

The Honourable Anthony Albanese MP

Minister for Infrastructure, Transport Regional Development and Local Government

Re: National Aviation Policy Statement

29th December 2008

Dear Mr Albanese

We thank you for the opportunity to address the issue of sustainable aviation in Australia, particularly in terms of greenhouse gas emission and the use of alternative fuels by the aviation industry.

We believe that new developments in aircraft design, flight scheduling and operational improvements can provide incremental changes to emissions of greenhouse gases, but do not provide a practicable solution to emissions from the combustion of aviation fuels.

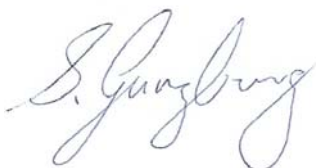
We note that the Government views that the use of alternative fuels by the aviation industry is some time away. This is in fact not the case. A number of foreign airlines (Air New Zealand, Continental, Virgin etc) are actively participating in the use of alternative aviation fuels. To date however there is no support of alternative aviation fuels by any Australian airline. There is significant potential for the use of alternative fuels, particularly as an aviation blend, dependent upon the fuel meeting required safety and efficacy levels. A number of safety studies of alternative fuels for use in aviation are currently underway.

We suggest that the Government can play a vital role in encouraging the use of alternative fuels in the aviation industry. We recommend that the Government should encourage the use of alternative fuels for use in aviation by a combination of any or all the following methods:

- Recommending that Australian aviation industry actively support the development of alternative fuels for use in aviation;
- Imposing a minimum blend mandating alternative fuel usage;
- Replacing the fuel surcharge with an alternative fuel charge to support the testing of alternative fuels for aviation use produced by Australian biofuel companies;
- Adding a surcharge on offset schemes to be directed toward testing of alternative fuels for aviation use.

We stress that the alternative fuel industry can supply alternative fuels for use in the aviation industry but need the support of both the Government and Industry. We recognise that due to the operating environment that these fuels would need to meet strict operating and quality standards and with support these hurdles can be easily overcome. The main obstacle the biofuels industry faces is support for their fuel.

Yours sincerely



Dr Stuart T. Gunzburg