

# TALKING POINT

DEC 09-JAN 10

## Biofuels – ten essential steps for a viable industry

Scientists round the world are racing to develop new-generation renewable fuels from algae and other sources but Australia still lacks a policy vision and strategic framework for this fledgling industry.

Caltex proposes 10 key points for a policy framework:

### 10 KEY POINTS

Provide more information for consumers.



Implement the proposed 50% discount on new excise taxes to be introduced over 5 years starting in July 2011.



Avoid effective removal of tax concessions for 20% biodiesel blends as a result of making a biodiesel blend standard.



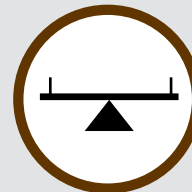
Ensure manufacturers make vehicles so they can run on at least E10 blend and ensure warranties include this fuel.



Ensure biofuels meet all fuel quality requirements including national fuel quality standards.



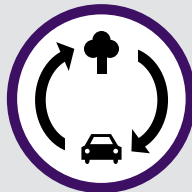
Ensure a level playing field for taxation on domestic and imported biofuels from July 2011.



Optimise crops and conversion processes for biofuels production in Australia.



Ensure sustainability criteria take into account "life cycle" ecological impacts – and link this to the provision of financial assistance.



Financial assistance for developing the biofuels supply chain – including distributors, wholesalers and retailers – and for developing technology including vehicles.



Targeted financial assistance to new Australian biofuels producers for a limited period.



# TALKING POINT

DEC 09-JAN 10

## Fast facts about biofuels

### Caltex sells four biofuels blends:

<b>Bio E10 Unleaded (E10)</b>	10% ethanol and 90% regular unleaded petrol
<b>Bio B2 Diesel (New Generation Diesel)</b>	Diesel with 2% biodiesel
<b>Bio B5 Diesel (B5)</b>	Diesel with 5% biodiesel
<b>Bio B20 Diesel (B20)</b>	Diesel with 20% biodiesel

### Caltex biofuels blends are sold in three states and the ACT will be added in January 2010:

<b>NSW</b>	Bio E10 Unleaded, Bio B2 Diesel, Bio B5 Diesel, Bio B20 Diesel
<b>Queensland</b>	Bio E10 Unleaded
<b>South Australia</b>	Bio B5 Diesel and Bio B20 Diesel
<b>ACT</b>	Bio E10 Unleaded

### We supply biofuels blends from these terminals:

Banksmeadow, NSW (E10)
Lytton, Qld (E10)
Mackay, Qld (E10)
Cairns, Qld (E10)
Newcastle, NSW (E10, B2, B5, B20)
Birkenhead, SA (B5 and B20)
Silverwater, NSW (E10) – available in 2010

### Market penetration

Caltex's Bio E10 Unleaded continues to make inroads into the petrol market and is now sold at 389 sites in NSW, Qld and the ACT.

### Volume sold

In 2009 Caltex will sell in excess of 1 billion litres of biofuels blends.

### Where do Caltex's biofuels come from?

Ethanol comes from Manildra (NSW), CSR (Queensland and Victoria) and Dalby (Queensland) biorefineries.

Biodiesel is sourced from Biodiesel Industries Australia (BIA), Smorgons and Australian Renewable Fuels which have plants in NSW, Victoria and South Australia respectively.

### What's it made from?

Biodiesel is made from vegetable oils and animal fats.

Ethanol is made from wheat starch (Manildra), molasses (CSR) and red sorghum (Dalby).

### Where can I get more information?

#### Caltex

[www.caltex.com.au/biofuels](http://www.caltex.com.au/biofuels)

#### Federal Chamber of Automotive Industries (FCAI)

[www.fcai.com.au/environment](http://www.fcai.com.au/environment)

#### NRMA

[www.mynrma.com.au](http://www.mynrma.com.au)

#### CSIRO

[www.csiro.au/science/Biofuels.html](http://www.csiro.au/science/Biofuels.html)

#### NSW Government

[www.biofuels.nsw.gov.au](http://www.biofuels.nsw.gov.au)

#### Qld Government

[www.industry.qld.gov.au](http://www.industry.qld.gov.au)