

Question on Notice
No. 513
Asked on 20 April 2005

MR MULHERIN asked the Minister for State Development and Innovation (MR McGRADY) —

QUESTION:

What steps has the Government taken to promote and further develop an ethanol industry in Queensland?

ANSWER:

The Queensland Government continues to show its commitment to an ethanol industry in Queensland by recently announcing funding for the Queensland Ethanol Industry Action Plan 2005 - 2007.

Under the Action Plan the State Government has committed \$7.3 million to be provided over the next two years (2005/06 and 2006/07) for an assistance initiative and comprehensive marketing strategy.

This will play a significant part in Queensland's drive to create an exciting new ethanol industry and provide vital support as it moves towards a sustainable and economically viable future. Debunking the myths surrounding ethanol is a priority of this initiative.

The Government is showing how serious it is about an ethanol industry in Queensland by featuring the Ethanol Industry Action Plan in the Smart State Strategy 2005 - 2015 which was released on 18 April.

The programs to be implemented under the Action Plan are:

- \$1.46 million for rebates for cleaning storage tanks so they can hold E10, plus conversion of bowser equipment and signage;
- \$2.28 million for a marketing campaign to boost public confidence in ethanol;
- \$1.14 million to aid the introduction of operational guidelines for diesel ethanol blends, engine conversion and related issues;
- \$2.2 million for blending and distribution facilities for E10 and diesel ethanol blends; and
- \$0.2 million to administration resources to help implement the strategy.

The objectives of the Action Plan are to:

- Raise public awareness of, and confidence in, ethanol blended fuels.
- Increase domestic demand and export capacity.
- Create links between industry and the Queensland Government to promote a market for ethanol.
- Assist the development of retail and distribution networks.

Implementation of the programs under the Queensland Ethanol Industry Action Plan 2005 - 2007 will commence on 1 July 2005 with review in November 2006.

The Queensland Government continues to support the promotion of ethanol and ethanol projects. The Mackay Power Ethanol Project is intending to enter a vehicle, a 1925 Austin 20 powered by pure ethanol, in the Greenfleet section of the Darwin to Adelaide World Solar Challenge in September 2005.

The State Government acknowledges that the World Solar Challenge is a highly credible event with a strong history, and Dr William Boyd's long and successful association with the event since 1987 provides confidence that a strong message on ethanol can be delivered through this event.

I am delighted to be able to advise that the Queensland Government will provide financial assistance of \$20,000 to assist Dr Boyd in this exciting project and is investigating the possibility of providing a support vehicle to run on a combination of diesel and ethanol fuels to demonstrate this exciting new technology.

Other initiatives that the State Government continues to be committed to include, where possible, the use of E10 across the Queensland Government vehicle fleet; and State Government vehicles promoting the use of E10 by displaying E10 endorsement stickers.

E10 is currently available from 50 fuel outlets in Queensland. The network of fuel outlets offering E10 continues to expand in the south eastern and western corners of the State with more outlets planned over the coming months, particularly in the Gold Coast and Darling Downs regions.

It is important to note that this level of penetration is extraordinary in the absence of a national fuel mandate.

The Government is working closely with key stakeholders, including growers, producers, distributors and consumers to help create supply and demand and to make E10 more widely available in Queensland.

I am delighted to be able to remind you that the State Government hosted the International Ethanol Conference, *Ethanol the Smart Way Forward* at the Brisbane Convention and Exhibition Centre on May 9 and 10, 2005.

Conference speakers included international and national experts in the field with the focus of the conference in four key areas: consumer confidence; environment; supply and demand; and technology.

Over the past year, the Government continued to invest in the ethanol industry and to date has approved assistance totalling \$865,000 under the Sugar Industry Innovation Fund for the sugar industry to diversify into ethanol production.