



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

Renewable Fuel Bill 2013

First Reading

SPEECH

Monday, 24 June 2013

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Page 6622
Questioner
Speaker Katter, Bob, MP

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Mr KATTER (Kennedy) (11:33): The rest of the world has moved to ethanol, and once again Australia is wildly out of step with the rest of the world. I hold up here, and I am quite happy to table, a map which shows all the Americas, with the exception of a tiny little piece up here—

The DEPUTY SPEAKER (Ms Owens): The member for Kennedy has made his point with the map.

Mr KATTER: are under ethanol, and all of Europe, China, India, South-East Asia and even half of Africa. In fact, the only country on earth without ethanol outside the Middle Eastern and Russian oil-producing areas is Australia. The only country on earth without ethanol is Australia.

The Americans are the biggest producers of ethanol in the world now by a long way. They are much bigger than Brazil. Their original ethanol bill was not for renewable energy and not to help their farmers but was a health bill. It was the air quality control bill in the United States which first introduced ethanol right across all of America. Mr Iemma, former ALP Premier for New South Wales and probably one of the few people with a sense of decency in politics in Australia today sadly has left politics. He said he could not go another day having upon his conscience the death of hundreds of people in his state that did not have to die.

What precipitated the action in the United States was the lung cancer cardiopulmonary mortality and long-term exposure to fine particulate air pollution report that was done in California. The graph is here for all to see. When there is a doubling of motor vehicle emissions, there is a doubling of the death rate from lung cancer and other lung and heart diseases. To quote the head of the AMA:

More people die from motor vehicle emissions in this country than die from motor vehicle accidents.

I find it silly for me to get up in this place and talk about farm suicides. No-one cares. It is silly for me to get up and say that maybe 2,000 people die in Sydney and Melbourne every year that simply do not have to die. Only one leader in this country in recent history has acted upon that matter. The LNP, to their shame, almost halved the 10 per cent in New South Wales down to 6½ per cent.

The reduction gives you some indication of a reduction in the dangerous emissions. I think there are 23 reports in the US Congressional Library and 21 of them say that it is around 28 per cent reduction in CO₂. I emphasise that I am not particularly worried about the CO₂ but I am very worried about the deadly emissions that are associated coming out of motor vehicles. If CO₂ is reduced by 28 per cent, clearly the other emissions are going to be reduced as well.

In the case of sugar cane, it is more like 72 per cent. Those figures vary dramatically. If you are burning cane, obviously you get more. For those who are worried about CO₂ in this place, my party holds to the position that there is a problem that will arise in the oceans so there should be some restraints on CO₂, but also massive restraints because you burn ethanol and CO₂ goes up, you burn petrol and CO₂ goes up. The huge difference in the case of ethanol is that the grain and sugar cane pull it back down again next year, so it is just going up and down like a yoyo. It does not go up there and stay up there.

I addressed a meeting in Meridian in Western Australia of 1,063 people from the grains industry in Australia. They were grain growers in a desperate plight. I know many of my friends in the grain industry are up against the wall. In the sugar industry, even though we have had good prices for the last three or four years, the long-term outlook for sugar is dreadful. We have sold all of our sugar mills and they would never have done that if they saw long-term future in the industry.

We also have a dreadful situation where maybe 200,000, 300,000 or 400,000 head of cattle are going to die of starvation. If this was America that situation would not exist, because they now produce over 100 million tonnes of super high-grade feed called distillers grain. It is a by-product of the ethanol industry in the United States. I

have information for those who say, 'We can't replace fuel production with food production; people will starve.' The American report I am holding—and this is also in the Australian report, that coloured document—says that one tonne of distillers grain replaces 1.22 tonnes of corn. In actual fact, we end up with more feed from distillers grain. The reason for that is that the starch is removed, so you have an infinitely more valuable product. You can put dead grass in with this product and get an outcome which is almost as if you are lot feeding. When ethanol came in there was said to be a 15 per cent improvement in grain prices. It was tremendously helpful for the grains industry, and we look forward to the same outcome in the grains industry in Australia.

In the sugarcane industry about 60 per cent of Brazil's production went into ethanol, not sugar. We went into sugar. For something like 11 years, we were on \$274 a tonne whilst half of Brazil's production was on over \$400 a tonne. They were murdering us in the international marketplace. We worked at a loss for a period of 11 years in that industry. Most of my growers will never get out of the debt was incurred in those years.

No-one seems to be particularly worried in this country that we have, probably, one of the lowest self-sufficiencies in petrol of any advanced country on earth. We went from a position where we had 90 per cent self-sufficiency some six or seven years ago, and now we are down around 35 per cent. I will not take the time of the House to pull out the graph, but the graph is there. The federal government's bureau of resources graph indicates that we are at about 35 per cent self-sufficiency now.

Every year we send \$19.5 billion overseas to the Middle East oil-producing countries. The United States is no longer sending their \$230 billion. They will be self-sufficient in oil. Instead of sending that \$230 billion to the Middle East, that money will go into the American economy. Madam Deputy Speaker, wouldn't it be wonderful if we had a government that was a little bit enlightened here and that would take that \$20 billion and put it into rural Australia, where it would yield enormous benefits for us! But, no—we send it over to the Middle East. It is incompetence on a grand level. When I filled up my motor car in Sao Paulo it was 74c a litre in Australian dollars. When I filled it up in Minnesota in the United States it was 84c a litre. Why? Because those two countries have ethanol, which is considerably cheaper than the price at which you can buy oil anywhere in the world. When I came back to Australia it was \$1.39 a litre. In our sugar mills we can produce electricity for virtually nothing. Cheap electricity, cheap petrol— (*Time expired*)

Bill read a first time.

The DEPUTY SPEAKER (Ms Owens): In accordance with standing order 41(c), the second reading will be made an order of the day for the next sitting.