

**Question on Notice
No. 731
Asked on 12 May 2005**

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

QUESTION:

What is the Government doing to promote and support the use of ethanol based fuels in this State?

ANSWER:

The Queensland Government is committed to developing a world-class ethanol industry in Queensland and continues to work with all stakeholders to achieve this vision.

On May 9 and 10, 2005, the Government hosted the International Ethanol Conference “Ethanol the Smart Way Forward” at the Brisbane Convention and Exhibition Centre.

The conference was an outstanding success and attracted three hundred and ten (310) delegates and ethanol industry experts from Brazil, the United States, Australasia and Europe.

Among the conference speakers were international and national experts in ethanol who shared their experience with conference delegates.

I am delighted to say that the conference provided a unique opportunity for Queensland-based delegates to share information and learn from the experts to better position Queensland as an international player in the industry.

At the commencement of the conference, the Honourable Peter Beattie MP, Premier and Minister for Trade formally released the \$7.3 million Queensland Ethanol Industry Action Plan 2005 – 2007.

The Action Plan will provide funding of \$7.3 million over two years to assist the development of an ethanol industry in Queensland including \$2.28 million for a marketing campaign to boost public confidence in ethanol.

The main 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.

The Action Plan will play a significant part in the Government's drive to create an economically viable future for the Queensland ethanol industry.

Debunking the myths surrounding ethanol is a priority of the Action Plan and for that reason, at the International Ethanol Conference, I announced the appointment of Mr Peter McCarthy as the Queensland Government's "ethanol myth buster".

Mr McCarthy has vast experience in the Public Sector as Senior Media Advisor in Ministerial offices across a range of portfolios and a broad career in television. Mr McCarthy will work with the Government and industry stakeholders to help dispel the myths surrounding ethanol.

The Queensland Ethanol Conversion Initiative forms part of the \$7.3 million Action Plan. Guidelines were released at the conference.

Major programs to be implemented under the Queensland Ethanol Conversion Initiative are:

- \$1.46 million for rebates for cleaning storage tanks so they can hold E10, plus conversion of bowser equipment and signage;
- \$1.14 million to aid the introduction of operational guidelines for diesel ethanol blends, engine conversion and related issues; and
- \$2.2 million for blending and distribution facilities for E10 and diesel ethanol blends.

The Queensland Ethanol Conversion Initiative will be instrumental in helping to increase the distribution of E10 throughout the State and make E10 more accessible to Queensland motorists.

The number of fuel outlets in Queensland offering E10 recently reached the milestone of fifty (50).

I anticipate that the network of fuel outlets offering E10 will continue to expand as a result of the programs to be implemented under the Queensland Ethanol Conversion Initiative.

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.

The Queensland Government continues to promote E10 on many levels. In May 2005, the State Government released an independent report that was commissioned to undertake an analysis of the economics of an ethanol industry in Queensland. The analysis found that under a national mandate, by 2010 the demand for ethanol could be 435 megalitres and that up to 6,886 jobs could be created and up to \$1.5 billion could be added to the Queensland economy.

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.

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