



Speech by

Mike Horan

MEMBER FOR TOOWOOMBA SOUTH

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LIQUID FUEL SUPPLY AMENDMENT BILL

Mr HORAN (Toowoomba South—NPA) (9.47 p.m.): We have just heard another contribution from one of the representatives of the unsmart, do-nothing state. It has been amazing to watch the ethanol debate unfold over the years. In 2002 I went to America to do a study in the states where ethanol is produced. I studied the legislation to find out how it came about. It was amazing to see that industry in Nebraska and Minnesota, which led the way with its 10 per cent mandate. That was in the late 1980s and early 1990s, and it is what kick-started the industry. Now, across America 10 per cent of fuel used in cars is ethanol and that has come about from the original mandate in the state of Minnesota.

I wish to address some of the issues. I will not go on and on about the benefits of ethanol, because everybody here is trying to extol the virtues of it. When we first brought this up in the parliament, the Premier and members of the Labor Party went out of their way to copy what happened in the early stages of the industry in America. They said, 'It's not any good for the cars and it will cost too much. It will be expensive.' They found every reason they could to knock it.

Now the Premier is on the road to Damascus. He went over to Brazil and came back and said, 'It is wonderful, it is great and we have to do this, that and the other.' I think that the Minister for State Development has also been to Brazil, as has Mr Barton. They have seen the value of ethanol. They have seen what it does for the environment. It is a renewable energy that burns cleaner and provides people with a real floor in the market for grain and sugarcane. Here in Queensland we have a great advantage. We produce 95 per cent of the Australian sugarcane crop. So those members like the member for Kallangur who are frightened that we might be overtaken by competitors from New South Wales, Victoria or Western Australia—who have to freight their fuel up to here anyway—should realise that we have a great advantage in having 95 per cent of the Australian sugarcane crop, which has a very high biomass. Add to that the fact that we have high-producing summer crop areas, particularly sorghum and to a lesser extent corn, and also winter cropping with wheat and so forth, we can produce ethanol from grain, as has been proposed for the plant at Dalby.

Everyone in this House agrees that we need ethanol. I just cannot work out why it is that the Labor government has been opposing actually getting into it and making it happen right from the outset. It just seems to be so typical. The Labor government cannot do anything that has a bit of dimension to it, has a bit of scope to it and takes a bit of managerial skill to make happen. This Labor government always wants to blame Canberra. It then wants to find some other reason for not doing it. But it is good at having stickers on the window, putting Jack Brabham up front, having a strategy, having a coloured bus and having this, that and all of these other things.

I heard the member for Kallangur say that we have to build confidence first and go around and talk to people. What are we going to put in our tanks to do that? We have nothing. It takes years to build an ethanol plant. The main thing that it takes is confidence. If we had to spend \$100 million of our money to build an ethanol plant, would we build it when we know the opposition that we are going to get and the problems that we are going to experience when trying to crack into a market, as happened in America, where the big major fuel companies did everything that they could to stop that from happening? I ask members to just remember about a year or two ago the little campaign that the fuel companies mounted

where they put stickers on the bowsers at service stations saying 'No ethanol in our fuel'. They tried to denigrate the ethanol blend product by that very tricky marketing system. That is what happened in America with the car companies. Now we find that in America the fuel companies and the car companies are putting out brochures extolling the virtues of E10—how it burns cleaner, how it gives people a premium fuel. So if people have 10 per cent ethanol in their ULP, it is actually a premium ULP because of that.

It is now time to analyse all of these excuses that the Labor Party has put up. I do not know why the members opposite do not want to do this. They get stuck into us to go down to Canberra and get it to implement a national mandate and all the rest of it, but let us say that the federal government does that. It puts in a system over 10 years where there are excise exemptions over five years and then a sliding scale over the next five years after that. So the financial advantage has been done, and that comes at a cost to the Australian taxpayer because that would be excise that would not be collected if people actually produced the ethanol. So the federal government has done that. But let us say that the federal government does not go any further. Why can this government not do it itself? That is what we have said all along. We are supposed to be the Smart State. Do we not have confidence in what we can do?

The government comes up with these flimsy excuses about Crown Law advice that are absolutely inaccurate. I will tell members why. We have heard it before. I wonder what the minister told Crown Law. I wonder whether the minister told Crown Law the wrong thing. Seeing as the minister is so smart, I will turn to section 92 of the Constitution. The minister said that, under section 92, the domestic market of each state has to be opened equally to goods. So how does Queensland having a particular blend of fuel stop someone from another state being able to trade over the border to here? It is no different from someone from another state having milk that has two per cent fat or four per cent fat. It is still milk that they can still sell here. During the 1980s the Liquid Fuel Supply Act was changed to alter the lead content in fuel in Queensland. It did not stop anyone from New South Wales selling fuel here. They just had to have the lead content right. I reckon that the people from Crown Law were given the wrong information about what we are trying to do.

An opposition member: If it exists.

Mr HORAN: If it exists. Why does the minister not table that Crown Law advice? It is absolutely wrong and the members opposite know that it is wrong. They are just using it as an excuse to not go ahead with ethanol. They do not seem to have the managerial ability, the strategic vision, the courage, the organisational ability or whatever it takes to make this great industry happen. Section 92 does not apply to ethanol whatsoever. One does not have to be a lawyer to see that.

The other point that Mr McGrady made was that, because ethanol was made locally and specified as such, it would fail the mutual recognition test under the Mutual Recognition Act. We have never said that ethanol should be made locally. We have the confidence that Queenslanders would have the ability and the product—with 95 per cent of the cane crop—to be the major producers of ethanol. Surely with the transport advantages that we have in our own state we would be able to overcome any competition that might come from other states that want to sell their product to us. So mutual recognition does not apply. People can sell their product inside and outside of Queensland without any problem whatsoever.

The minister also spoke about the original act relating to emergency situations. I think that he may have even mentioned the war.

Honourable members interjected.

Mr HORAN: That is what people thought. When people think of emergency situations, they think of times when there are mass shortages or surpluses or whatever. That act has been used to vary the components of fuel in this state. I gave the lead content of fuel as an example. So there is no real problem with regard to some pedantic issue relating to the act. So the act is not an excuse, section 92 of the Constitution is not an excuse, mutual recognition is not an excuse and the federal government is not an excuse because we can actually mandate ethanol ourselves. I really wonder why it is that the government does not want to mandate ethanol. If there is a will, there is a way. When the government knows that it has the support of all members of this House, because ethanol is good for our state and good for our environment, then surely it will be able to overcome any small or minor technical matters.

We are introducing an amendment, which will be explained later on, which will overcome some of the concerns by motoring organisations about people having choice. People will still have the choice of ULP or ULP with ethanol. The lead replacement fuel will be going off the market. So the average service station will be able to supply both ULP and an E10 blend and, of course, diesel. If everyone thinks that it is a good idea to do it, it is about time we started to do this. We have debunked the excuse of section 92 of the Constitution, we have debunked the excuse of the federal government needing to mandate ethanol and we have debunked the excuse of mutual recognition. There is no reason to vote against this bill.

Time expired.