




Speech By
Hon. Curtis Pitt

MEMBER FOR MULGRAVE

Record of Proceedings, 6 May 2015

MOTION: ETHANOL MANDATE

 **Hon. CW PITT** (Mulgrave—ALP) (Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships) (6.05 pm): I move the following amendment—

That all words after 'ethanol mandate in fuel' be deleted and the following words inserted:

'and a vibrant biofuels and biomanufacturing industry to support regional Queensland and our clean energy future;

2. notes the Palaszczuk government has stated its intention to introduce an ethanol mandate in fuel and has already commenced consultation with key stakeholders and will continue to do so via a discussion paper to be released by the end of May 2015. This discussion paper will:
 - (a) canvas preferred levels for a mandated ethanol content;
 - (b) ensure the implementation does not lead to an increase in ethanol imports and supports our regional economies;
 - (c) consider potential impacts on fuel retailers, consumers and any appropriate protections; and
 - (d) determine time frames for the introduction of mandated ethanol levels; and
3. notes the government's decision announced on 23 April 2015 to introduce a bill to this parliament as soon as possible this year to start the legislative process to implement an ethanol mandate and other measures to support an ethanol, biofuels and biomanufacturing industry in Queensland.'

The Palaszczuk government is already taking a holistic approach to supporting Queensland's biofuels and biomanufacturing industry. This includes ethanol, an industry that we have supported for over a decade. Sadly, the political opportunists opposite are two weeks too late to the party. While in government they had three years to introduce an ethanol mandate and they squibbed it. The member for Callide squibbed it because it was not politically expedient. Sadly, he had no problem letting down regional Queensland. Coming from a sugar seat myself, I really do know the benefits of ethanol and the disappointment felt by many in the sugar industry at the actions of the member for Callide. I also suggest that those opposite, in their sudden revelation that they support ethanol, might like to talk to their LNP counterparts in Canberra, who are planning to whack a 12.5 cent per litre excise on ethanol by 2020. On 30 June this year, the Abbott government will also cease its Ethanol Production Grants program, which is another victim of last year's train wreck federal budget.

In stark contrast, last month at the Sarina ethanol refinery the Minister for Energy and Water Supply announced that the Palaszczuk government will act to grow Queensland's biofuels and biomanufacturing industry and the jobs that come with it. Later this month, the Palaszczuk government will release a discussion paper on biofuels and biomanufacturing. Accompanying that paper will be a bill, to be introduced to parliament as soon as possible this year, establishing a head of power for an ethanol mandate.

Biofuels and biomanufacturing represent a significant industry development and regional development opportunity for Queensland. Last year, Deloitte Access Economics, in partnership with QUT, studied the economic impact of future tropical biorefining opportunities in Queensland. The

study found potential for all forms of biorefining to contribute more than \$1.8 billion in annual gross state product to Queensland and increase employment across the state by 6,640 full-time equivalent jobs over the next 20 years. That independent analysis identified that Queensland has a comparative advantage in biorefining, with our climate and agricultural sector ensuring the availability of natural materials that can not only produce cleaner fuel, but also are capable of producing cleaner energy and manufacturing plastics and chemicals from renewable inputs such as crop waste.

Those are the jobs and the innovations of the future. Those are the sorts of jobs that will be supported by the Palaszczuk government's Advance Queensland research fellowships. That is the sort of innovation that will be supported by the Palaszczuk government's Business Development Fund, which will turn ideas into reality. Labor has a proud tradition of supporting bioinitiatives and, as a result, Queensland now has some of the best minds in the world working at facilities such as the QUT Mackay Renewable Biocommodities Pilot Plant, which opened in 2010 with funding of \$3.1 million from the former Labor government.

Over the coming months, the Palaszczuk government will consult widely with Queenslanders about how we can work together to expand this burgeoning industry. The first step is to signal our intention to introduce an ethanol mandate. Unlike those opposite, we will work collaboratively over the coming months with all associated industries to determine the most appropriate starting point for such a mandate, its growth path and transition arrangements. Consultation will look at ways to ensure an ethanol mandate is gradually introduced to align with the production capacity of ethanol in Queensland. The majority of ethanol sold in Queensland should be produced in Queensland using renewable Queensland resources. Consultation will also look at consumer protections and consumer education around the benefits of E10.

I am pleased to advise the House there is strong interest from a range of private-sector proponents in working with the Palaszczuk government to deliver our biofuels and biomanufacturing strategy. Across-the-board, stakeholders have welcomed our approach. Canegrowers, the Australian Sugar Milling Council, AgForce and the RACQ are all supportive.

The ethanol industry has advised us that a mandate will give them the demand needed to invest capital in regional Queensland and build new refinery capacity. Proponents have expressed their desire to ensure a mandate is gradually introduced and phased in to align with production capacity. That is a very important point.

Proponents have also expressed their concern about the New South Wales experience and the series of exemptions in current New South Wales legislation. It is important that we learn lessons from what has happened south of the border. Proponents have also expressed concern at the LNP's track record, particularly the member for Callide's track record—promising the world when last in opposition and then going weak at the knees while in government.

I urge all members of this House to support the amended motion. It is a far stronger position for the parliament to endorse. Only the Palaszczuk government will be committed to supporting a vibrant ethanol, biofuels and biomanufacturing industry to support regional Queensland and our clean energy future.