




Speech By
Colin Boyce

MEMBER FOR CALLIDE

Record of Proceedings, 17 June 2021

APPROPRIATION (PARLIAMENT) BILL

APPROPRIATION BILL

 **Mr BOYCE** (Callide—LNP) (11.26 pm): I rise to make a contribution to the Appropriation Bill 2021, but before doing so I would like to join with my parliamentary colleagues from all sides of the House in recognising Mr Duncan Pegg. I send my sincere condolences to his family.

Once again we see a minimal budget spend in the big rural electorates such as Callide. The Callide electorate is, of course, a significant revenue contributor to the state and the nation through major industries such as agriculture, mining, resources and energy generation. Relatively speaking, it has been overlooked in the budget yet again.

It was pleasing to see \$8.6 million allocated to the replacement of the John Peterson Bridge at Mundubbera, which is a project for which the community has lobbied hard for many years. I know that former councillor and local identity Mrs Faye Whelan will be most pleased. That \$25 million project has attracted a \$20 million funding contribution from the federal government courtesy of federal member for Flynn, Mr Ken O'Dowd.

While I am talking about bridges, it is most concerning and disappointing that there is an allocation of only \$19.5 million to the bridge replacement program. Of all the old bridges throughout the road network in Queensland that need replacing, the Labor government can fund little more than one of them. Again I draw the attention of the House to the Auditor-General's report that identified the bridge replacement program as grossly underfunded. My constituents will be furious to know that there is an allocation in the budget of \$2.5 million of an estimated \$10 million spend for the South Brisbane bikeway network. Incidentally, one could classify the electorate of the transport minister, Mr Bailey, as South Brisbane. Furthermore, there is a \$12.148 million allocation to cycling programs throughout Queensland. Of course that takes precedence over vital road infrastructure projects in rural and regional Queensland that provide connectivity for important money-generating mining, resources and agricultural products and services.

It is also pleasing to note in the budget a \$3.5 million allocation to the redevelopment of the Moura Multipurpose Health Service, including renewal and upgrading of aged-care facilities. This is part of a \$7.2 million cost estimate, and once again it pales into insignificance when you compare it to the \$40.3 million financial year spend on hospital car parks in the south-east corner. This is part of a total cost estimate of \$162 million. I am guessing the government has to provide for more space for ambulance ramping.

There has also been some moneys allocated to some of the 60-odd schools in the Callide electorate, namely Taroom, Gin Gin, Calliope, Chinchilla, Bullyard, Coalstoun Lakes, Jambin, Monto, Prospect Creek and Thangool schools respectively. There has also been some road upgrades in the Gin Gin area and the replacement of a 66-kilovolt powerline from Childers to Gayndah—a \$30.25 million spend of a \$75.86 million cost.

I would like to use the rest of my time to make some comment in relation to the energy sector, specifically what has happened at Callide Power Station, and proposed hydrogen production, all mentioned, albeit briefly, in the budget papers.

Very recently we have seen a major failure of Callide C4 coal-fired power generator. An explosion of compressed hydrogen in the C4 generator has led to the destruction of the turbine shaft which has led to the shutdown of the entire plant. Further ramifications of the event caused the tripping out of Stanwell and Gladstone power stations, causing widespread power outages, resulting in energy failure chaos throughout the state.

Hydrogen is used as a coolant for the electrical generators at Callide Power Station, and the explosion at the Callide C4 generator is an example of just how dangerous it can be, given certain circumstances. There will be many ongoing investigations into just exactly what has happened in the lead-up to the generator failure and the results of the aftermath. I know there are questions being asked about the integrity of the footings and only an extensive geo-survey will determine the outcome.

There are two things that are clear with regard to this episode: one, the Callide C4 generator and turbine shaft have been destroyed and, two, the state's electricity grid is reliant on coal-fired power generation. The renewable energy sector, whilst it tried, failed in making up the energy shortfall.

Minister de Brenni has made a commitment to replace the generator and turbine, however there has been no allowance made in the budget, presumably because CS Energy and co-owner InterGen are pursuing insurance claims, and my experience in that sector says it will take a considerable amount of negotiating and time. All that aside, I would argue that given the generator and turbine are write-offs, then so is the boiler and associated coal plant, as one complements the other, even though it has emerged unscathed.

