



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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Ethanol decision act of political bastardry and pay back

Independent Member for New England, Mr Tony Windsor, has joined with other community and industry leaders in expressing their disgust at the results of the Biofuels Capital Grants Program describing it as “an act of political bastardry and pay back”.

The Program, initially reduced from \$50M to \$37.6M without explanation, has now been divided into a two round process with \$24.6M in grants announced today to small, less efficient projects, none of which are using grain products.

“The sad outcome announced today, with small projects, none of which use grain products, receiving the total grants available in this round, is a further reflection of the Minister for Industry, Tourism and Resources, Ian Macfarlane, being a captive to the oil industry and being unable to show commitment to a genuine expansion in renewable fuels projects.

“It also indicates John Anderson’s absolute inability to influence his Liberal colleagues in Cabinet.

“Those in the Government who are controlled by the oil companies have total sway over energy policy to the disadvantage of rural Australia and the further embarrassment of the National Party.

“This \$24.6M Government investment will lead to an increase of around only 100 million litres in Bio-Diesel, none directly from grain, and 35 million litres of sugar cane based ethanol production.

“This is in stark contrast to the projects that have been rejected such as the Gunnedah and Dalby grain based ethanol projects that will produce around 100 million litres of ethanol each.

“There is something wrong with the process when two new projects using grain and producing around 200 million litres per annum are rejected in favour of five projects producing 135 million litres per annum with three of the five already being in production,” Mr Windsor said.

Mr Windsor, along with the Australian Democrats and Renewable Fuels Australia, have reached the conclusion that Round 1 of the Biofuels Grants is a seriously flawed process with new projects using grain products being ignored in favour of much smaller projects using waste products.

“As I am informed, the CSR Distilleries project will use the funding to reduce the transport cost of their existing operation.

“How is this a commitment to new production?” Mr Windsor asked.

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“Senate Estimates should be recalled for an initial examination of this process and then there may be a need for a further inquiry depending on the information revealed in the recalled estimates.

“The way of the future is not in using waste products, there are serious limitations to the volume of production available from these sources and once again this Government appears to be captive to the oil lobby.

“Let’s have a thorough examination of this process and seek a commitment to new projects that will lead to a vastly expanded renewable fuels industry in line with this Government’s commitment offered in 2001.

“We can now see why the Government took so long to put in place the required excise arrangements.

“It has sold out to the oil companies,” Mr Windsor said.