



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

TONY WINDSOR MP
MEMBER FOR NEW ENGLAND

Suite 2, Level 1
307 Peel Street
TAMWORTH NSW 2340

All Mail: PO Box 963
TAMWORTH NSW 2340

Ph: (02) 6761 3080

Toll Free: 1800 66 8855

Fax: (02) 6761 3380

e-mail: Tony.Windsor.MP@aph.gov.au

HANSARD RELEASE

20th August 2002

MATTERS OF PUBLIC IMPORTANCE: Environment: Climate Change

[Mr WINDSOR](#) (New England) (4.36 p.m.) —I would like to speak briefly to this matter of public importance. Rather than get into the debate about Australia versus the rest of the world in relation to the Kyoto protocol, I would like to talk about a couple of issues that I believe are very important in a practical respect in relation to the sorts of things that we can do in Australia to embrace the issues that are being raised here today.

I do not think anybody within the parliament denies that the world is going to experience problems in the future. There is some argument about the scientific basis of some of the allegations that are being made by different people but there is a general consensus that man has had an impact and is having an impact on the longevity of the world and on the climate of the world. Being a farmer as well as a member of parliament I am only too well aware of the El Nino impacts and some of the other impacts in terms of the global climate change that has occurred. One only has to look at both the poles to see that change is happening, but change has always been part of climate across the world.

I would like to raise an issue in relation to something that I believe the government is looking at quite seriously and has in fact put in place some programs to encourage. It is the replacement of fossil fuels with crop grown fuels—in particular, I refer to ethanol but not only to ethanol. I think there are certain bio fuels that are in an experimental phase and some are technically feasible at the moment to replace some of the fossil fuels that we have used in the past. I know the government has put in place a \$50 million fuel grants scheme in which various proponents who are interested in bio fuels or ethanol production can apply for up to I believe \$10 million by way of a subsidy to get those sorts of projects off the drawing board.

I know there are a number of members of parliament who at a cabinet meeting in Cairns recently raised the issue with the cabinet, particularly in relation to the sugar industry and the plight that the sugar industry is currently in. One of the issues that has been raised is the need for a mandatory percentage of ethanol in fuel usage within Australia. There have been a number of figures bandied about in relation to that particular proposal. I am very pleased to say that the Prime Minister has engaged himself in that debate. Hopefully, that has come out of his recent visit to North Queensland, where he would have identified with the peril that the sugar industry is experiencing and the sort of cap in hand mentality that

agriculture has developed within Australia. The recent pronouncements by the Minister for Foreign Affairs in relation to the wheat industry and their capacity to deliver grain into Iraq has exacerbated that particular problem.

I think it is time, if we are going to get serious about this particular issue, that we did impose some mandatory level of crop grown fuel—for example, ethanol—in relation to the fuels that are accessed at the petrol bowser. I know that the government has put in place a 350 million litre aim for the year 2010. I suggest that we should be able to go much further than that. I would like the parliament to be aware of the magnitude of the opportunity of Australia possibly growing much more of our fuel than we do at present, whether that be through the sugar cane industry or some of the cropping industries such as sorghum, corn, wheat and so on. I am specifically talking about ethanol there but, as I said, there are other bio fuels for which the same sort of processes could be used.

Currently, we use something like 30 billion litres of fuel. I think about 18 billion litres of that is petrol and a bit over 12 billion is diesel. But to generalise for a moment, 30 billion litres of fuel is an enormous number in itself. If we were to impose a five per cent mandatory usage component of ethanol or bio fuel—because with the diesel component you might have to use some other type of fuel—built into the bowser would equate to 1.5 billion litres. The Prime Minister made, and quite rightly so, quite a to-do recently about the export of gas from the North West Shelf, which is going to bring in \$25 billion over the 25 years—\$1 billion a year. A five per cent mandatory figure would have the impact of producing something like \$1.3 billion annually in terms of the net effect on our internal payments.

I am also told that we as a nation import something like 15 per cent of our petroleum needs. Not all of that is petrol so, before anyone bombs me out on that particular comment, I am generalising in that statement. But we are talking about the future and I think we have to look at what is possible. If we were able to replace that 15 per cent currently imported product with a crop grown product, the magnitude of that would be something like \$4 billion annually—four times the effect of one of our greatest export announcements, made only a week or 10 days ago. That is the magnitude of the impact that we are talking about.

They are mainly economic impacts that I have been talking about. Obviously, the environmental impacts are the main reason for this debate today, and they are quite enormous as well in terms of the emission levels of those sorts of fuels compared to be fossil fuels and in terms of the replaceable energy source. A crop can be grown every year; the mining of fossil fuels has an end to it that we are all aware of. The production of fuels and other components also has certain emission levels which the Kyoto people and various environmental groups have some concerns over. [\[start page 5124\]](#)

I do think we should look much more seriously than we have been at the use of cropping fuels to not only replace our imports but also grow the percentage of ethanol and bio fuels in our fuels at the bowser, whether that be in the form of petrol or diesel. I would encourage the government to look much closer

than it has at that particular issue. I know there are certain proponents right across Australia at the moment who are looking at accessing the subsidy in relation to the renewable fuel grant. I know there is one within either my electorate of New England or the Deputy Prime Minister's electorate of Gwydir and I believe that those proponents are serious about that investment.

There are, obviously, a number of important aspects to an investment of that magnitude. I think we are talking about \$60 million in relation to that particular plant. One way of guaranteeing that investment into the future—not only in my area and in the area of the Deputy Prime Minister, but also in Queensland and many other parts of Australia—would be to start to impose a mandatory level at the bowser. As I said, the environmental impacts are enormous in the long term, as are the short-term, medium-term and long-term economic impacts.

In conclusion, I would urge the government to look seriously at this matter. I know that in two or three years time we will probably still be having this debate as to whether we should have signed protocols or not, but I think the debate about having the capacity to grow our own fuels and replace some of the imports that we are currently obtaining from other countries should be taking place now.

The DEPUTY SPEAKER (**Mr Jenkins**)—Order! The discussion has concluded.