



Speech by

## Fiona Simpson

MEMBER FOR MAROOCHYDORE

Hansard Thursday, 7 June 2007

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### CLEAN COAL TECHNOLOGY SPECIAL AGREEMENT BILL; APPROPRIATION BILLS

**Miss SIMPSON** (Maroochydore—NPA) (Deputy Leader of the Opposition) (12.35 pm): At the outset, I advise the House that I am actually speaking to the Clean Coal Technology Special Agreement Bill. I will finish the contribution I was making before the debate was adjourned yesterday evening. I have discussed with the Speaker this issue. He said that I was able to continue my speech on the clean coal bill and speak in the appropriation debate later. He said I could delay my contribution to the clean coal debate until after the Leader of the Opposition, the member Callide, and the shadow Treasurer, the member for Moggill, made their contributions to the cognate debate. The appropriation bills are usually recognised as the most important bills to be introduced into the House each year.

I will now complete my contribution to the clean coal legislation. It could be said that, despite the Coal Association's endorsement of the agreement, it had no option in the face of the Premier's threat to increase royalties. The Premier's previous blanket endorsement of his flagship, the ZeroGen project, was quietly dropped. The Premier explained this by saying—

ZeroGen I seized on because it really is just a signal for a gasification project—I seized on it as one of the ones that had a pilot (project) that work was being done on.

To be perfectly frank with you I don't care as long as it's leading edge and in Queensland.

Yet if we were to track the press releases from the Premier he certainly did care about this particular project. It underlines the Premier's propensity to ignore or disregard advice on practical and viable options in favour of choosing high-profile vanity projects.

The amount of money from taxpayers' coffers that has been spent on ZeroGen is not clear. I would certainly welcome the government's advice in this regard. I understand that approximately \$29 million has been spent on clean coal technology in the last year. I would welcome the government's advice on how much of this was spent on ZeroGen. I note that ZeroGen was part of Stanwell. The retiring Coordinator-General was previously at Stanwell. In July 2002 he returned to the position of Coordinator-General. Since that time ZeroGen was recognised as a significant project.

The Clean Coal Council will comprise at least 11 members including chair—five government representatives, five representatives of the Queensland black coal industry nominated by ACALET, as well as other persons the minister considers suitable. The minister appoints the council members and determines the terms of office and conditions of office. The minister may also delegate his functions to another minister.

The functions of the council are purely advisory and include advice to the minister on priorities for funding, recommendations for project funding and reporting on prerequisites for funding and coordinating international research collaborations. The council may also report to the minister on its own initiative for a request for funding. The agreement determines how the voluntary funds will be collected and spent and commits to allocate \$300 million to an integrated gasification combined cycle plant in Queensland. Such a plant is to be determined by the Premier.

It also determines that the CS Energy oxyfuel project will be funded from the Queensland contribution. The agreement may be terminated if there is any change to the method of calculating the increase of royalties or introduction of any new fee, tax or other impost on Queensland coal producers for the purposes of increasing funding for the initiative. However, any existing agreements in place will continue. It could therefore be construed that, in exchange for their agreement, the voluntary levy contribution and willingness to allow the Premier complete control of how funds will be spent, the council has been given an assurance that royalties and other fees will not be increased. However, we would seek the government's clarification on that. The agreement also states that in the case of the introduction of a state or federal carbon tax any Queensland contributions to projects are recognised as an offset against those contribution obligations.

It is likely, though not confirmed, that the Queensland clean coal board announced by the Premier on 26 July will be disbanded and any work handed to the new council. There is not a determination as yet about how the intellectual property issue will be determined. Again, it looks likely that, although the council will consider this, the Premier could have the final say. As the issue of the value and holding of intellectual property rights is a major issue in its own right, given the large amounts of money involved, the ultimate value of any technologies and the stated desire to involve other funding and research partners, this could be a major concern. There is also no provision for a dissolution of the agreement except in the case of the government increasing or imposing royalties or fees and taxes or a mutual agreement to cancel the agreement. This means that ACALET is bound by the agreement and that the Premier will ultimately retain complete control of all funds regardless of the opinions of the five producer representatives.

This brings us to the major concern that the state coalition has. We support the need for innovative technologies. However, we have a grave concern that the Premier has set things up where there is no independent scrutiny and there is no accountability up to \$600 million worth of funds, yet the Premier has ultimate control in how those funds are spent—funds of industry, funds which are required to develop this technology but funds in an environment where increasingly the line between the private and public sector is blurred and the need for new probity measures to ensure that governments are held accountable are strengthened. We not only need clean coal technology; we need clean hands from this government on how it handles other people's money.

That is why the state National-Liberal coalition has an amendment on the table which we will be seeking to move later on with regard to the recommendations of the council having to be tabled here in the parliament. It is vital that when we are talking about amounts of money such as this it is not just a slush fund for the Premier's pet project but there is genuine accountability and scrutiny of how those funds are spent to ensure that they are spent in the wisest way. We have already raised issues of concern with regard to ZeroGen, but while the bill and agreement seem to have the endorsement of Queensland producers and dedicate industry funds to accelerating the development of clean coal technology but beyond the scrutiny of how those funds are allocated, the concern is that the Premier has the final say on how, where, when and what these funds will be spent on, and that, we believe, requires mechanisms to provide scrutiny.