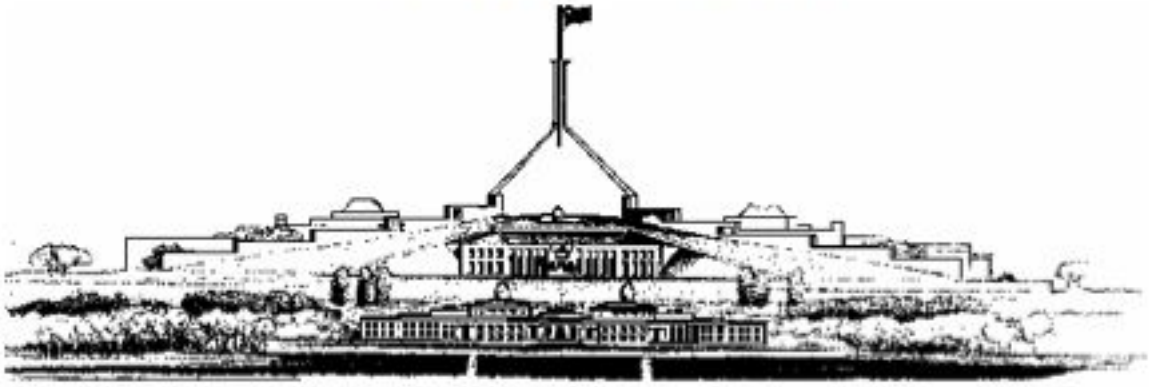
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



# HOUSE OF REPRESENTATIVES

# OZONE PROTECTION (LICENCE FEES —IMPORTS) AMENDMENT BILL 2003

# OZONE PROTECTION (LICENCE FEES— MANUFACTURE) AMENDMENT BILL 2003

## Second Reading

## SPEECH

**Tuesday, 4 November 2003**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

# SPEECH

| | | | |
|---|---|---|---|
| **Date** | Tuesday, 4 November 2003 | **Source** | House |
| **Page** | 21979 | **Proof** | No |
| **Questioner** | | **Responder** | |
| **Speaker** | Katter, Bob, MP | **Question No.** | |

**Mr KATTER** (Kennedy) (7.28 pm)—In rising to speak on the Ozone Protection and Synthetic Greenhouse Gas Legislation Amendment Bill 2003, I must make a statement about coal-fired power stations. It must be pointed out to the House that in fact coal-fired power stations are probably one of the kindest of all of the various alternatives. Breeder reactors are of course far and away the cleanest form of power that is available in the world, but they have a downside insofar as they produce plutonium, which can be very easily made into nuclear bombs. So whilst undoubtedly it is the cleanest form of energy, it has very grave dangers attached to it. But if we go beyond that then we are really back to the coal-fired power stations, and let me be very specific that with an electrostatic precipitator and a bag house, the simplest of technologies, the fumes are simply pushed through a bag which catches all of the solid matter inside of the bag. The bag is cleaned out regularly. I speak with some authority: as an unskilled labourer I used to clean out the bag house, where the particles were picked up, at Mount Isa Mines.

With electrostatic precipitators—and I hope I have the right term—along with bag house technology, we can produce electricity that is 99.98 per cent free of any pollutants. We are still left with the CO2 emissions and, of course, they can be very simply and easily overcome by planting trees. On a barren, treeless wasteland, which describes most of Australia, we can plant trees. In the western part of North Queensland, we have seven times more water than the Murray-Darling system; we are literally awash with water in the Gulf Country. Water resources can be used there to plant trees, which would offset any CO2 Kyoto protocol obligations that this government would see itself as having a responsibility to fulfil.

In rising to speak today about the ozone layer, let me contrast what the government of Australia has done with what the government of the United States and the governments of Europe have done. You must start off with the flow of information. In the 30 years that I have been in parliament, I have never been critical of a Parliamentary Library publication, and I have probably used the Parliamentary Library more than anyone else in this place, as I did when I was in the Queensland parliament. I speak with some authority on the electricity industry, as I was in fact the minister for electricity in the Queensland government.

There is a document, if anyone asks for it, produced by the Parliamentary Library. I have that document on ethanol here. It is entitled *Fu el ethanol—background and policy issues*. A lot of things can be done about ozone depletion if we have the knowledge of what needs to be done. The most important aspect, of course, is that the toxic fumes that come from our power stations are only secondary to the amount of toxic fumes that come out of the petrol tanks of our motor cars. The Americans call it the `ozone non-attainment level'. If we talk about an ozone level of two per cent, that triggers off the United States Air Quality Control Act 1991. The reason the Americans introduced this Air Quality Control Act is that when these emissions—pollution is the more common name—reach a certain level, it becomes extremely dangerous to people's health. This is a fact that the Americans have grasped, the Europeans have grasped, the Brazilians have grasped and most countries on earth have grasped. As I speak, both China and India are in the process of putting in ethanol plants but, like free trade, the only government on earth that has not grasped the import of all this has been the Australian government, whatever its political hue.

