



Minister for Main Roads, Road Safety and Ports  
Minister for Energy, Biofuels and Water Supply

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The Honourable Paul Fletcher MP  
Minister for Urban Infrastructure  
PO Box 6022  
House of Representatives  
CANBERRA ACT 2600

Level 15 Capital Hill Building  
85 George Street Brisbane 4000  
GPO Box 2644 Brisbane  
Queensland 4001 Australia  
Telephone +61 7 3719 7300  
Facsimile +61 7 3224 2493  
Email [mainroads@ministerial.qld.gov.au](mailto:mainroads@ministerial.qld.gov.au)  
Website [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)

Dear Minister

*Paul,*

I note the Ministerial Forum's (the Forum) work on vehicle emissions and thank you for the opportunity to review the draft regulatory impact statements (RIS) on fuel efficiency and emission standards, and the fuel quality discussion paper.

The Palaszczuk Government acknowledges the work done by the Forum on aligning fuel efficiency, noxious emissions and fuel quality standards, and is committed to playing its part to deliver on Australia's international climate change obligations.

However, we believe further consideration of some of the proposed complementary measures is needed to inform a set of options for further analysis - particularly cost/benefit analyses.

The Palaszczuk Government is committed to positioning our state as an Asia-Pacific hub for the biofutures industry. The Queensland Biofutures 10-Year Roadmap and Action Plan sets us on a path to achieve this by setting out a strategic direction, which focusses on economic and employment outcomes.

A key initiative aimed at helping to facilitate the transition toward a strong bio economy is Queensland's Biofuel Mandate. The mandate took effect on 1 January 2017. It requires the fuel industry to meet targets for the sale of bio-based petrol, such as E10, which is an ethanol-blended petrol and bio-based diesel.

The Queensland Government therefore supports national fuel quality standard definitions that are flexible enough to allow for emerging biofuel technologies would help facilitate development and sale of biofuels in Queensland and the rest of Australia.

International experience suggests mandating fuel standards have been successful in driving improvements in light vehicle efficiency in other markets. The International Energy Agency (IEA) strongly encourages governments to implement policies that include standards for light vehicles because they have proven to be effective in mobilising the large, low-cost opportunities available in light vehicle efficiency technologies.

I note this mandated approach may compel fuel manufacturers to improve efficiency, while not compromising on choice at the bowser.

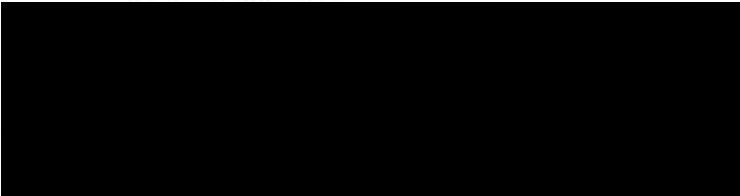
Further, if the Australian Government were to mandate standards for light and heavy vehicles, the Queensland Government expects that implementation costs of the new technology would be borne by the manufacturer and not the consumer.

The Queensland Government welcomes those policies which aim to lower vehicle emissions and improve fuel quality, while maintaining affordability for consumers. We are generally supportive of the introduction of more stringent emission standards, and will take the opportunity to further consider future harmonisation with international vehicle emission standards - such as European Union Standards for concentration of compounds.

In reviewing the proposed policy options for changing fuel standards, a greater amount of detail about implementation, in particular timing and cost, for each of the proposed options is required to allow proper consideration, and we will therefore await the anticipated RIS.

I trust this information is of assistance and ask to be kept informed about the outcomes of your consultations.

Yours sincerely



**MARK BAILEY MP** /  
**Minister for Main Roads, Road Safety and Ports and**  
**Minister for Energy, Biofuels and Water Supply**