

Printed May 26, 2008 11:21am AEST

Seabed plan to capture carbon

Matthew Franklin, Chief political correspondent | May 23, 2008

PARTS of the Australian seabed will be offered for tender for carbon capture and storage ventures as early as December as the Rudd Government moves to respond to climate change without devastating the coal industry.

Resources Minister Martin Ferguson told The Australian yesterday he would finalise the world's first legislative framework for carbon sequestration within months, clearing the way for greenhouse gases collected from coal-fired power stations to be injected through the seabed and captured in geological formations similar to those in which oil and gas are found.

And Mr Ferguson said calling for tenders this year would encourage investment and commercialisation of the technology, which he described as a safe way to allow continued carbon-based power generation with reduced impact on the environment.

Mr Ferguson's office said last night it was envisaged that tenders would not be awarded solely on price, but also on the amount of work bidders proposed to do to ensure the storage met required standards of safe storage.

In a wide-ranging interview, the minister also predicted a boom in Australian uranium exports and rejected the environment movement's criticism of the Rudd Government's support for clean coal technology.

Mr Ferguson, a former ACTU president, has long argued within Labor circles that Australia's response to climate change must include protecting its coal industry by exploring clean-coal technologies, as well as investing in renewable energy sources such as solar, wind and geo-thermal power.

His draft sequestration legislation sets up a framework for access to commonwealth waters, defined as beginning three nautical miles offshore, as well as multiple-use agreements allowing the continuation of other commercial activities such as fishing and oil drilling.

He said commonwealth body Geoscience Australia had identified numerous sites where greenhouse gases could be stored. And he nominated high carbon emission areas of Victoria, Western Australia and southern and central Queensland as having "adequate storage capacity nearby".

"We would hope if the legislation is passed in 2008 to put acreage out there," Mr Ferguson said. "It's an ambitious objective but if everything went well, we would like to put acreage out there in 2008 - to put it on the table."

He said technology for pumping gas into the earth had existed for years and was used in the North Sea as part of the process of extracting oil.

"As to capacity to safely store it, I'll tell you what - we've been storing oil and gas for a long time," he said. "We've spent a lifetime now trying to extract it."

Asked who would be liable for a leak from a sequestration field, Mr Ferguson said his legislation envisaged such issues being dealt with under common law. But he stressed the best available scientific evidence was that sequestration was safe.

Mr Ferguson has referred his draft legislation to the House of Representatives primary industries and resources committee, asking it to consult widely with the private sector to point out any flaws in the regulatory plan.

Asked about criticism from the Greens and some sections of the environment movement over the Rudd Government's support for clean coal when it should focus on renewables, Mr Ferguson said no serious attempt to deal with climate change could ignore cleaning up coal, with the resource responsible for 83 per cent of the nation's electricity generation and vast numbers of jobs.

Labor had set itself the target of having 20 per cent of power generation sources from renewable sources by 2020. But it was determined to develop all available responses to climate change.

Mr Ferguson, one of the key players in Labor's decision last year to end its policy ban on the construction of new uranium mines, also revealed he was in discussions with local and overseas companies wanting to invest in uranium

mines.

"But also on a regular basis, I am in discussion with ambassadors and ministers from various countries anxious to actually buy uranium from Australia, including new customers, and in some instances to invest in Australia," he said.

Australia has treaties in place that mean 50 nations are legally allowed to buy its uranium.

Mr Ferguson said Australia would develop into the world's major exporter of the product but that Labor would remain true to its promise to oppose the establishment of a domestic nuclear energy industry, or the establishment of a dump for high-grade nuclear waste.

Mr Ferguson, who will today open the \$2.3 billion Ravensthorpe nickel operation in Western Australia, said Labor's decision to create Infrastructure Australia to audit and prioritise infrastructure projects should help clear bottlenecks that in recent years limited Australian mineral exports.

Copyright 2008 News Limited. All times AEST (GMT +10).