



The  
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before 2020

CO2CRC has been leading global efforts to develop and deploy viable CCS technology for more than a decade. As Minister for Resources and Energy from 2007 to 2013, I witnessed first hand the work of CO2CRC and the essential role it could play in reducing greenhouse gas emissions; I had the pleasure of launching the Otway Project as Minister on 2 April 2008. For these reasons, among many more, I am proud to have been appointed CO2CRC chairman in October 2014.

The next decade will be just as challenging as the first for the development and implementation of CCS technologies, but we are confident in the key role CO2CRC will play.

Throughout 2014 CO2CRC was negotiating to secure ongoing funding, which commenced at the end of 2014 and was finalised in February 2015. We are thankful to the Australian Government for its continuing commitment to CO2CRC and the \$25 million funding announced earlier this year, as we are for the \$5 million in funding committed by the Victorian Government in September 2014. Funding from government has been matched with cash and in-kind contributions from CO2CRC members, as well as \$10 million received from ANLEC R&D.

CO2CRC funding guarantees the next stage of the CO2CRC Otway Project research program which will

see monitoring, measurement and verification of the stored carbon dioxide. This real-world application is the reason the work of CO2CRC has been so well supported.

I would like to thank my predecessor, David Borthwick AO PSM, for his work in helping secure this funding, along with the previous CEO, Dr Richard Aldous.

It was my pleasure to strongly support the appointment of Tania Constable as CO2CRC CEO. She has a well-deserved reputation on policy, strategy and relationship building which will be essential to the development of CO2CRC as it enters the challenging next stage of its evolution.

That governments and so many large companies continue to support CCS demonstrates the value of the work being undertaken in Australia through CO2CRC. In addition to supporting an enabling technology for Australia's \$70 billion worth of annual energy exports, Australian CCS research and technology is a future export industry in its own right. Over the coming decades, demand for these technologies will increase.

The International Energy Agency's *World Energy Outlook 2014* forecasts world coal demand increasing 15 per cent to 2040, with India overtaking the United States as the world's second-biggest coal consumer

before 2020. Gas use will grow even faster, supported by investment of around \$900 billion per year to 2030 in upstream oil and gas development. As the IEA notes: "Adoption of high-efficiency coal-fired generation technologies, and of carbon capture and storage in the longer term, can be a prudent strategy to ensure a smooth transition to a low carbon power system, while reducing the risk that capacity is idled before recovering its investment costs."

If the global effort to limit global temperature rises to no more than 2 degrees celsius is to succeed, so too must CCS. It is therefore in all our interests to further technologies such as CCS to make energy sources more environmentally sustainable and socially attractive for future investment.

Realising commercially competitive technologies has been a goal of CO2CRC since day one. It is clear that CCS is an economically and environmentally viable carbon dioxide reduction technology – a technology in which Australia is a leading research nation through the work of CO2CRC.

**Martin Ferguson AM**  
Chairman