




Speech By
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MEMBER FOR TOWNSVILLE

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

 **Mr STEWART** (Townsville—ALP) (7.51 pm): I rise this evening to speak in support of the Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill 2015 and wish to outline to this House the impact this bill will have on Queensland and, in particular, on the Townsville region. I will not spend my time talking about some of the great cars that I had, unlike the honourable member for Hinchinbrook, but I did learn to drive in a 1956 Ford Zephyr Mark III. The speedometer was in miles per hour, there were no seat belts and we actually used leaded fuel back in those days. I will not fill in the rest of the blanks to the car I have now.

I had the opportunity to attend two of the early community consultation forums instigated by the Palaszczuk government regarding the *Towards a clean energy economy* discussion paper. The first was in Townsville and the second was in my home district of the Burdekin. Both were well attended by the public and both had high levels of positive interest, particularly from sugarcane and grain growers alike. In Queensland ethanol is generally sourced from sugar cane or molasses and grain or sorghum. There are currently two operating ethanol plants in Dalby and Sarina, both producing 140 megalitres per year. Ethanol blended fuel in Queensland is referred to as E10. It contains up to 10 per cent ethanol and 90 per cent petrol. E10, as we all know, has been available in Queensland for more than a decade. During its peak production consumption period in 2010-11 ethanol blended fuel was around 900 million litres, or around 2.7 per cent, of regular unleaded fuel sold, but it has subsequently fallen to around about 350 litres in 2013-14, or around about 1.2 per cent of regular unleaded petrol. Approximately 345 petrol stations in Queensland currently offer ethanol blended fuels with more than half of these being located, unfortunately, in the south-east corner of Queensland.

On a global comparison, Queensland and Australia are only scratching the surface of ethanol blended fuel production and use. Biofuels production on a large scale occurs in China, Brazil and the United States, with the latter two countries contributing approximately 87 per cent of the world's ethanol production in 2011. Brazil relies heavily on the sugarcane industry to supply the production of ethanol, while the United States relies on its corn production to supply its biofuels industry. As at 1 January 2015 the USA had a production capacity of around about 56 billion litres per year and around about 4.5 billion litres of biodiesel. Queensland University of Technology Phd researcher Dylan Cronin, a North Queensland boy, is undertaking research into the potential of sugarcane waste as a renewable energy source. Unlocking the potential of biorefinery manufacturing in Australia, which is an industry predicted to be worth around about US\$160 billion globally by the year 2020, would be, in Cronin's words, a game changer for the country's manufacturing and agricultural sectors.

The impact that ethanol blended fuels will bring to the people of North Queensland is immense. I quote aspects taken from a story in the *North Queensland Register* newspaper by journalist Matt

Sherrington on 13 November this year when covering a story about North Queensland bioethanol fuels. He wrote—

The Charters Towers region is set to receive a minimum \$200 million annual boost to the local economy in addition to the creation of 650 jobs when the Pentland Bio-Energy project becomes a reality.

Speaking at the Charters Towers Prosperity Forum last week Renewable Developments Australia Pty Ltd (RDA) managing director Tony D'Alessandro briefed guests in attendance on the exciting prospects that lie ahead for those in the region.

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It's predicted that by 2022 there will be a 145 billion litre demand for bio-ethanol, and demand from Asia will double in that time as well.

They already have 20 investors on board for the project, including a US Fortune 100 company that will purchase all bioethanol produced at the facility for at least 15 years. He goes on to say that once completed the facility will produce the lowest cost bioethanol in the world. The Pentland plant is expecting to produce 250 million litres of fuel grade bioethanol by 2018-19. A further 344 million litres will be produced between June 2019-20, which is what will be expected to be the output on an annual basis from that point forth. If that is not a good thing for the people of Pentland, Charters Towers and the Queensland economy then I will eat my hat.

This story will be replicated in Ingham and the Burdekin where ethanol production plants are shovel ready and waiting for the green light to start. The impact on those local economies will certainly give them a kick-along that is well needed at this particular time. What is more important about this bill is that it gives the green light to further development and production of biodiesel. Including a mandate for biodiesel in the bill provides a more holistic industry solution with the potential to deliver more regional development opportunities and jobs and more investment opportunities for producers. The growth in diesel fuel in Queensland is around about nine per cent annually with approximately 80 per cent of Queensland service stations offering diesel fuel. Up to five per cent of biodiesel can be added to mineral diesel without having to label it to the consumer. Therefore, many diesel consumers will be unaware they already probably have biodiesel blended fuel when they fill up at the bowser right now. More importantly for the people of Townsville, the future opportunity to supply the US Navy's South Pacific fleet with biodiesel will have a profound impact on the region. While not only supplying the ships with a green fuel option, the flow-on effect will give the local area the ability to supply the fleet with fresh food sourced from across the region. Furthermore, regular dockings of Navy ships brings a boost to the local economy with sailors spending their hard-earned cash when visiting ports. Townsville is set to be a vibrant hub of North Queensland when these opportunities come to life. The importance of ethanol as a greener fuel source has far-reaching impacts on the economy in North Queensland and will be of great importance to our region. I therefore commend the bill to the House.