I must draw the attention of the House to the colossal gap between what is said in the Parliamentary Library document and what is said in a document that comes from the Congressional Library of the United States. A document from the Congressional Library of the United States—a country of some 250 million or 260 million people and, clearly, the most technically advanced country on earth—carries an awful a lot of weight. A document from the library of a tiny country of 20 million people, which is not noted for being in the vanguard of technological knowledge, carries little weight. We would have to ask: which is the most authoritative document? One of them here is dead right and the other one is dead wrong.

I will now proceed to point out the massive discrepancies between these two documents. Let me be very specific. Page 5 of the Parliamentary Library document says:

> Ethanol now produced from the sugar industry comes from C molasses, a waste low-value end product also used as cattle feed. Despite low prevailing sugar prices, a redirection of first express juices—the primary sugar cane product—to ethanol

production would greatly increase the price of ethanol feedstock and hence the cost of producing ethanol. Although sugar prices have declined in real terms over the last thirty years, present prevailing prices—well over A$200/tonne—are still higher than sugar farmers are likely to receive if they were producing feedstock for ethanol production.

It says that we will not get over $200 a tonne. I most certainly would not have put in the energy unless I was very confident that we were going to get over $360 a tonne. The reason I know that is that, when I was a minister in the Queensland government in 1988, Transfield came to us and put up a proposition for ethanol. We were then receiving $340 a tonne for sugar, so, clearly, we were not going to negotiate on the basis of anything below $360 a tonne. We can assume that either Transfield are a bunch of idiots or the research that the Parliamentary Library has done is grossly inadequate and appallingly incorrect. I have sat down with these people and gone over the figures in detail, as I have with the Colonial Sugar Refining Co. and many other participants in this industry. But I do not have to, because I have the submissions to cabinet of three separate Queensland ministries, received during my days in the Queensland government.

Let me move on. I really want to point out the difference between the Parliamentary Library document and the US Congressional Library document. Page 7 of the Parliamentary Library document says:

The Inquiry considers that the scope of the excise base should be broadened from `liquid petroleum products' to `liquid fuels... and/or compressed ... Therefore, the broadest fuel excise base within the terms of reference would include the currently excised petroleum based fuels ... while incorporating petroleum substitute fuels such as ethanol ...

What it is talking about here is market neutrality. It is exactly the same thing that the ALP was saying on this side of the House. Of course, there is no market neutrality in this document. They talk about the health of their people, the environment and the real cost to the United States when they run out of fuel. That is a philosophical difference; it is not a specific difference.

Now we come to specifics. They say:

... the danger to the community of not basing decisions on cost-effectiveness is an unnecessary loss in welfare. Every dollar spent unnecessarily on reducing greenhouse emissions also reduces the community's ability to fund other projects such as hospitals ...

The document says that people are dying as a result of the fumes coming out of petrol tanks. I draw the attention of the House to the *Journal of the American Medical Association* of 6 March 2002. It contains a case study on lung cancer, cardiopulmonary mortality and long-term exposure to fine particulate air pollution. It shows that when air pollution reaches the levels that exist in Sydney, Melbourne and Brisbane there is a doubling of the mortality rate from lung cancer. These are not my figures; they are figures produced in the *Journal of the American Medical Association*, the most distinguished medical journal in the world, which is not noted for publishing rubbish. Yet this document is talking about the cost of hospitals if we subsidise ethanol. Mr Deputy Speaker Barresi, I submit to you that if we cut down the number of people dying from lung diseases there will be one hell of a saving in our hospitals. It might be a good idea, just because less people will be dying from lung cancer. Mr Deputy Speaker, watch this space; there will be more information flowing on this issue.

On page 10 of this document there is a most curious assertion. It says:

The positive benefits relating to greenhouse gas emissions—primarily, reduced carbon dioxide emissions—depend upon how the ethanol is produced ... Ethanol produced from starchy crops, as in Australia—

wheat and sugar cane—

does not produce significant fuel cycle greenhouse gas savings over conventionally produced gasoline.

This document—the American document—says there is a 10 per cent reduction in greenhouse gas emissions and other benefits. The European document, the information bulletin to the parliaments of the 400 million people in Europe, shows the glaring inaccuracies in the Parliamentary Library's document. This is a European Commission document—you can see the stars and the circle. It is an action plan-information bulletin from the Directorate-General Energy and Transport on the promotion of biofuels and other alternative fuels for road transportation. It says, in relation to the investments required for converting to a six per cent ethanol regime, that none, in terms of infrastructure, can be used in existing vehicles and distribution systems and that no investment is needed.

