



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Tuesday, 5 June 2007

MINISTERIAL STATEMENT

Climate Change

Hon. PD BEATTIE (Brisbane Central—ALP) (Premier and Minister for Trade) (9.46 am): Members will be aware that on Sunday I released, on behalf of my government, the ClimateSmart 2050 policy. As we all know, climate change is one of the greatest challenges facing Queensland and the world. It affects everyone—individuals, communities, industries and countries. Here in Queensland we are already experiencing the impacts. The good news is that we can all be part of the solution. On Sunday I released the Queensland government's strategy—ClimateSmart 2050.

We are working hard to find a balance in reducing emissions while ensuring that we keep the costs of energy down, our economy buoyant and jobs in the vital coal industry secure. We have done a range of things up until now, including vegetation management, our first energy policy in 2000 and our investment in clean coal technology. The Treasurer will be introducing legislation later today in terms of the agreement we reached with the coal industry on investments in clean coal technology.

What I spelt out on Sunday was an investment of \$414 million in the strategy. It lays out my government's plans to lower greenhouse gas emissions. It provides new funding to develop new solutions and to assist every Queenslanders to make a contribution. The most significant part of the strategy relates to the Climate Change Fund. This \$300 million fund will allow us to develop new technologies like hydrogen fuel cells and clean, quiet technology which promises far wider application than its current limited use.

The fund will also allow us to drive and support the creation of solutions across every aspect of our lives. Interest from the fund—some \$20 million each year—will allow us to fund new ideas and inventions as our knowledge of climate change science increases, as it does rapidly. In addition to new energy technologies like hydrogen fuel cells, we will be looking to invest in emerging technologies in areas including agriculture, transport, building design, construction and water.

We have set a renewable and low emissions energy target of 10 per cent by 2020. We have also set an increased component of gas in our system, rising from 13 per cent to 18 per cent by 2020. I table for the information of the House a carbon dioxide geosequestration tenure admission discussion paper. I also table for the information of the House the ClimateSmart 2050 policy document.

Tabled paper: Document, dated 2007, by the Queensland Government Department of Mines and Energy, titled 'Carbon Dioxide Geosequestration Tenure Administration—Discussion Paper'.

Tabled paper: Document, dated June 2007, by the Queensland Government titled 'ClimateSmart 2050—Queensland Climate Change Strategy 2007: A Low-CarbonFuture'.

I seek leave to incorporate the rest of my ministerial statement in *Hansard*.

Leave granted.

WHAT HAS THE GOVERNMENT DONE UP TO NOW?

The Government has been actively working to address climate change through a variety of projects.

Vegetation Management

We stopped broadscale land clearing of native vegetation on 1 January 2007.

This is cutting greenhouse gas emissions by an estimated 20 million tonnes each year.

Australia met its Kyoto targets on the back of this landmark Queensland achievement.

Energy

In 2000 we introduced our Cleaner Energy Strategy

- The 13% gas scheme has delivered \$1 billion of investment into the coal seam gas industry since then
- 30,000 hectares of forest have been planted in Queensland by power stations for timber production and carbon sequestration since 2001
- annual installation of solar hot water systems increased from 1000 in 2000 to 12,000 in 2005, eliminating 1.8 million tonnes of greenhouse gas each year.
- Since 1999 the Queensland Sustainable Energy Innovation Fund has committed \$6 million to over 60 projects. We're supporting the development of innovative energy technology saving 16,800 megawatt hours of energy and 20,000 tonnes of carbon dioxide emissions each year.

Clean coal investments

Queensland Government has invested \$300 million from the Queensland Future Growth Fund to develop clean coal technology through a world-first integrated gasification combined cycle plant and carbon sequestration project.

Combined with \$600 million from the coal industry this makes a total investment of \$900 million.

This has the potential to achieve deep cuts in greenhouse gas emissions and

Gives us the potential not just to secure the jobs in our vital coal industry—but to sell clean coal technology to China, India and the United States.

We've already made a commitment to the introduction of an emissions trading scheme by 2010.

Biofuels

The Government is supporting the Queensland ethanol industry by mandating a 5% blend of ethanol for all petrol sold in Queensland by 2010.

Climate Change Centre for Excellence

Earlier this year I opened the Queensland Climate Change Centre of Excellence—the first of its type in Australia, which is bringing together some of the smartest minds in science and policy on this important issue.

Renewable Energy Fund

Under this strategy we will also be providing \$50 million for a Renewable Energy Fund.

This Fund will promote research and development into renewable energy and will help us meet our commitment to a renewable and low emissions energy target of 10% by 2020.

Grants from this fund will be disbursed via a competitive bidding process and assessed by expert.

We want to attract cutting edge work on solar thermal and geothermal technologies.

\$7.5 million from this fund will go to support the CSIRO's solar thermal demonstration plant.

At least three potential locations have already been identified and together with CSIRO we are considering their suitability.

