

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Additional Budget Estimates 2009

26 February 2009

Question: AR-19

Topic: Expenditure on Carbon Capture and Storage

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Senator Milne asked:

Senator Milne—Let me come back to another one. Minister Ferguson said that it was too early to picking winners, nor should we be picking winners. How much has the government spent on carbon capture and storage in the last year, and how much has been spent on carbon capture and storage this year?

Mr Clarke—We will certainly provide you with the data you are seeking in a moment, but you have phrased the question as though you were picking winners. Was that also the question you were asking?

Senator Milne—When I get the figures on how much you have spent on carbon capture and storage relative to renewables, that will answer the question itself. Will you take that on notice and provide the full range of subsidies for carbon capture and storage?

Mr Clarke—Certainly. I will just make sure that we do understand the question to take on notice. It is the outlays in the current financial year or is it the sum of announced programs?

Senator Milne—I would like both, actually: in this financial year the sum of outlays and also the promised outlays- and that is to clean coal and to carbon capture and storage. I would also like to know how much carbon capture and storage has contributed to the Australian electricity supply in the last year.

Mr Clarke— Let me give you the headline answers to those questions. In the government's announced programs on clean energy technology, there is a \$500 million program that was called clean coal but which is perhaps better characterised as CCS, as with the term you have used, and there was a \$500 million fund on renewable energy. We can give you actual expenditure and the individual year, as you have requested.

Senator MILNE—Thank you. So that is \$500 million to clean coal and \$500 million to renewables. How many different energy sectors are in the renewables?

Mr Clarke—There are probably five or six dominant ones and then there would be any number of ways you could break it down beyond that.

Senator MILNE—So it is 50 per cent to one technology and 50 per cent, or less than 50 per cent, to more than five technologies.

Mr Clarke—No. I would characterise it as 50 per cent applied to the fossil fuel source, which currently is 80 or 90 per cent of stationary energy, and 50 per cent to the emerging and important renewable area.

Mr Clarke—Was the second part of your question, 'What proportion of Australia's electricity is currently produced from CCS technology?'

Senator MILNE—Yes.

Mr Clarke—Zero.

Answer:

(a) How much has the Australian Government committed to low emissions coal and carbon capture and storage activities?

Australian Government commitments to low emissions coal and carbon capture and storage activities administered by the Department of Resources, Energy and Tourism (RET) consist of:

- \$500 million under the National Low Emissions Coal Initiative (NLECI) of which \$100 million (as per Additional Estimates 2008/09) was transferred to the Global Carbon Capture and Storage Institute;
- up to \$100 million a year to the Global Carbon Capture and Storage Institute (GCCSI), the first \$100 million of which is funded from NLECI;
- \$22.5 million of the \$100 million Asia Pacific Partnership on Clean Development and Climate Fund supports activities that have a low emissions coal and carbon capture and/or storage focus;
- \$160 million for projects with a low emissions coal and/or carbon capture and storage focus funded under the Low Emissions Technology Demonstration Fund, an initiative of the previous government.

RET also has responsibility for managing the Australian Government's involvement in the Cooperative Research Centre for Greenhouse Gas Technologies' Otway pilot carbon dioxide storage project which involves total government commitments of around \$20 million of which RET has administrative responsibility for \$8.9 million.

(b) How much has the Government spent on these activities last year (2007/08) and this year (2008/09)?

Outlays of administered funds under each of the commitments referred to in part (a) above are given in the following table:

	2007/08 (full year)	2008/09 Expenditure to end Jan 2009
	\$ Million	\$ Million
National Low Emissions Coal Fund	14.0	0.1 [*]
Global Carbon Capture and Storage Institute	-	3.6
Asia Pacific Partnership on Clean Development and Climate	4.3	2.6

^{*} Approximately \$100,000 for activities in developing the National Carbon Mapping and Infrastructure Plan

Low Emissions Technology Demonstration Fund	3.0	-
Otway pilot storage project – funding for which RET has administrative responsibility	4.7	2.0
