



Speech by

## RACHEL NOLAN

MEMBER FOR IPSWICH

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Hansard 30 October 2002

### LIQUID FUEL SUPPLY AMENDMENT BILL

**Ms NOLAN** (Ipswich—ALP) (9.33 p.m.): Tonight I rise to oppose the Liquid Fuel Supply Amendment Bill cobbled together by the Leader of the Opposition when the parliament was in Townsville. For a fleeting moment in Townsville I thought the Leader of the Opposition had actually done some work and come up with a policy, but I soon realised that that was not the case. The Opposition Leader's proposal to mandate the 10 per cent of fuel used in Queensland is hardly thought through at all. He is proposing a major costly change to fuel, one of Queensland's major economic inputs. But who does he talk to? No-one! How much work has he done? Not much!

A quick read of Mr Horan's second reading speech reveals this mandatory E10 policy for what it is—an absolute sham. There are no costings, there has been no consultation and there is very little analysis of the impacts. The Opposition Leader did not do any work. He got to Townsville, saw some sugarcane and plucked this idea out of the air. It is a bill that is typical of this lazy and inept opposition.

Now let us take a closer look at this proposal to mandate a minimum of 10 per cent of ethanol in all fuel and let us look at what would really happen. Firstly, the Opposition Leader says there would be significant environmental benefits with E10. I am interested in the environment. On the face of it, I would be happy to support that. But let us not get too carried away. Sure, it is true to say that E10 burns more cleanly than 100 per cent fossil fuel, but not much, because in E10 there is still 90 per cent fossil fuel, so the emission reduction is pretty marginal.

**Mrs Reilly:** Smoke and mirrors, isn't it?

**Ms NOLAN:** It is an absolute joke to talk about a serious environmental benefit. In addition, engines using E10 are, on the best evidence, 2.7 per cent less efficient than the same engines using 100 per cent fossil fuel. So there is a marginal environmental benefit on what is burnt, but then more of it has to be burnt.

On environmental grounds I will not totally condemn ethanol, because it is, importantly, a renewable fuel. But there are plenty of ways that we can develop renewables and reduce the consumption of fossil fuel. We can develop more efficient engines. We can research a range of renewable fuels and we can drive smaller cars, not the four-wheel-drive I am sure the Leader of the Opposition climbs into when he slips on his Akubra and pretends to be a bushie. The fact that the Leader of the Opposition has proposed E10 as an environmental solution in its own right rather than as part of any concerted environmental strategy reveals the underlying fraud of these environmental claims. But God knows the National Party is not here to save the environment; the environment is just a convenient aside. The real agenda is to artificially prop up the ailing sugar industry and to do so at everybody else's expense.

Ethanol might be a great idea on the face of it, but the real problem lies in the expense. Petrol costs around 42c a litre to produce. Add some transport costs and the 30c federal government tax that you pay and you get the 75c or 80c that we pay at the bowser. The ethanol that you make from molasses costs between 45c and 64c a litre if you are doing well, that is, up to 22c a litre more than petrol to produce. But ethanol made from molasses is not the answer for the sugar industry. Instead, we need ethanol made from raw sugar product, and that is even more expensive again. The only ways to make ethanol viable—and even the Leader of the Opposition will admit this—are to mandate it so that consumers have no choice but to pay more or to subsidise it. The Leader of the Opposition actually wants to do both.

There is still a good deal more research and development needed before we really know how much ethanol produced on a large-scale would cost. But we do know for sure that mandated E10 would push up the price of petrol by at least a couple of cents a litre at the bowser and, realistically, probably more like 10c a litre. When there is no gain other than to prop up a struggling cane industry, I just cannot buy that.

My constituents in Ipswich drive a lot. About a quarter of our work force goes to Brisbane every day. Those people who drive because the factory they work is not served by public transport are driving 40 kilometres each way every day just to get to work. My constituents work in a competitive environment and there is no way they should have to pay even more for their petrol just to prop up someone else's industry. That is the bottom line here. This is not about the environment, this is about propping up an industry that is having a hard time.

I think the federal and state governments have worked very well together on the existing sugar industry rescue package. There are already enough special deals, handouts, grants and subsidies for the bush without the people of Ipswich having to pay more for petrol in order to maintain someone else's lifestyle. This is the hypocrisy of the National Party at its worst. It is on the front foot ready to preach self-reliance for everybody else, but then it is in here trying to artificially subsidise rural industry.

Ethanol as a long-term part of fuel in Queensland and in Australia more broadly is by no means dead. But as the Premier said earlier on, for it to really work it has to be national, otherwise it is quite simply unconstitutional and, I point out for those who have not heard of the Constitution, illegal. There has to be a fair bit more technological work done to make it anything like affordable. I support adjustment assistance to rural industry in times of change just as I do for other industries, but we cannot establish one industry as a protected species by trying to mandate a levy on the rest of the community for ever more.

Before finishing, I just hope that neither the member for Hinchinbrook nor the member for Mirani are going to vote on this bill because both of them are canegrowers and, as such, stand to make a direct personal financial gain if this bill is passed. Standing Order 158A is abundantly clear about conflicts of interest and what it says quite clearly is that if an honourable member has a pecuniary interest in a matter before the House and the member stands to make money out of a bill that is before the House the member has to declare that conflict of interest before he speaks or, alternatively, as soon as a division is called. There is nothing clearer than this. These people stand to make money.

**An opposition member** interjected.

**Ms NOLAN:** They stand to make money if this bill is passed. They have a conflict of interest and they should declare it before they vote on this bill. It is time we stopped having one—

**An opposition member** interjected.

**Madam DEPUTY SPEAKER** (Ms Jarratt): Order! The House will come to order. I cannot hear the speaker.

**Ms NOLAN:** It is time we stopped having one rule for the National Party and rural industry and one rule for everybody else. That is exactly what this bill seeks to establish and I cannot support that.

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