

**Senate Standing Committee on Economics****ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Additional Estimates

15 February 2012

**Question:** AR1**Topic:** Global CCS Institute - Funding**Proof Hansard Page:** 94-95**Senator Bushby asked:**

**Senator BUSHBY:** When this was originally set up, the governments media release that it put out at that time stated that up to \$100 million would be provided to the institute each year. Is it true that the funding agreement that was signed between the department and the institute actually had a fixed \$100 million a year or thereabouts?

**Ms Sewell:** The original funding agreement had an amount of, I think, \$60 million as a fixed payment annually. Then the rest of the funding accounted for up to \$100 million, depending on the proposed work program.

**Senator BUSHBY:** And has that changed since that was put in place?

**Ms Sewell:** As Ms Bennett noted, the funding agreement has been reissued. So we now have a new funding agreement which goes out to 2016-17 to take account of the governments May budget announcement that the term of the funding commitment had been extended from the original four years that were announced.

**Senator BUSHBY:** So what is the fixed component now?

**Ms Sewell:** I might hand over. The amount of money has not changed. The governments commitment to the institute is \$315 million.

**Senator BUSHBY:** You just said that there was \$60 million fixed and up to \$40 million to provide that up to \$100 million. Is it still \$60 million fixed?

**Ms Sewell:** No. I might need to take that on notice. But my understanding is we have now specified the milestone payments, so we have allocated an amount in each financial year going out to 2016-17.

**Senator BUSHBY:** If you do not have that with you, you could take that on notice.

Mr Clarke: To clarify, the top line number remains \$315 million.

**Answer:**

The revised Funding Agreement (September 2011) between the Department and the Global CCS Institute specifies the funding profile out to 2016-17. Payment of the funds is in two instalments per year, and is contingent on certain specified milestones being met.

The funding profile from 2011-12 under the revised Funding Agreement is:

|                       | 2011-12<br>\$M | 2012-13<br>\$M | 2013-14<br>\$M | 2014-15<br>\$M | 2015-16<br>\$M | 2016-17<br>\$M |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Milestone payment #1  | 18.75          | 26.25          | 15.0           | 15.0           | 1.875          | 1.875          |
| Milestone payment #2  | 6.25           | 8.75           | 5.0            | 5.0            | 0.625          | 0.625          |
| <b>Total Per Year</b> | <b>25</b>      | <b>35</b>      | <b>20</b>      | <b>20</b>      | <b>2.5</b>     | <b>2.5</b>     |