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September 2006

THE BIO BOYS

Mark Roberts & Guy Lane

Maternity Feature 2006

Michael Edgley

My Island Home



IN THE CITY [cover story]

Mark Roberts Guy Lane

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87

Guy and Mark both dressed by Ralph for Men

Cover

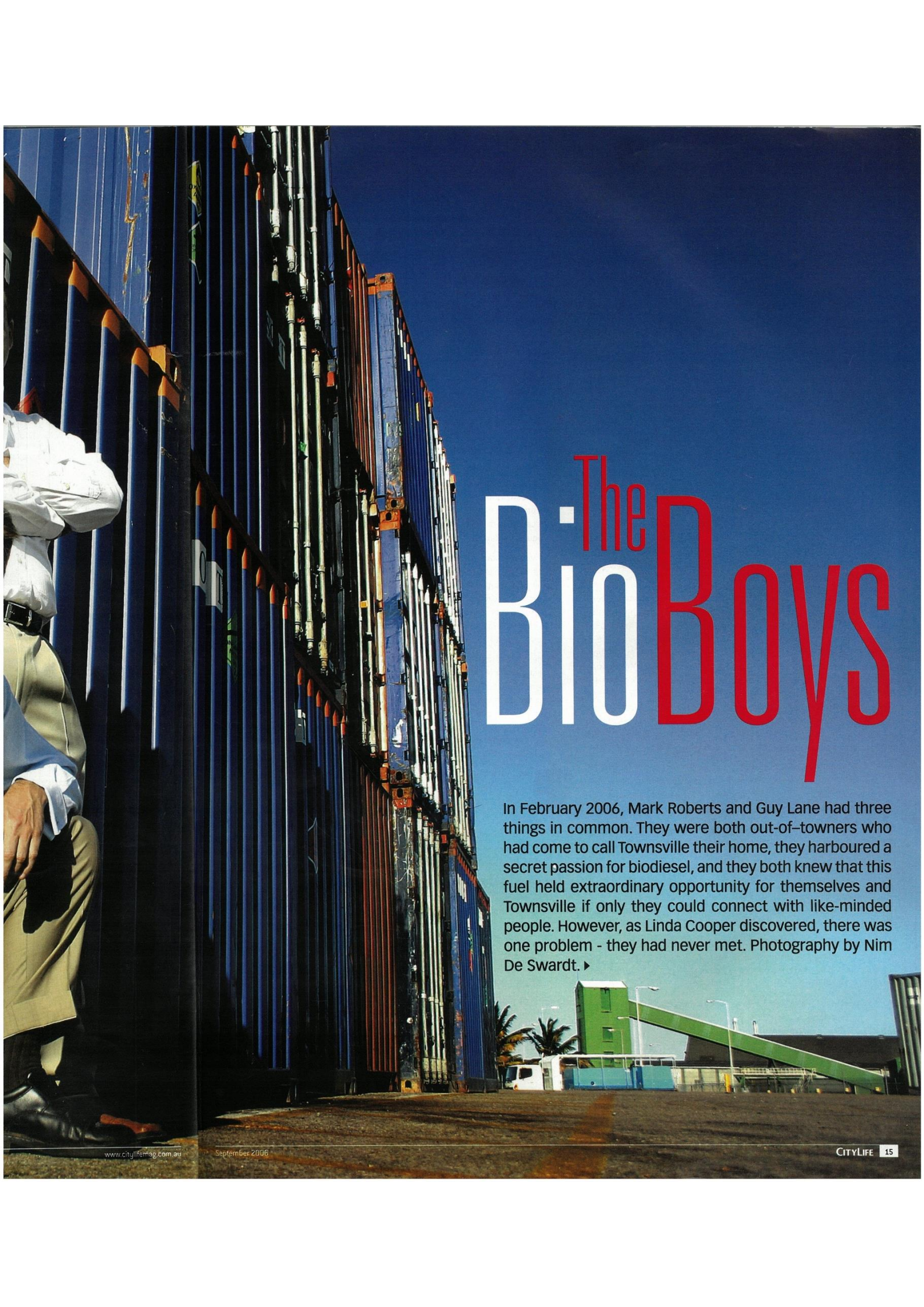
L: Guy - Hugo Boss Suit, Zambelli shirt

R: Mark - Rembrandt select suit, Zambelli shirt

This page

L: Guy - Ganton shirt, Hugo Boss trouser, Eclipse belt, Michel Rouen cuff links

R: Mark - Tommy Hilfiger shirt, Rembrandt trouser, Eclipse belt



The BioBoys

In February 2006, Mark Roberts and Guy Lane had three things in common. They were both out-of-towners who had come to call Townsville their home, they harboured a secret passion for biodiesel, and they both knew that this fuel held extraordinary opportunity for themselves and Townsville if only they could connect with like-minded people. However, as Linda Cooper discovered, there was one problem - they had never met. Photography by Nim De Swardt. ►

IN THE CITY [cover story]

Excitement about biodiesel, a diesel fuel made from vegetable oils, is common in Townsville these days. While the description may conjure up images of carrots and brussel sprouts, there are D9 bulldozer operators and owners of fleets of trucks with 500 plus horsepower engines who burn it by the kilolitre.

This is the Reefuel (officially known as reeFUEL) biodiesel story, a story of two Townsville entrepreneurs with a common vision for a golden future. Despite divergent backgrounds and skills, Mark Roberts and Guy Lane have, over the past six months, developed a successful biofuel business. Today, Reefuel is cutting fuel costs, improving the quality of Townsville's air, slashing greenhouse emissions, and providing local jobs. But it has taken the convergence of two very different lives to make it happen.

In his 20s, Guy Lane worked with petroleum exploration in southeast Asia at the time of the first Gulf War. He observed the world with curious dismay and using his own stash of oil wealth, put himself through University, earning an Honours degree in Environmental Policy and Economics. He realised that humans could not be trusted to use fossil fuels responsibly and a global 'paradigm shift' away from oil and coal was needed to secure the future.