A parliamentary document is saying, `The jury is out, and we don't know whether this will injure motor cars.' In fairness to the library, all this stuff is, of course, coming from government departments, which shows the

substandard level of information from these government departments. This is a draft information directive to the parliaments of 400 million people, and it is saying that no modification is needed to existing vehicles for a six per cent ethanol regime. So is the European parliament wrong and the information flowing to the Australian parliament right? I doubt it. I also doubt whether the information flowing to the American people is inaccurate and the information flowing to the Australian people, from their sources, is accurate.

I move on. Remember that this document said there is no benefit from the point of view of greenhouse gas emissions. The principal gas is CO2, which we are talking about here today. It says that environment, less emissions, gives around a 60 per cent CO2 reduction advantage. This is a document from Australia which, again, says:

> Ethanol produced from starchy crops, as in Australia, does not produce significant fuel cycle greenhouse gas savings over conventionally produced gasoline.

The European document says there is a 60 per cent advantage and ours says there is no advantage at all. One is completely wrong. Since the Americans agree with the Europeans, I suspect that the Australian document is very flawed indeed. In fairness to the library, I emphasise again that I got this information from government instrumentalities.

This is the directive of the European parliament and council on the promotion of the use of biofuels for transport. The European parliament and the council of the European Union have regard to the treaty established in the European community—particularly article 175.1 thereof. Item 8 states that, in its resolution on 18 June 1988, the European parliament called for an increase in the market share of biofuels to two per cent over five years through a package of measures. It then moves on to say they have adopted this directive. Article 3 says:

> Member States shall ensure that the minimum proportion of biofuels sold in their markets is 2% ... by 31 December 2005 and that this ***share*** increases, aiming towards a minimum level of blending, in accordance with the schedule set out in part B of the Annex.

Part B of the annex says that by 2010 the minimum amount of biofuels sold, as a percentage of gasoline and diesel sold, should be 5.75 per cent. The draft directive, which is now up for adoption by the European parliaments, is for content of 5.75 per cent by the year 2010.

In sharp contrast, the Australian government has abolished the ethanol industry on the basis of this flawed rubbish, every single page of which is, if not a lie, a flagrant misleading of the Australian public. It says:

> ... as an alcohol, ethanol contains the hydroxyl group giving it an affinity for water.

I do not want to read it all out, but what it basically says is that, since ethanol has an affinity for water—it absorbs water—it is very dangerous stuff. When Larry Johnson, the expert from the United States, came out I thought he put it very well. He said that there is one hell of a difference between petrol and ethanol. When you pour petrol into a stream, the fish die. This document says, on page 11, that petrol is better than ethanol because of its affinity for water—and there is another beauty waiting in here, but I will get back to Larry Johnson first. He said that, when you pour petrol into a stream, the fish die; when you poor ethanol into a stream, they smile. Ethanol is alcohol. A lot of us consume alcohol quite regularly. There is one hell of a difference between alcohol and petrol.

**Dr Stone**—Mr Deputy Speaker, I rise on a point of order. The point of order goes to relevance. I would like to draw your attention to the fact that the bill is about ozone protection and synthetic greenhouse gas management. Perhaps you could invite the speaker to return to the subject.

**The DEPUTY SPEAKER (Mr Barresi)**—Member for Kennedy, I must say that I too was a bit perplexed, considering that the bill is about the control of ODSs and not about fuels. Perhaps you can make that link.

**Mr KATTER**—I am very pleased that the parliamentary secretary asked that question, because, with all due respect to her, it shows her towering ignorance of what we are talking about here and the science involved. Ozone is produced from power stations—every single speaker has spoken about power stations—and from emissions from our petrol tanks. That is how it gets there. That is how the danger and damage to the ozone layer is caused. Every single speaker that I have heard speaking on this legislation has spoken about meeting the targets of the Kyoto protocol. If we are to meet the targets of the Kyoto protocol we must look at the power stations, which

I have referred to. Now I am referring to tailpipe emissions. If you want to reduce tailpipe emissions, you have got to do something about what you put in your petrol.

Ethanol has a 35 per cent oxygen content and, when it goes into petrol, the petrol burns one hell of a lot better because it is oxygenated. The American legislation on ozone talks about `ozone nonattainment'. I respectfully suggest to the parliamentary secretary that she get some of this information and read it so that she does not make herself look like a 24-carat intellectual featherweight by standing up and saying something so ridiculously off-centre. Returning to where I was before I was rudely and ignorantly interrupted, I note that this paper says that petrol has an advantage because it does not mix with water—

**The DEPUTY SPEAKER**—The member for Kennedy would know that it is quite in order for the parliamentary secretary or anybody else to call a point of order.

**Mr KATTER**—Yes. The petrol floats on top—that is what this document says—and you can skim it off. I have got this image in my mind of people running around all the creeks and pools of water in Australia skimming petrol off the top of the water. If ethanol gets into a watercourse, it does not make a difference. *(Time expired)*