




Speech By
Shane Knuth

MEMBER FOR HILL

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**LIQUID FUEL SUPPLY (MINIMUM BIOBASED PETROL CONTENT)
AMENDMENT BILL**

 **Mr KNUTH** (Hill—KAP) (5.50 pm): I commend my fellow KAP member for Hinchinbrook for bringing the Liquid Fuel Supply (Minimum Biobased Petrol Content) Amendment Bill 2022 before this House. The objective of the bill is to expand the provisions enacted by the Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill 2015. The bill seeks to address issues that exist with the operation of Queensland's bio-based petrol mandate which, despite being in operation since 2017, has failed to adequately deliver on its aspirations to drive the uptake of cleaner and cheaper locally produced fuel.

The ethanol mandate has been operating since 2017 yet has never reached a minimum mandate of four per cent ethanol in our total fuel supply, and that is probably disappointing with regard to never being able to deliver. Even though that bill has been in operation since 2017, the bill was introduced into parliament in 2015, so there was a lot of lobbying before this. I acknowledge the Minister for Transport and Main Roads because as KAP members we were very persistent in trying to pursue an ethanol mandate in Queensland, but over the years we have seen all of these Clayton's bills that have come before the House since 2004 but nothing concrete and nothing really had been delivered until the bill was passed in 2017 when the KAP introduced the amendment of four per cent. Sadly, we have come to the point where we have to introduce another bill in this House. There seems to be a lack of political will. There is the passion out there. There is the opportunity of expanding and creating a massive sugarcane industry stretching from Port Douglas right through to the Sunshine Coast and the expansion of the grain industry for cleaner emissions and cheaper fuel. They are all the result of an enforced ethanol mandate.

Passing this legislation in this House is the best hope that we have to provide some form of enforcement. It is great that we have the four per cent mandate, but that four per cent mandate has never really been delivered in Queensland. I believe that the state government has failed to enforce the ethanol mandate and this bill seeks to address that. This bill addresses it by increasing twofold all penalties for noncompliance by eligible fuel retailers liable with the state's bio-based petrol mandate which presently sits at four per cent of the total volume of all petrol sold and requires that fuel retailers take reasonable action to ensure that E10 labelled blended fuel contains a minimum of nine per cent ethanol. Currently, consumers are being lied to as they are being sold E10 which may only contain one per cent or two per cent ethanol instead of the requirement to have a minimum of nine per cent ethanol. We must enforce this mandate or we will never reduce gas emissions, the cost of fuel or our reliance on international oil and gas companies.

The member for Hinchinbrook's bill requires that fuel retailers take reasonable action to ensure that E10 blended fuel contains a minimum of nine per cent ethanol. In the committee report it was noted twice, along with the statement of reservation from committee members on the committee, that the bill contains penalties that would see small retailers facing significantly higher fines for noncompliance

when compared to major wholesalers and manufacturers. This is incorrect and it makes me wonder whether members of the committee have read the bill and the explanatory notes. At the time of the introduction of the ethanol mandate, it imposed a requirement on certain fuel sellers—namely, those who own and operate 10 or more service stations or sell more than 500,000 litres of petrol within a quarter period—to meet a sales target of bio-based petrol starting at three per cent of the total sale of regular unleaded and regular petrol blends. There is already a requirement. This bill is not about targeting small retail operators. This is about those that operate more than 10 service stations or that sell more than 500,000 litres of petrol within one quarter. Opposing the bill for that particular reason is just playing politics and the fact that because it is not our idea it is not a great idea.

It is ironic that at the start of the 20th century in 1908 when Henry Ford introduced the Model T Ford he planned to fuel it entirely with ethanol, yet here we are 115 years later and we still have not enforced a minimum of four per cent ethanol on our retail fuel despite skyrocketing fuel prices which are sending transport businesses to the wall and cutting deep into the family budget all in the name of bowing to the major international fuel and oil companies. Queensland has a massive sugar industry similar to Brazil. However, Brazil has used this natural product to implement an ethanol mandate which today stands at 27 per cent and increasing to over 70 per cent by 2030. It now stands that the price per litre in Brazil is A\$1.12 per litre. In America more than 98 per cent of US gasoline contains up to 10 per cent ethanol to boost octane, meet air quality requirements or satisfy the Renewable Fuel Standard. In Queensland we have the same opportunity through this bill to enforce the current mandate.

When the liquid fuel supply mandate was passed in 2017, retail fuel was at an average cost of \$1.31 per litre in Queensland. In just five years in 2022, the average is conservatively estimated at \$1.84 and often hovers over \$2 per litre. A fully enforced and increasing ethanol mandate would not only be good for the environment but also have an impact on the price of fuel and reduce our reliance on importing 90 per cent of our fuel. This bill is good for the average Queenslander, good for business and good for the environment. I commend the member for Hinchinbrook and I challenge every MP to support this bill in this House.