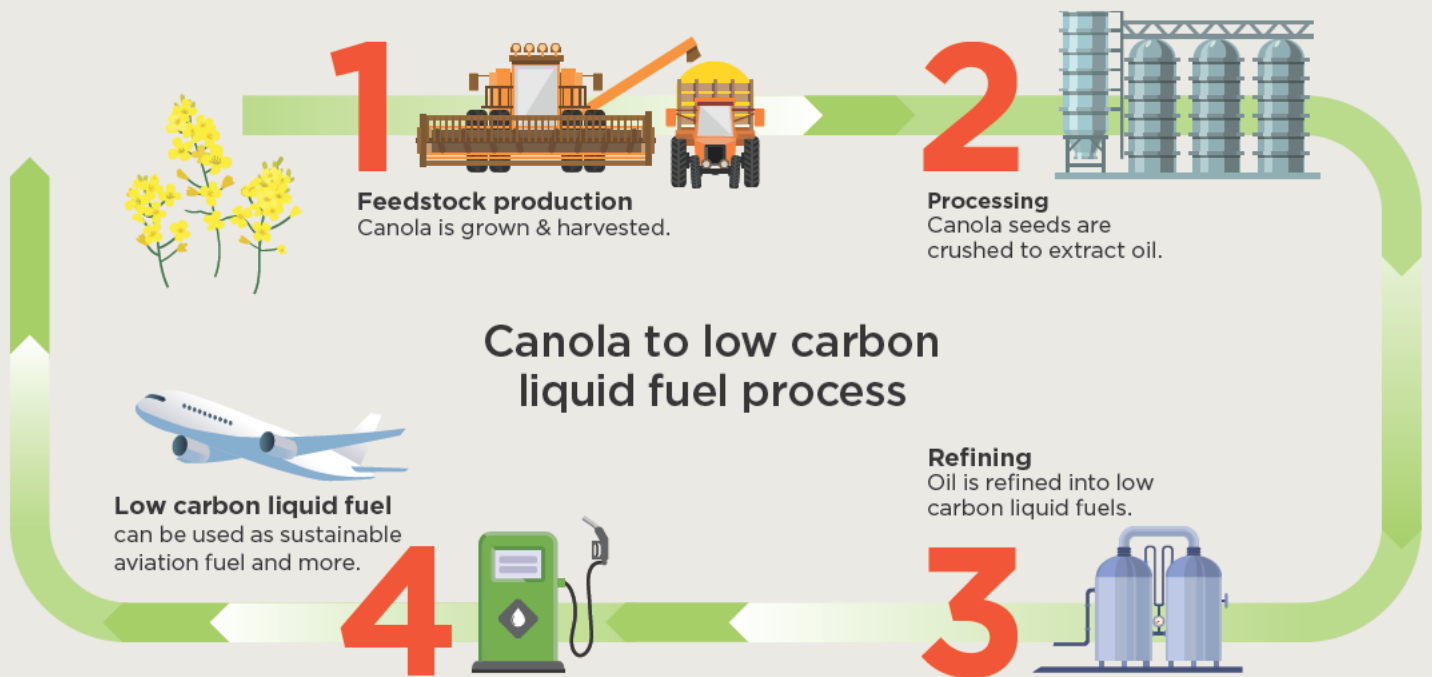


Golden Fields - (VIC) Paul Bartlett

Low carbon liquid fuels have been identified as a potentially important tool in the decarbonisation of the transport and agriculture sectors. There is increasing interest in domestic low carbon liquid fuels production and the opportunities for Australian materials (referred to as feedstocks) that can be made into fuel including grains and oilseeds.

GRAINGROWERS SUPPORTS:

- The growth of domestic crop-based low carbon liquid fuel production to support Australia's hard to abate industries such as aviation, mining, agriculture and transport to reduce emissions.
- The use of Australian feedstocks for low carbon liquid fuel production, recognising Australia's leading grain and oilseed production practices.
- The development of alternate domestic markets including low carbon liquid fuel production to ensure market diversification for the Australian grain industry.
- Increasing low carbon liquid fuel production in regional areas to support industrial development and job creation.
- The development of domestic low carbon liquid fuel production capabilities to increase Australia's fuel security.



GRAINGROWERS RECOGNISES:

- Australia's skills and experience in world leading grain and oilseed production practices and engineering provide the opportunity to develop a thriving low carbon liquid fuel industry.
- Australia currently has very limited domestic low carbon liquid fuel production capacity.
- Domestic low carbon liquid fuel production requires a thriving ecosystem of grower orientated research and extension as well as production infrastructure, such as canola crushing capacity, to flourish.
- A robust policy framework which includes both production-side and demand-side mechanisms is vital for ensuring Australia becomes an integrated local processor.
- Effective public messaging is important for building trust and ensuring that consumers are well-prepared for the transition to low-carbon liquid fuels.
- The experience other countries have gained in biofuel provides Australia with a unique opportunity to develop an industry driven by environmental factors, while also achieving the substantial socioeconomic and geopolitical benefits.

- While demand-side levers are important for providing the industry certainty and attracting investment, demand-side policy mechanisms alone will not support the development of a domestic low carbon fuel industry.
- Without targeted support to increasing domestic production capability, Australia risks inbuilding the same dependence on imported fuels that characterises the Australian diesel industry.

GRAINGROWERS SEEKS:

- To harness Australia's position as a world leading feedstock producer, it is vital the Australian Government establish a joint industry-government working group to develop a National Feedstock Strategy.
- Long-term policy certainty to accelerate the growth of the low carbon liquid fuel industry and encourage investor confidence.
- A suite of production-side and demand-side policies to stimulate domestic production, accelerate the affordability of new technologies and build investor confidence in low carbon liquid fuel projects.
- Dedicated research and extension programs to ensure Australian grain growers are positioned to meet low carbon liquid fuel market requirements.

Zach Whale
General Manager, Policy & Advocacy

1800 620 519

enquiry@graingrowers.com.au

www.graingrowers.com.au

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