I can only imagine the cost of the repairs to Callide C4 will run into the hundreds of millions of dollars. Rather than investing in the 25-year-old technology of the Callide C4 plant, we should be investing in the latest ultra-supercritical, high-efficiency low-emission coal-fired technology. This would boost efficiency of coal-fired power stations upwards of 45 per cent and produce lower carbon emissions. It would also provide greater energy security for Queensland business and industry, which the renewable energy sector is not capable of.

At the recent G7 meeting in England, Japan insisted that there should only be transition away from building and financing unabated coal power. This was agreed to by the world leaders at the meeting, recognising Japan's request to continue to develop their nation with coal and gas-fired power stations that use carbon reduction technology.

Japan is proposing to build 22 new coal-fired power plants; China, 127; India, 27; and Vietnam, 17. Australia exports \$70 billion worth of the best coal in the world to these countries so that they can provide cheap, reliable electricity to their businesses, industries and peoples, yet we deny that opportunity to Australians. This argument is driven by the mind-numbing, eco-Marxist millennials and upper middle-class wokes who have been indoctrinated with some quasi-religious belief that coal is bad and carbon dioxide is poisoning the planet.

China's coal-fired power generation grew by 38 gigawatts last year, the equivalent of 19 Liddell power stations. Japan has just signalled to the world that it will support, produce and use coal-fired generation technology now and well into the future and it wants Australian coal, the cleanest and best coal in the world.

Brisbane is the biggest coalmining town in Queensland. There are 50,000 jobs that rely on the coal industry. Everybody relies on coal-fired power generation in Queensland.

I have a question to the Labor Party, to those opposite: do you support the coal industry? Will you support the building of a new ultra-supercritical coal-fired power station at Callide?

Mr DEPUTY SPEAKER (Mr Kelly): Through the chair, please, member.

Mr BOYCE: Or are you going to continue the hypocrisy—

Mr DEPUTY SPEAKER: Through the chair, please, member.

Mr BOYCE:—of relying on coalmining and coal exports to other industrial nations that is an indispensable revenue stream for the state of Queensland, and limit and stop the use of the most abundant, cheap and efficient energy source that we have in Queensland?

If the Labor government does not support new technology coal-fired power generation, how can it guarantee the viability of heavy industry like the Boyne Island alumina smelter at Gladstone? Remember, this smelter was offline for approximately three hours during the Callide Power Station event. It can only stand five hours offline, then the potlines freeze over and it is all over.

As the government pursues its 50 per cent renewable energy target, we will end up in the same position as Victoria where Portland Smelter has recently been underwritten by the federal government to the tune of \$76 million because of an electricity demand management strategy implemented by the Victorian government. In short, there is not enough peak load power in the system to keep everything going in Victoria. Portland uses 10 per cent of Victoria's generating capacity.

Hydrogen will be the answer that those opposite will champion, but as we all know—and the Labor Party has admitted this—the commercial production of industrial quantities of hydrogen is economically unviable at this point in time with the available technology. We have heard many times the Labor Party spruik the merits of hydrogen, particularly green hydrogen, produced by using wind and solar to power electrolyzers that split the water molecule into hydrogen and oxygen.

Recently I attended a conference, Developing Queensland's Hydrogen, hosted by the Committee for Economic Development of Australia where Minister de Brenni was among the guest speakers. Hydrogen needs to reduce production costs to \$2 a kilo to make it economically viable. Current production costs are in the order of \$9 a kilo. The biggest single production cost is electricity, approximately 80 per cent of the total cost. At the conference, we were told that there are conversations around ideas of making hydrogen electrolyzers exempt from electricity costs to bring down the cost of hydrogen production. To me, this idea is economic insanity.

The renewable energy sector, which is supposed to supply green hydrogen production, is already heavily subsidised through energy generating credits. If we were then to subsidise hydrogen electrolyzers which use renewable energy, we are subsidising alternative energy production twice, which is absolute madness. Ultimately the people who will bear the cost of this idea are the people who can least afford their electricity bill. If hydrogen is to become the world's new energy source, it will have to find another way or develop better production technology.

For now, we should be investing in the latest ultra-supercritical coal-fired power technology and use the plentiful coal resource we have. In closing, I reiterate my support for the coal industry and for coal-fired power. Coal is king and will be for many years to come.