



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

7 August 2006

Windsor calls on Government to mandate ethanol in petrol

Windsor Study Tour reveals important lessons for Australia

Independent Member for New England, Tony Windsor, has called on the Government to mandate the use of 10% ethanol in petrol following his study tour of ethanol and biofuels in the United States and Canada.

Mandating the use of ethanol has been the key to the acceleration of the USA ethanol industry according to Mr Windsor who has recently returned from his study tour.

Mr Windsor is preparing a report to put before the Parliament relating to the production of biofuels and the key drivers in North America.

During his time in the United States and Canada, Mr Windsor visited ten ethanol plants and spoke with farmers, community leaders, investors, bankers, fuel company executives and people involved in agri-politics.

“In the US and Canada, individual States took the step in mandating the use of ethanol in ‘gasoline’ and to a person they all agree that up until this took place, there were always excuses as to why things weren’t happening in developing the industry,” Mr Windsor said.

“When mandating was introduced however, the industry took off and the benefits to communities large and small were very tangible.

“There is one community with a population of about 250 that now provides employment for larger surrounding communities as a result of the establishment of an ethanol plant.

“The surrounding corn growers have also benefited and the flow on to the rest of the community is very evident.

“Australia must learn lessons from the United States in embracing ethanol and biofuels if it is to have access to cheaper petrol and become more independent of Middle East oil,” Mr Windsor said.

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“With Government MP’s meeting in Canberra today searching for ideas to boost their stocks in the electorate, Mr Windsor believes it is time for the Government to see that their limp attitude towards the oil companies voluntarily introducing ethanol into their petrol isn’t going to work.

“The Government is surely hearing that people are hurting every time they fill their cars up with petrol.

“The Prime Minister’s statement that it would be nice to have petrol prices back at \$1.15 per litre won’t of itself frighten the oil companies to give us petrol at this price.

“To achieve any where near \$1.15 per litre Australia must move away from its dependence on Middle East oil and to do this the Prime Minister must take the positive step of mandating 10% ethanol in our petrol.

“If it’s good enough for President Bush to take steps to become less dependent on Middle East oil, then why should Australia be so slow to do likewise?” Mr Windsor asked.

Mr Windsor also points to the example of Brazil and their ethanol industry development.

“Brazil in the early 1990’s imported 80% of the petrol requirements but now, through the development of their ethanol industry, Brazil is self sufficient and in fact exports ethanol.”

Mr Windsor said the arguments put in Australia by the fuel companies, the car companies and the feedlot industry have all been addressed in the US and governments at State and Federal levels have played a positive role whereas in Australia the negative arguments still prevail with little other than lip service at a political level.

“For example, the feedlot industry in Australia argues against ethanol on the grounds that it will increase the price of grain whereas in the US the feedlot owners are using the by-product of ethanol as part of the feed ration and finding the results are an improvement on traditional feed mixes,” Mr Windsor said

Mr Windsor said that in many cases the ethanol plants were financed partly by the corn producers themselves.

“In one case, 2,300 farmers contributed financially to an ethanol plant and were then the beneficiaries of the value adding process.

“In other cases, the feedlot industry was also a shareholder in an ethanol plant.” Mr Windsor said.