



Speech by

Fiona Simpson

MEMBER FOR MAROOCHYDORE

Hansard Wednesday, 6 June 2007

CLEAN COAL TECHNOLOGY SPECIAL AGREEMENT BILL

Miss SIMPSON (Maroochydore—NPA) (Deputy Leader of the Opposition) (5.23 pm): The coal industry is extremely important to the future of Queenslanders, but there is a desperate need to ensure that it is sustainable not only economically but also environmentally and socially. That is why we support the development of innovative technologies that will allow clean coal technology to take our industry into the future. If this were an easy issue it would have been done to date. Anything that requires new technology takes significant investment but also requires real partnership with those in the industry who are at the coalface, so to speak, of making this industry work.

The COAL21 Fund has been set up and funded by a voluntary levy on coal producers of 20c per tonne of coal produced to demonstrate promising technologies for reducing greenhouse gas emissions from coal-fired power stations. This will result in an estimated \$600 million being raised by Queensland coal producers over the next decade and will be managed by ACA Low Emissions Technologies Ltd, or ACALET.

Recently, the Premier backed down over plans to increase royalties paid to the government by coal companies but will legislate to make coal producers in this case pay a so-called voluntary 10c levy for every tonne of coal sold, increasing to 20c from 1 July this year. I say 'so-called voluntary' levy because there was the threat that if the coal companies did not participate they would face an increase in royalties and potentially funds being given to one particular project.

The industry has already begun a joint assessment with the Queensland government of a major \$300 million integrated gasification combined cycle or IGCC project with near zero emissions in Queensland where more than half the nation's black coal is produced.

The bill before the House will allow the Clean Coal Council to be formed to make recommendations to the Premier on the allocation of funds equivalent to those raised from Queensland producers from the COAL21 Fund for the research, development and demonstration of clean coal technologies. This bill will authorise the Premier to enter the Queensland Clean Coal Agreement with ACALET. The bill, together with the Queensland Clean Coal Agreement, will give the Premier the final decision on which projects are funded and the amount provided from the COAL21 Fund.

While the Australian Coal Association has professed satisfaction with the agreement, this agreement and satisfaction only occurred, as I mentioned before, after the Premier threatened to raise coal royalties to fund his favourite ZeroGen project. The Premier had placed a high priority on this project but it lacked the support of the coal producers and was competing for funds with other industry initiated projects. This pet project of the Premier's has dominated much of this government's attention in regard to clean coal technology. We say that there must be new technologies delivered but without it being a political decision, one that stands up to the scrutiny of best practice technology and puts in place the appropriate probity where there are government funds potentially allocated.

The climate change debate has taken centre stage at both state and federal levels. Certainly the issue of ensuring that clean coal technology is able to maintain this state's competitive edge while meeting its environmental responsibilities is absolutely critical. The various available technologies and the need for

a commercial method of capturing and containing the carbon produced by the burning of coal for carbon generation or smelting and other uses means that there is huge competition between competing projects.

As the shadow Treasurer and member for Moggill outlined, there has been considerable criticism of this Beattie Labor government's one-eyed fascination with one particular project, ZeroGen, and the fact that industry had grave concerns about that one-eyed support. I will outline more of those concerns and our approach to this particular bill when we resume the debate.