



Speech by

Mrs D. PRATT

MEMBER FOR NANANGO

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LIQUID FUEL SUPPLY AMENDMENT BILL

Mrs PRATT (Nanango—Ind) (10.15 p.m.): I rise to speak to the Liquid Fuel Supply Amendment Bill 2002. I wish to congratulate the opposition on its initiative in introducing this bill to the House. Although I have lots of reservations about the bill, I fully support its intent.

Since June this year, I have been pushing for the establishment of an ethanol industry and, as is proposed in the bill, the use of ethanol in petroleum, which will mean much to the state of Queensland economically, environmentally and in employment opportunities, which is contrary to the stated view of the member for Ipswich. My particular interest lies not in sugar but in the introduction of a grain based ethanol industry. The Nanango electorate is ideal for the establishment of such an industry. I refer to the Dalby biorefinery project, which I was told is looking at establishing a further four processing plants. I have pushed for the consideration of the Nanango electorate for at least one of these plants to be established. As the area also meets all of the requirements as stipulated by the company involved, I have also urged the shires of Esk, Rosalie, Nanango and Kilcoy and the Kingaroy Shire Council to become actively involved. In such a large catchment area of almost 19,500 square kilometres and with all shires meeting the requirements, who knows? We might be lucky and perhaps we might get two plants.

According to the company that is working towards the green based ethanol plant in Dalby, the core infrastructure for establishing an economical and viable plant relies on several conditions: easy access to a power station, grain, feedlots for residuals after processing, water supply and transport. Several sites in the Nanango electorate would comply with each and every one of those requirements.

It is a matter of fact that until the 1950s, ethanol was used in petrol throughout Queensland with up to 15 per cent content per gallon. The new limits in the bill of a minimum of 10 per cent ethanol content fits well within the proven guidelines of the content proposed. One of the biggest advantages of ethanol is that it is a renewable fuel that is grown and refined from plant materials and waste. It is used in the United States, where there are now in excess of 60 major ethanol plants. That proves the scope and enormity of the economics involved. Its viability is further backed up by its use in Europe and South America.

At a time of such uncertainty in the future availability of oil supplies from the Middle East and with the current unstable global conditions since September 11, it is time to consider ethanol production as a serious addition to petrol. Therefore, the timing of the introduction of this bill is also relevant.

Any new industry that creates employment, especially for rural communities, is welcome, particularly given the current conditions. Although the amount of rainfall, water accessibility or lack thereof will limit some areas, I believe that it is a necessary and relevant industry needing to be pursued. Drought may be detrimental, but rural regions are used to drought. Droughts come and they go and life goes on. With proper management practices, I am sure that excess grain and sugar cane will be stored in sufficient quantities to ensure that any future droughts will not impact on the supply of raw material to produce ethanol. The estimated 380 million litres of ethanol that is needed to blend with the current estimated 4.8 billion litres of petrol used annually in the state will instil the investor confidence that is needed to ensure its success.

I am aware that there are people who would not be happy putting fuel containing ethanol in their car, but research shows they need not have any fear for their vehicles. But I wonder if the fuel industry would embrace the inclusion of ethanol to ensure its success if it were not made compulsory. The compulsory aspect of this does concern me because it forces all motorists using petrol to use ethanol. I question our right to do that. In stating that, I am torn between the two points of view. Without compulsion, will the industry flourish? Without this compulsion, would growers squeezed out of one industry and hoping to adopt this new one survive? It may well be that individual refinery operators will sue for the right to conduct their business in a manner they see fit. But the argument exists that the government must support this bill and stick to imposing a compulsory requirement as a policy to ensure the industry's viability. As the opposition leader stated in his second reading speech, this will be a fuel that is made by Queenslanders for Queenslanders. As I said, I have some reservations, but I support the intent of the bill.