

# Fuel for Thought

## Lifeblood of the State?

As we've often talked about in this column, QER is working to develop a new source of high quality, Australian-made diesel.

Some people have asked: 'why diesel, when the world is looking for replacements for hydrocarbon based fuels?' I thought it might be good to explain where diesel fits in to our State economy.

While there will be a growing market for important innovations such as electric cars and hybrids into the future, diesel is a hard fuel to substitute. It contains a lot of energy for its volume, and it is very good at generating torque – the pulling power needed to move heavy loads. New sources of diesel such as biofuels and QER's kerogen fuel will be important in the future, as conventional oil reserves are depleted and the imports on which Australia now relies become more expensive and difficult to access.

Queensland uses some 6.3 billion litres of diesel each year. (That's enough to drive a Landcruiser to the sun and back around 4,200 times, though I wouldn't recommend it). It's equivalent to over 1,300 litres per person across the State, which seems like a lot, until you consider all the things it's used for.

Queenslanders use about 45% of it for road transport – connecting people, keeping our tourism industry going and delivering the goods we buy in our shops and supermarkets. We use 37% in the mining industry. That is obviously important for Gladstone industries – such as alumina and aluminium production, chemical manufacture and coal export. About 7% - over 430 million litres - gets used in agriculture, fuelling over three and a half thousand agricultural businesses in Central Queensland alone. These include beef cattle operations, broad-acre farm operations (such as cotton, wheat, sorghum) and fruit and vegetable farms.

90% of Australia's diesel is currently derived from overseas sources which are rapidly being depleted, as the world consumes around 96 million barrels of oil per day, and that demand continues to grow by about one million barrels per day every year.

Into the future therefore, QER's kerogen-based diesel has the potential to be an important part of Queensland's fuel mix. It will play a vital role in the Queensland economy, not only generating jobs in its own right, but also helping sustain the jobs of our State's other important industries and the wonderful quality of life we Queenslanders have come to enjoy.



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Creating new fuels for Australia

[www.qer.com.au](http://www.qer.com.au)

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