With these two motives in mind, Guy moved to Townsville in 1999, to work with an Environmental Consultant firm. In 2001, he attended a presentation in Townsville by Paul Hawken, author of the best-seller 'Natural Capitalism', and that night found a framework for how to be part of the shift away from oil. A year later, he formed a sustainability consulting firm, SEA 02 Sustainable Development. "I identified two key technologies to get us off fossil fuels," he recalls. "Concentrating solar power will help us get off coal. And biofuels, including biodiesel, will help us get off oil". From that point he started to develop contacts and skills in the biodiesel industry with a view to supporting Sustainable Townsville.

Mark Roberts' background was much more hands on. Born an auctioneer's son, he learned his trade from a young age and had been playing around with 'old bangers' (old trucks) since he was no taller than a Caterpillar's hub cap. Six years ago, at the tender age of 28, and just married to his wife, Katie, he started his own on-site auctioneering and valuation business, AusAuctions. One of AusAuctions first clients was, to use his own language, "these snake-oil merchants who made this stuff that diesel trucks run on". Mark got on well with the founders of the biodiesel manufacturing company, and over successive years assisted them with valuations, machinery sales and sourcing equipment. Over time, Mark assisted the Australian Biodiesel Group to become the national leaders in the industry, a publicly-listed company that now runs Australia's largest biodiesel manufacturing facility, in Narangba, Brisbane.

Interestingly, Mark Roberts and Guy Lane came to these conclusions at about the same time. Between them, they harboured a vision of being at the heart of the biodiesel industry in Townsville, but there was no clarity about how to do it. There were always pieces of the jigsaw puzzle missing.

The turning point came in February 2006. Mark was returning home on a Qantas flight from Melbourne and was delayed at Brisbane airport. He had a beer, and got chatting with the fellow sitting next to him, a Director of Townsville City Council. Mark learned that Council had been trialling biodiesel in Council trucks. Once back in town, he visited Council's Fleet Department. He was advised that Council was very impressed with biodiesel and that their trial had been assisted by sustainability consultants, SEA 02. That afternoon, Mark called SEA 02 and met Guy an hour later.

Fast-forward to mid August 2006 and Mark and Guy are now 'up to their whiskers in biodiesel'. Realising in each other the missing jigsaw pieces, the two men quickly fleshed out a strategy to get a biodiesel distributorship up and running in Townsville.

