



Senator the Hon. Penny Wong

Minister for Climate Change and Water

The Hon Peter Garrett AM MP

Minister for the Environment, Heritage and the Arts

The Hon Martin Ferguson AM MP

Minister for Resources and Energy Minister for Tourism

Senator the Hon Kim Carr

Minister for Innovation, Industry, Science and Research

\$4.5 Billion Clean Energy Initiative

Source: The Australian Government, May 2009 (<http://www.environment.gov.au/minister/wong/2009/pubs/budmr20090512g.pdf>)

The Rudd Government will invest \$4.5 billion to support the growth of clean energy generation and new technologies, and to reduce carbon emissions and stimulate economic activity in a sector that will support thousands of new green-collar jobs.

The *Clean Energy Initiative* will support clean technologies and industries and assist Australia's transition to a lower emissions path.

The Australian Government is committed to ensuring 20 per cent of Australia's electricity comes from renewable sources by 2020. This objective is supported by the Renewable Energy Fund and the Energy Innovation Fund, and by efforts to encourage deployment including through the Solar Homes and Communities Plan.

The 2009-10 Budget further strengthens Australia's domestic and international climate change response, with substantial new measures to encourage innovation in clean energy generation and low-emissions technologies.

The Rudd Government will invest:

- \$2.4 billion in low emissions coal technologies, including new funding of \$2 billion in industrial-scale CCS projects under the Carbon Capture and Storage Flagships program;
- \$1.6 billion in solar technologies, including new funding of \$1.365 billion in a Solar Flagships program - helping position Australia as a world leader in this vital energy technology for the future; and
- \$465 million to establish Renewables Australia to support leading-edge technology research and bring it to market, including new funding of \$100 million. The new body will advise governments and the community on the implementation of renewable energy technologies, and support growth in skills and capacity for domestic and international markets.

This represents an unprecedented investment of \$3.5 billion in new money by the Rudd Government in clean energy in this Budget.

The Government's commitment to establish the Global Carbon Capture and Storage Institute and the Flagships program will ensure that Australia continues to be a world leader in the development of low emissions coal technology.

The Institute supports the G8 target for 20 industrial-scale CCS projects to be operating around the world by 2020.

In addition, the Flagships program supports the demonstration of large industrial scale projects in Australia, and may include a carbon dioxide storage hub.

The Government will establish *Renewables* Australia to promote the development, commercialisation and deployment of renewable technologies. It will operate at arm's length from government, using a strategic investment approach under an expert board.

The Solar Flagships program will aim to create an additional 1,000 MW of solar generation capacity. This ambitious target is three times the size of the largest solar energy project currently operating anywhere in the world.

Solar Flagships will seek to develop up to four individual generation plants on the national grid. These may demonstrate both solar thermal and solar photovoltaic (PV) technologies, and have electricity generation capacity equal to or greater than a current coal-fired power station.

The specific technologies will be based on a competitive assessment, with an explicit criterion of industry development, including capacity to boost domestic manufacturing and future export potential.

Solar Flagships projects will complement CCS Flagships projects, and demonstrate the Government's commitment to helping to maintain the value of our coal exports and utilising our renewable potential.

The two strategic technology priorities of CCS and solar will be underpinned by supporting specialised research, development and demonstration programs.

These important clean energy initiatives will kickstart a range of critical low emissions technologies in the marketplace.

The Government will work with the private sector to position the Australian economy for a low-carbon, high-skilled future.