



Australian Government

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Senate Standing Committee on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2601

Dear Senators

Budget Estimates Hearings – 1 June 2010 – Additional Information

The Department of Resources, Energy and Tourism appeared before the Senate Standing Committee on Economics at the Budget Estimates Hearings on 1 June 2010.

During the Hearings on 1 June 2010, Senator Milne asked if any of the Low Emissions Technology Demonstration Fund (LETDF) funds had been reallocated to other programs. In response, Mr Geoff Stone stated that \$335 million had been allocated to LETDF to date and no funds had been reallocated. The relevant excerpt from the Hansard is at **Attachment A**.

In addition to this information, the Department would like to clarify that \$36 million from the LETDF was returned to consolidated revenue following a decision by government to fund the Callide Oxyfuel project from the National Low Emission Coal Initiative, bringing the total amount allocated to the LETDF to \$299 million.

We understand that Hansard is a formal transcript of proceedings and cannot be altered. However, I request this revised information be made available to Committee members to ensure they have the most current information available to them.

If you require any further information in regard to this matter, please do not hesitate to contact me or Mr Heath Axelby, Manager, Parliamentary Services Team on 6243 7036.

Yours sincerely

Jo-Ann Rose
Chief Financial Officer
Enabling Services

5 July 2010

**Budget Estimates Hearings
1 June 2010**

Excerpt from page E19-E20

Senator MILNE—What I am trying to get at is: have any of the Low Emissions Technology Demonstration Fund funds been reallocated to other departmental programs—

Mr Clarke—No.

Senator MILNE—and, if so, which ones? I want to know how much of the total fund had been allocated in December last year—not necessarily spent but allocated—and how much was left in the fund after those funds had been allocated. If you have not allocated any of that money between the total amount of the fund and what was allocated, I want to know when that is going to be allocated. If it is not, has the money been reallocated to another program and, if so, which one?

Mr Stone—The money has not been reallocated to another program.

Senator MILNE—So how much is left?

Mr Stone—There was \$75 million granted to the Solar Systems project, which has had no expenditure to date; \$50 million has been allocated to the International Power project at Hazelwood, and \$3 million has been spent to date; \$100 million was allocated to the HRL project, with no expenditure to date; \$60 million to Chevron for the Gorgon project, with no expenditure to date; and the final project is the CS Energy project, the Callide Oxyfuel Project, where I believe \$20.8 million has been spent to date out of a \$50 million grant.

Senator MILNE—What has been allocated? What is that total? Not what has been spent to date; what has been allocated?

Mr Stone—\$335 million.

Senator MILNE—And what was the total of the Low Emissions Technology Demonstration Fund?

Mr Stone—It was originally \$500 million.

Senator MILNE—So, if we only have \$335 million allocated and the remainder has not been reallocated to another department, what is the time line for the allocation of the additional funding between \$335 million and \$500 million?

Mr Stone—Ninety million dollars were returned to the Treasury for unallocated funds. For one project, the Fairview project, of \$75 million, the offer was withdrawn in July 2008.

Senator MILNE—Which one was that?

Mr Stone—It was a \$75 million grant to Fairview Power to construct a 100 megawatt power station. That offer was withdrawn on 2 July 2008 and those funds were returned to Treasury.

Senator MILNE—So actually money has been reallocated to other departments, namely to Treasury—given back and not spent.

Mr Stone—You asked about since December. There has not been any reallocation since December.

Ms Rose—Just to confirm: it is not actually returned to Treasury; it is returned to consolidated revenue.

Senator MILNE—Not to be spent by Treasury. I understand that—sorry.