



## MEDIA RELEASE

# MINERALS COUNCIL OF AUSTRALIA

---

### **CARBON CAPTURE AND STORAGE INSTITUTE – MISSING LINK IN CLIMATE CHANGE STRATEGY**

The Minerals Council of Australia today welcomed the announcement by Prime Minister Kevin Rudd and Resources Minister Martin Ferguson of a new \$100 million global Carbon Capture and Storage Institute as a tangible demonstration of global leadership in efforts to manage climate change.

Minerals Council of Australia Chief Executive Officer Mitchell H Hooke said: "This is the missing link in the suite of policies needed for a balanced, comprehensive and measured approach to a low emissions global economy. It is vital that Australia's policy approach to managing climate change calibrates the three pillars of an effective response - an efficient and effective emissions trading system; a credible global agreement that covers all major emitters; and "breakthrough" technologies that can lower the emissions of existing energy sources.

This Institute will provide the necessary machinery to drive and integrate the global effort in clean coal technologies of which Carbon Capture and Storage (CCS) is critical. The MCA absolutely concurs with the Prime Minister that there can be no global solution to the challenge of climate change without clean coal technologies.

We are encouraged by the prospect that significant revenues generated from the proposed Emissions Trading Scheme will be channelled into this Institute to accelerate the development and deployment of this critical greenhouse gas mitigation technology, in collaboration with research and development projects and policy initiatives around the world.

With coal-fired power continuing to supply the vast bulk of Australia's and the world's energy needs for the foreseeable future, the development and deployment of clean coal and CCS technology will be the principal component of sustainable efforts to reduce greenhouse gas emissions nationally and globally."

Led by China and India, global demand for energy will grow by more than 50 per cent by 2030. The International Energy Agency expects global coal demand to increase by 73 per cent by 2030 – China and India will then account for 60 per cent of total world coal demand, up from 45 per cent in 2005.

"Australia is the world's largest coal exporter so it is clearly in our interest to contribute to the commercialisation of clean coal technologies, and the earliest possible adoption of that technology in the fastest growing regions of the world," Mr Hooke said.

Mr Hooke said the commercial deployment of CCS would enable the world to make significant inroads into reducing emissions.

"The European Union has estimated that CCS can contribute 14 per cent of the global emissions reductions needed by 2030 to prevent dangerous climate change. The Australian Bureau of Agricultural and Resource Economics has estimated that CCS can reduce Australia's emissions by 31 per cent by 2050," he said.

There is a strong case for public support for research and development and major low emissions technology projects because of three key factors:

- The nature and scale of the task is beyond the resources of a single company, so government, industry and the research community will need to work together to undertake the pre-competitive Research Development and Deployment to bring these technologies to commercial reality.;
- An Emissions Trading Scheme will work most effectively when there are alternate low emissions technologies available for deployment. Where technologies are either not available or inadequate in changing industrial behaviour, then an emissions trading scheme can only function primarily as a blunt taxation instrument; and
- Although an Emissions Trading Scheme will provide a carbon price signal, this price may not be sufficient to divert investment in Research Development and Deployment projects.

---

**Media Contact:**

Public Affairs Director, Ben Mitchell  
T: 02 6233 0600

M: 0419 850 212

E: [ben.mitchell@minerals.org.au](mailto:ben.mitchell@minerals.org.au)

W: [www.minerals.org.au](http://www.minerals.org.au)

D: 19 September 2008