But the enterprise needed a name. Katie suggested a fuel for the Great Barrier Reef region had to be called Reefuel. It needed an easily identifiable logo - a big fish. They registered a company, built a website (www.reefuel.com) and set their minds to the specific challenges of the biofuel's industry. In particular, they needed a delivery truck (a 16,000 litre tanker), a retail outlet in South Townsville and they needed to develop a client base.

In just a few months, Reefuel has gone ballistic, selling 250,000 litres of biodiesel, and offsetting approximately 562,500 kilograms of greenhouse emissions. Their clients are earthmoving contractors, milk distributors, tow

truck operators and long-range refrigerated transport operators. Reefuel also sells to dozens of family cars including the Peugeot 307 HDi (pictured on the front cover), a vehicle that when run on biodiesel, produces 81 percent less greenhouse emissions than a petrol-powered Holden Commodore.

A few years ago the Peugeot's lean emissions would not have been so significant. However, the drum-beat concern over the greenhouse effect has increased in the past few years, mainly due to the fury of Hurricane Katrina, Cyclone Larry and a string of other unusual climactic events. While pragmatic and profitable solutions to the greenhouse effect are all around, Governments and corporations continue to wallow in the fossil fuel age and shun the new sustainable paradigm. The reality is that globally the human race is hurtling towards something completely unknown and the adoption of non-fossil fuels is a step in the right direction. Consumers now have the option and the obligation to act.

Fundamentally, biodiesel is superior to petroleum diesel for three reasons. Economically, biodiesel can power an existing vehicle fleet without changing any part of the fuel distribution system or the vehicles themselves. As far as a diesel engine is concerned, biodiesel is diesel. And the bottom line is that biodiesel, at \$1.29 per litre, is cheaper than petroleum diesel.

Socially, biodiesel doesn't kill people. Petroleum diesel exhaust is believed to contain some of the most toxic compounds known to science including 3-nitrobenzathrone, a chemical that is believed to be responsible for over 60,000 deaths from lung cancer per annum in the United States alone. Furthermore, because biodiesel is grown and not pumped, producing the fuel does not require military intervention in the Middle East.

Environmentally, petroleum fuels are made of hydrocarbons and when they burn they release carbon dioxide into the atmosphere - too much of it threatens the global climate system. The emissions from fossil fuels have caused the level of carbon dioxide to increase by 30 percent in the past 200 years. While the increase is problematic, the rate of increase is even more alarming. The climate is changing faster than natural and human systems can adapt to, and this paints a bleak picture for the future.

The introduction of biofuel in this region is significant, but it hasn't been an easy ride for Mark and Guy. A few days prior to the 2006/07 financial year, the Howard Government rushed through sweeping changes to the fuel taxation system that heavily discouraged the use of biofuels, where fuels had to meet the 'petroleum diesel' standard in order to qualify for Government rebates. This was classical Greenhouse Mafia influence, where the fossil-fuel industry not-so-secretly scribbles Government policy. Almost overnight, 75 percent of Reefuel's hard-won market was knocked on the head.

"We had farmers from the Burdekin ringing us up, deeply upset that the Government had stripped away the financial protection for a fuel that they saw as a potential god-send to the agricultural industry", Mark Roberts laments.

"We were lost for a while there", Guy Lane recalls, "we couldn't get any sense out of the Taxation Department about who was eligible for what subsidy because there were weeks of rulings yet to be made. We couldn't advise our clients, and sales plummeted".

However, niches in the market remained open. The Biodiesel Boys refocused the company strategy on the section of the market where they could compete on price - the public, road transport, earthmoving and some elements of the agricultural and mining industry. Despite the setback, the Reefuel biodiesel adventure continued.

Today, the sales are back up and more service station outlets, delivery tankers and storage facilities are being planned. While also keeping AusAuctions and SEA 02 in operation, Mark and Guy are fully engaged with the biodiesel enterprise. Katie Roberts, with help from Reefuel family friend Sarah Warren, keeps the operation's finances on course while the boys and the Reefuel service station staff do the rest.

It is an exciting time for a young, small business that is up against global corporations and their extraordinary political influence at the beginning of the decline of the petroleum era.

While that might seem a daunting challenge for some, for Townsville's Bio Boys it is all part of the bigger picture; for them as businessmen, and for the environment. CL