The entire demonstration plant will consist of at least five solar towers and mirrors with the balance of the plant dedicated to gas handling and an electricity generating plant.

The solar thermal process uses solar energy to reform natural gas (or other sources of methane) into 'solar gas' effectively storing solar energy.

Solar gas has a 25% higher heating value than natural gas and when used as a combustion fuel for electricity generation is expected to have at least 25% lower carbon dioxide emissions.

We will also be funding an investigation into additional sources of hot rocks for geothermal energy which exists close to existing transmission lines.

Smart Energy Savings Program

A \$55 million Smart Energy Savings Program to help business get energy smart, saving an estimated 3280 kilotonnes in greenhouse gas emissions and an estimated \$78 million in energy costs.

We will require businesses that are medium to large energy users to audit their energy use and take action to cut their emissions.

They will be given a three-year period to cut their emissions with assistance from a savings fund.

We expect this will save 4,100 gigawatt hours in electricity.

This fund is about helping business to get ready for a low emissions future—and they will save water, money and energy as a result.

Helping all Queenslanders

We want everyone to be able to do their bit and under this strategy we will be providing a range of assistance including:

We will provide Climate Smart Homes rebates—\$7.25 million to help people living in remote areas of the state to install greenhouse friendly hot water systems, more efficient refrigeration and insulation etc. This will help lower emissions and lower individual's power bills.

This complements our \$14.25 million Energy Choices program which helps all Queenslanders move to renewable energy sources and lower their energy use.

People will receive gas rebates, free low energy light bulbs and other practical help under this project.

We'll also provide a Home EnergyWise program like we're providing for homeowners in the South East currently to make their homes more water efficient. The energy version will offer practical help to families wanting to cut energy use in their homes.

We will also establish a Queensland feed-in tariff for solar power. This will allow us to pay people whose home solar systems put power into the system.

And we'll be urging a behavioural change through an education campaign—Climate Smart Living.

There will also be a mandatory phasing out of electric hot water systems from 2010. We'll provide assistance to owners of existing homes to help them make the switch.

Gas

We will increase the percentage of Queensland's energy generation being produced by gas.

At present our very successful Gas Scheme sets a target of 13 percent of the State's energy to be gas generated. By 2020 that will rise to 18 per cent.

This is a vital step in the lead up to the introduction of any emissions trading scheme.

Carbon Storage

We will spend \$10 million to identify future geosequestration sites to allow the safe storage of carbon dioxide emissions over the long-term.

CO₂ is produced from burning coal and other fossil fuels for electricity generation.

The safe and secure underground storage of CO₂ will be a vital part of the development of a clean coal industry. We know where potential storage locations are, but we need to make sure the sites are safe and secure for gases like CO₂ and assess their storage capacity.

The initial sites we have targeted for assessment are around the Galilee Basin in the State's central west and Denison Trough in central Queensland, but further research may reveal more locations.

Planning

I am also announcing today new planning standards for all commercial buildings by 2010.

We will mandate four-star energy efficiency from that year—this will provide a reduced reliance on artificial heating and cooling.

The Australian Building Greenhouse Rating Scheme will be used as the rating team.

There will also be a state planning policy for climate change to ensure that we take into account climate change issues when approving planning schemes and making development assessments.

We'll also be practising what we preach—all Queensland Government office buildings will be carbon neutral by 2020.

Transport

Transport is Queensland's fourth largest contributor to greenhouse gas emissions.

We're continuing our strong support of public transport—spending over \$700 m this financial year on trains, bus and ferry services.

This includes rail network upgrades and new busways.

We're also supporting the construction of new cycleways and walking tracks and funding cleaner buses.

Primary Industries

I want to acknowledge the contribution our farmers have made through the adoption of the native vegetation management act.

Today I can announce that we will implement a Queensland Carbon Offsets Policy which will allow industry to purchase carbon offsets. We will investigate the potential for regrowth vegetation to be used as part of this scheme.

In addition under an initiative called Green Invest we will develop a mechanism to allow businesses faced with unavoidable negative environmental impacts as a result of their actions to offset those through investments in sectors like agriculture and forestry.

Applied on a large scale this will reap an environmental dividend.

Summary

Queensland has already taken action on climate change. Climate Change 2050 gives us a lot of work to do, but with realistic targets and it provides assistance to every sector of our community as we make these tough but necessary changes.

By taking action now we project we can reduce emissions by about 34% to 50.9 million tonnes by 2020.

If we do nothing, Queensland would be emitting 63.7 million tonnes of CO₂ (172% of 2000 levels) into the atmosphere by 2020.

Under our plan by 2020, the use of clean coal technology and renewables will be making a real difference in greenhouse gas reductions.

We are committed to a 60% reduction in greenhouse gas by 2050—stopping 14.8 million tonnes of greenhouse gas entering the atmosphere.

It's a big ask. It's a tough problem, but each of us can help to provide the solution.