

**ETHANOL: TWO PERCENT MANDATE FROM SEPTEMBER 2007**

*NSW State Plan Priority E3: Cleaner air and progress on greenhouse gas reductions
NSW State Plan Priority P6: Increased business investment in rural and regional NSW*

Wednesday, 14 February 2007

The NSW Government will introduce a 2 per cent ethanol mandate from September 2007, Premier Morris Iemma announced today.

“The time for talk on ethanol is over, it is now time for action on achievable targets,” Mr Iemma said.

“If re-elected, I will mandate from September this year a minimum of two per cent ethanol be blended into the total volume of petrol sold in NSW as a first step towards 10 percent ethanol content by 2011.

“This decision is a win for farmers, a win for jobs, a win for the environment, and a win for the hip pocket when it comes to fuel costs for families.

“Each supplier of wholesale fuel for sale in NSW will be required to provide evidence on a quarterly basis from September that ethanol makes up at least 2 per cent of the total volume of petrol they sell in NSW. That evidence will be made public.

“This is a volumetric mandate which means that petrol outlets can sell any blend, provided ethanol makes up a minimum of 2 per cent of total NSW sales.”

Mr Iemma said that today’s decision follows the August 2006 formation of the NSW Ethanol Taskforce which has been working through these issues.

“I thank the members of the Taskforce, and all those who have made submissions, for their considered input,” Mr Iemma said.

“The Taskforce will continue to provide advice to the Government on compliance and enforcement issues, and whether sufficient production capacity is present within NSW to support further staged progress towards a 10 per cent mandate in 2011.

“This decision not only means more investment and jobs in rural and regional NSW, there are also convincing environmental and financial reasons for the mandate.

“Greenhouse gas emissions will fall by between 2 and 7 percent, according to some estimates.

“Ethanol is a renewable energy source that diversifies our energy supply and lessens our reliance on fossil fuels and Middle Eastern oil”.

“Because this mandate applies to the total volume of fuel, motorists will still have a choice of fuel at service stations in NSW”.

“It’s no secret we would prefer a national system and a national market, but in the absence of one, the mandate I’m announcing is a win for NSW families”.

“There’s more to do to make our air cleaner and our regional economy stronger, but today’s decision shows we’re heading in the right direction”.