



Speech By
Robbie Katter

MEMBER FOR MOUNT ISA

Record of Proceedings, 6 May 2015

MOTION: ETHANOL MANDATE



Mr KATTER (Mount Isa—KAP) (6.10 pm): I move the following amendment—

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

'as ethanol enhanced fuel will support and diversify our sugar and grains industry, provide cheap fuel and clean air, reduce our dependence on markets and support Australian farmers by providing a major economic boost for regional communities; and

2. Instructs the government to:

- (a) implement a 10 per cent ethanol mandate in Queensland with incremental targets (commencing at 5 per cent from July 2016);
- (b) implement a consumer awareness campaign which is formulated with industry that highlights the benefits of ethanol;
- (c) introduce measures that will encourage private investment and provisional support for the sugar industry to transit towards the production of ethanol; and
- (d) implement a board to oversee that effective targets are met in timely manner.'

It is difficult to know what the key drivers are for ethanol. The first could be that thousands of lives are lost each year from heavy particle emissions from motor vehicles. With a 10 per cent ethanol mandate, vehicle emissions would be reduced by 30 per cent. People living in major cities would stop dying. The Australian Medical Association, the AMA, is a massive supporter of ethanol. They know that the introduction of ethanol into our fuel would save lives. That alone should be a big enough driver for change, but it is not the only reason for mandating ethanol. A 10 per cent blend would reduce tailpipe emissions by 30 per cent. If members feel warm and fuzzy about reducing carbon emissions, this is the most cost-effective way to do it without having an impact on people's pockets. I like it most for the number of jobs it will produce in the Burdekin. The Cox family will spend \$250 million out of their own pocket to produce 600 jobs in the region.

Mr SPEAKER: Member for Mount Isa, please stop for a moment. I have paused the clock. You say you have circulated an amendment. Can you produce a copy for members to read?

Mr KATTER: Sorry, Mr Speaker, I had it in my hand.

Mr SPEAKER: It needs to be distributed to members so we know what you are speaking to.

Mr KATTER: My apologies, Mr Speaker.

Mr SPEAKER: I call the member for Mount Isa to continue.

Mr KATTER: We could talk about fuel security. Some 90 per cent of our fuel is imported. It is imported mostly from Singapore. We have about 21 days of fuel supply. That means we do not meet our obligations under the international energy treaties. That has been identified recently in the media.

Members will be interested to know—and I am not kidding—that a recent Al-Qaeda newsletter identified how easily isolated countries like Australia can be shut down by stopping their oil supply.

The majority of our oil comes from the highly volatile Middle East through the Indonesian archipelago. This has been identified as a defence threat.

Another key driver is that the national interest is served by taxes being paid at the point of production of fuel that we put in our motor cars. Currently, 90 per cent of the oil we use is refined mostly in Singapore. Many would say that the biggest driver is the ability to drive the price of fuel down. That is happening in the 63 other countries around the world that mandate ethanol. The industry would also provide a floor price to sugarcane and grain farmers akin to the addition of the live export industry to the cattle industry.

New South Wales has made an attempt to mandate ethanol. The government was unsuccessful because it was weak when it came to the implementation of the mandate. That is why we need an implementation board. A passive approach will fail. Just talking about giving people a choice and promoting ethanol will not work. It has to be driven strongly by government otherwise the oil companies win. Oil company sales in Australia are about \$23 billion a year. A 10 per cent ethanol fuel mandate would cut those sales and set off a push back.

The IMEA is a strong supporter of the ethanol industry. They dispel any myths of vehicle damage. The majority of vehicles being built around the world now are ethanol compliant. In fact, in the EU they are not accepting vehicles unless they can accept a 20 per cent ethanol blend. So mechanics want this. The mechanics institute wants this because it has an interest in keeping more drivers on our roads. More drivers on our roads need cheaper fuel. This is the way to deliver cheaper fuel.

So mechanics want it, the AMA wants it, the RACQ now supports it, AgForce supports it, the Australian Cane Farmers Association and Canegrowers support it, environmentalists support it. In New Zealand the Greens used their balance of power to force an ethanol mandate. People want jobs. We do not need to use any of our Queensland taxes to pay for it. It will be built by private industry. Why would we not do it?

I could carry on about all the failed attempts of governments in the past that have not driven this strongly enough and the hypocrisy of other governments that have not taken this on. This is an opportunity for the government to work to enforce a mandate and deliver great things for the state— jobs, fuel security, health outcomes, environmental outcomes. It ticks all the boxes. It will not cost us any of our Queensland taxes. It would be a great thing for this government to deliver for Queensland. I would be grateful to be a part of that.