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COAL INDUSTRY WELCOMES NEW FUNDING FOR CARBON CAPTURE AND STORAGE

Additional Government funding announced today for carbon capture and storage projects in Australia will go a long way to making Australia a world leader in developing the technology that will substantially reduce global greenhouse gas emissions, the Executive Director of the Australian Coal Association, Ralph Hillman said today.

"The Government's budget allocation of \$2 billion could help fund up to three carbon capture and storage demonstration projects in Australia, including a commercial scale demonstration project of gasification technology," Mr Hillman said.

"The black coal Industry injects over \$20 billion dollars into the Australian economy every year, much of it in regional areas and provides direct and indirect jobs for over 130,000 people.

"Combined with the brown coal industry in Victoria it provides 84% of our total electricity, at a cost that is among the cheapest in the world.

"It is the availability of this cheap and reliable resource that has given Australia a competitive edge."

Mr Hillman said the coal industry had long accepted that coal was also a contributor to the problems of climate change and for that reason the industry had established the billion dollar COAL21 Fund to help finance research and demonstration of low emissions technologies which will significantly reduce greenhouse gases from coal-fired electricity production.

"As recognised by Professor Ross Garnaut and many others, including the International Energy Agency, industry funding alone will not be sufficient to drive first of a kind development and deployment of large scale coal-fired power stations with carbon capture and storage capacity.

"This additional government funding will make a major contribution to ensuring that Australia has a number of commercial-scale CCS demonstration projects ready within the next ten years," Mr Hillman said.

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