

The Committee Secretary, Senate Select Committee on Fuel and Energy,

By 2015 Australia is expected to be 80% dependent on imported oil which Australia is unlikely to be able to afford.

If Australia is to avoid a major foreign debt, it will have to boost its exports and slash its imports. As oil imports promise to be the biggest single cause of the blow out of Australia's foreign debt, the building of a major ethanol industry becomes a major priority for the Federal Government.

Australia is ideally situated with the land, water and climate to be one of the few nations capable of building a major sugar based ethanol industry. Based on current ethanol yields from sugar cane, using about 42% of the sugar cane crop would provide 10% ethanol in all petrol driven cars. However, second generation ethanol production, using both sugar and the cellulose fibre, and higher yielding new sugar cane varieties, are highly likely to produce far higher yields of ethanol per hectare.

Further, there are huge black soil plains in Western Queensland that could be turned over to sugar cane if some of the water resources of North Queensland are tapped for sugar cane irrigation.

Brazil built a major ethanol industry in the face of crippling oil imports during the 1970s oil crisis. It is now the Japan of South America.

AUSTRALIA NEEDS TO FOLLOW THE EXAMPLE OF BRAZIL.

Mr Leon Voesenek,