



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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Answer on Ethanol ‘very shortly’

Independent Member for New England, Tony Windsor got confirmation from the Deputy Prime Minister, John Anderson that the Federal Government would be making an announcement on the use of ethanol in Australian fuel and under what conditions ‘very shortly’.

In an effort to secure the \$120m Natural Gas Pipeline from Dubbo to Tamworth and the development of a \$60m ethanol plant for the region in Gunnedah, Mr Windsor asked Mr Anderson that given the urgency and the need for certainty for investors, when was the Federal Government going to announce the inclusion of 10% ethanol in fuels and the continuation of the 38c/litre excise subsidy.

In reply, Mr Anderson said “.... I hope to be in a position very shortly.”

“An answer from the Government on the use of ethanol in fuel and under what conditions is vitally important to existing and potential ethanol producers.

A positive decision mandating 10% ethanol in fuels and continuing the 38c per litre price break on petrol will give certainty to investors to develop new ethanol plants – without it a major development opportunity will be let slide,” Mr Windsor said.

Mr Windsor is concerned about media reports that the Federal Cabinet is backing off the mandate and price break under pressure from the major oil companies.

“If the National Party members of the Cabinet fail to obtain a mandate and continuation of the price break, they will have once again failed to deliver a real opportunity for growth in country Australia.

A positive decision will see major investment in country Australia and value adding to primary industry produce as well as seeing valuable infrastructure developed in country Australia.

It will also give Australian grain and sugar farmers another market to supply with their produce giving them an opportunity that was not previously available to them thereby underpinning many country communities.

With uncertainty in overseas oil production as a result of the war with Iraq, fuel imports will become more expensive, therefore Australia needs to look to alternative renewable fuel to help minimise the impact on our economy,” Mr Windsor said.

Question without Notice: Fuel: Ethanol Content

Fuel: Ethanol Content

[Mr WINDSOR](#) (2.53 p.m.) —My question is to the Minister for Transport and Regional Services. Minister, you would be aware of the \$120 million worth of private sector investment proposed for the Gunnedah and Dalby ethanol plants and the \$120 million for a natural gas pipeline that would, in a sense, guarantee the development of the Gunnedah plant. Given the urgency of this matter, when will the government mandate a minimum level of ethanol in Australian petrol and also ensure certainty for investors by guaranteeing a 38c per litre excise exemption in the long term for domestic production?

[Mr ANDERSON](#) —I thank the honourable member for New England for his question. I think the only comment I would care to make at this stage is that the government is considering very closely a number of issues surrounding Australia's energy future, including the role that biofuels and ethanol might play in that. I hope we will be in a position to say something very shortly.