




Speech By
Dale Last

MEMBER FOR BURDEKIN

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LIQUID FUEL SUPPLY (ETHANOL AND OTHER BIOFUELS MANDATE) AMENDMENT BILL

 **Mr LAST** (Burdekin—LNP) (6.21 pm): I rise to speak in support of the Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill. As a member of the Utilities, Science and Innovation Committee and as the member representing the sugarcane-farming community of the Burdekin electorate, I wholeheartedly support the introduction of a mandate for the use of ethanol and other biofuels in Queensland.

The mandating of ethanol and other biofuels in Queensland has been a long time coming, and the fact that so many individuals, companies and organisations took the time to give evidence during public hearings is testament to the interest this bill has generated in the broader community. The committee had 88 submissions from a range of stakeholders including oil companies, community members, fuel wholesalers and retailers, canegrowers, tertiary institutions, the meat and livestock industry, biofuels refineries and proponents, the motor industry and peak agricultural bodies. I thank them all for their contributions to this debate, along with my fellow committee members and secretariat researchers.

A joint Deloitte, Access Economics and QUT study has predicted that biorefining can contribute more than \$1.8 billion in gross state product to Queensland and create up to 6,640 jobs during the next 20 years. I certainly welcome any jobs, especially in my electorate of Burdekin, that biorefining will create. Of course, any further demand for sugarcane by-products like molasses and other grain crops grown in the Burdekin would also be beneficial for industry moving forward.

The recommendations contained within the report provide a clear direction going forward. Whilst the initial target of two per cent—at this point I acknowledge the minister for raising it to three per cent and taking on board the views of the committee—may be seen in some circles as too low, I believe that it provides a platform from which a pathway can be built. Certainly, feedback from my electorate is that a 10 per cent target by 2020 would provide the stimulus needed to drive investment in this industry.

At present, ethanol production in Queensland will comfortably meet the mandated two per cent introductory level, which means that future investment will be put on hold until such time as mandated ethanol levels increase to a level that makes investment in this industry profitable. In its submission to the committee Canegrowers recommended the introduction of a mandate with clear provisions for ramping up of the mandate in line with the lead time for increasing production as this will provide the surety and targets required to stimulate new investment in biofuel production. Figures of four to five per cent have been mentioned by my Burdekin canegrowers as the level which would stimulate that investment. If we are to see immediate expansion of the ethanol and biofuels industry, this needs to be taken into consideration.

Canegrowers also raised the point that the mandate requires wide parliamentary support and that a stable, long-term policy approach is required in order to provide regulatory certainty for potential

new investors. If we are to encourage new entrants to the biofuels industry they must have sufficient security, financing and the confidence to start to build a world-class renewable fuels industry in Queensland. I know that there are several investors in the Burdekin who are very keen to finally see this mandate occur, and I hope it provides the stimulus and momentum required to get their projects up and running.

I would also like to say that there have been reservations from some cattle producers, particularly those operating feedlots, who believe that the cattle industry would be disadvantaged if the access to and price of molasses is affected through any ethanol mandate. They have genuine concerns as they access both grain and molasses and they do not want the demand for these products affecting their ability to access these products or increasing the prices they pay for these products. I certainly would not like to see this, and I do not believe this will be the case. I note the comment from AgForce that a domestic renewable biofuel industry would add diversity and security to the supply of fuel in addition to providing a reliable alternative market for grain grown by Queensland producers. Can I say, following a question from the member for Beaudesert, that producers such as dairy farmers, who rely on grain to feed their stock, should not fear an escalation in the price of grain because of this mandate.

A key component of the recommendations is the need for a comprehensive education program across Queensland. There can be no shortcuts here. We need to dispel the myths associated with ethanol blended fuels because people still need to be convinced. There will still be the choice between ethanol blended petrol and other unleaded fuels at the bowser, so consumers will still be able to choose the fuel that is best suited for their engines. I note that consumer education was also raised on a number of occasions by stakeholders, so it is imperative that government liaises closely with motoring and industry groups to ensure this consumer education takes place. Government also needs to work with the automotive trades institute of technology and the Institute of Automotive Mechanical Engineers to ensure educational materials around the validity of ethanol blended fuels are used to educate mechanics and automotive trainees. The government also needs to lead by example by including a requirement in the QFleet Fleet Efficiency and Utilisation Policy for the government motor vehicle fleet that drivers of QFleet cars refuel using ethanol blend where practicable.

There is still substantial work to be done in the areas of compliance and enforcement regimes, exemptions and upgrades to service station infrastructure. Fuel retailers and wholesalers need sufficient time to upgrade and implement necessary equipment changes to meet the fuel industry's targets for the sale of biobased petrol such as E10, ethanol blended petrol and biobased diesel. A key recommendation in the report is that the minister consult with relevant planning authorities to ensure mechanisms are put in place to facilitate timely and rapid planning approvals for service station operations needing to undertake infrastructure upgrades to enable the sale of ethanol blended petrol.

There have been several attempts to legislate an ethanol mandate in Queensland. I am pleased that this bill will be a key part of the biofutures strategy, providing certainty to the biofuels industry that it can invest, innovate, grow and create jobs in Queensland. I commend the bill to the House.