



Impact of Petrol Pricing Select Committee

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The Impact of Petrol Pricing Select Committee was appointed by the Queensland Parliament on 25 August 2005 to examine a range of issues regarding petrol pricing in Queensland.

Media Release

Alternative Fuels Key to the Future

The Queensland Parliament's Impact of Petrol Pricing Select Committee examined the effects of higher petrol prices on the competitiveness of alternative fuels.

Alternative fuels diversify energy inputs into the economy, and bring significant environmental and other benefits.

LPG

It took thirteenth public hearings before the committee encountered someone who was happy with higher fuel prices: the owner of an LPG conversion business.

There is widespread acceptance within the community and industry of the benefits of using LPG. Prices have risen sharply since the Inquiry was established, reflecting substituted demand. Australia is a net exporter of LPG.

While conscious of international supply and demand factors, the committee considers that there is a potential commercial opportunity to supply LPG at a more competitive price as a profitable enterprise.

Ethanol

The economics of ethanol are more attractive at crude oil prices of US\$65/barrel. Over 100 service stations now offer E10 ethanol blend petrol in Queensland.

With increased availability, has come increased community awareness and acceptance of ethanol.

Market developments during the course of the inquiry point to a vibrant ethanol market on the back of high oil prices. In assessing competitiveness, the committee noted that ethanol will attract Commonwealth excise from 2012.

CNG, Biodiesel

Both the CNG and Biodiesel markets are significantly under developed compared to LPG and, increasingly, ethanol markets.

CNG is readily available in Australia but costs with storage and conversion mean that its future seems to lie in heavy vehicle applications.

The committee concluded that biodiesel is less economically viable than ethanol with substantial and continuing excise exemption.

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The committee recommended that the Department of State Development investigate opportunities to promote the research and development of alternative fuels and fuel efficient technologies in Queensland.

In particular, the committee recommended consideration be given to establishing a Cooperative Research Centre for Alternative Fuels and Fuel-Efficient Technology to lead this agenda in Queensland.

ENDS

For further information see Chapter 5 of the report of the Impact of Petrol Pricing Select Committee. The report is available at www.parliament.qld.gov.au/petrol

For interviews:

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