



Speech by

Mr R. QUINN

MEMBER FOR ROBINA

Hansard 30 October 2002

LIQUID FUEL SUPPLY AMENDMENT BILL

Mr QUINN (Robina—Lib) (10.47 p.m.): I have sympathy for the intent of this bill. After all, any measure that would assist our sugarcane farmers at this time and into the future, whilst at the same time providing benefits for the environment, certainly deserves support. However, I think when we look at the bill and see what has happened over the past month or so since the bill was introduced we find that the bill has largely been overtaken by events. Since the bill was introduced on 4 September the Commonwealth announced its sugar rescue package on 11 September and I understand that that is currently being put in place. On 12 September there was a significant announcement by both the Prime Minister and the federal Minister for Agriculture, Fisheries and Forestry.

After there was a public debate about whether or not there ought to be a fuel subsidy applied to fuel which has an ethanol content, the Prime Minister moved to indicate that in fact there would be a production subsidy for the on-shore production of ethanol whilst the current fuel taxation regime would still apply. That was a critical announcement. At the same time, the federal Minister for Agriculture, Fisheries and Forestry made a statement about ethanol in fuel which I think bears upon the debate. I will read three or four of his paragraphs so that people get the flavour of the Commonwealth's intention. Honourable members will then understand why I say that to a large extent the bill has been overtaken by recent events.

'The National and Liberal parties committed to a target during the last election campaign that would see biofuel production in Australia rise from about 40 million litres to 350 million litres by 2010', Mr Truss said.

'We are committed to developing a strong biofuel industry in Australia because it is good for the environment, good for regional and rural communities and good for reducing Australia's growing dependence on dwindling supplies of imported oil.

The sugar industry is one industry in particular which has a natural synergy with ethanol production from molasses.'

Mr Truss said the Coalition Government had already demonstrated its support for ethanol by providing \$7.35 million to proponents of an ethanol project at Mossman Sugar Mill near Cairns.

'A further \$8.8 million had been provided to BP for it to produce an ethanol-petrol blend at its Brisbane refinery. The product is already being sold at Brisbane service stations for the same price as regular unleaded petrol.

Ethanol may not be a silver bullet for any agricultural industry, but its use in our motor vehicles will help underpin regional and rural economies while giving us cleaner air to breathe.'

When asked about further decisions and the target of 350 million litres by 2010, he said—

... I don't see that objective as being the end of the trail. I think that once we've made that initial beginning that there will be increasing potential for uses of biofuel, the full range of biofuel, some of it will be ethanol, some of it will be biodiesel, some of it will come from sugar, some from grains, some from a range of other raw materials. But the potential for those industries is obviously still quite substantial. The decisions about the way in which these measures will be put in place will be made later in the year.

The Commonwealth is initiating a range of investigations in terms of the financial, economic and environmental impacts upon using biofuels within Australia. The decisions emanating from those studies will be made between now and the end of the year. I would think that we would be very prudent not to pass this bill but wait for the Commonwealth to report on its national approach to biofuels, which not only includes ethanol but a whole range of other biofuels. It will determine what the financial implications are, how we intend to use them and what the long-term plan is and allow us to then mesh

in on a national basis with the Commonwealth and move forward in that regard. This bill may in fact be slightly premature. The honourable member may bring it back in a different form after the Commonwealth has in fact made its announcements between now and the end of the year.

As I said, I have sympathy for the intent of the bill—there is no doubt about that—but at the same time we have to take the broader approach. I think the Commonwealth is on the right track here. It has instigated all of the studies that need to be done. It has supplied the money and has the targets. I think we would be very prudent if in fact we do not move down this path tonight but waited for the Commonwealth to finish its decision-making process. As I indicated, I have sympathy for the intent of the bill. What the proponents of the bill are trying to do is certainly laudable, but in terms of the detail I think it is lacking. We need to ensure that we mesh in on a national basis, and that is the reason why I will not be voting for the bill tonight.