



# **The Hon Chris Hartcher**

## **Minister for Resources and Energy**

### **Special Minister of State**

### **Minister for the Central Coast**

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## **MEDIA RELEASE**

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Thursday 22 December 2011

### **NSW GOVERNMENT SUSPENDS BIODIESEL MANDATE INCREASE**

The NSW Government has moved to suspend the scheduled increase of the biodiesel mandate due to insufficient local production to meet or exceed the current mandate.

The *Biofuels Act 2007* currently requires primary petrol wholesalers to ensure biodiesel makes up a minimum 2 per cent of the total volume of their NSW sales.

Minister for Resources and Energy, Chris Hartcher said the legislated mandate – scheduled to rise to five per cent on 1 January – would be suspended until such time as there is sufficient local production of biodiesel to meet any future increases.

“In the last two years, there has been little investment in the production of biodiesel locally. For a 5% mandate to be met NSW would require approximately 200 million litres of biodiesel per year,” Mr Hartcher said.

“The only current commercial biodiesel producer in NSW is producing 12 million litres per year. The shortfall would have to be imported which would fail to encourage investment in the local production of biodiesel industry.

“The NSW Government will consider increasing the biodiesel mandate when there is sufficient local production to meet the 5 per cent mandate.”

The use of ethanol-based petrol continues to increase following a rise in the volumetric mandate to 6% on 1 October 2011. Under the *Biofuels Act 2007*, passed under the former government, E10 ethanol blended fuel will replace regular unleaded petrol in NSW service stations from 1 July 2012.