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Australian Carbon Innovation

By Philip Hopkins 2 September 2022

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Huge interest in new non-energy products based on brown coal shows the big economic opportunity for the Latrobe Valley as the region transitions away from the power industry, according to an industry leader.

The chief executive of [Australian Carbon Innovation](#), Brian Davey, said ACI recently went to the market with expressions of interest, looking for projects in the carbon area using the Latrobe Valley's brown coal.



Brown coal

“We gave them parameters we wanted to look at. We expected about 10 proposals; we would have liked about 15,” he told *The Express*.

“We ended up with 52. It’s a pretty good indication of the pent-up demand in that area. That will be one of the arguments we will be putting to the state government. Here is the obvious opportunity relating to brown coal and other carbon products and that a number of these have real prospects to be commercial.

“But getting from the lab scale to the next level is often beyond them. That’s where governments have traditionally stepped in and acted.”

ACI, based at Federation University, was set up by the Victorian Government in 2009 to back research into research into new products from the Valley’s massive brown coal resource. It is now putting together a proposal for funding that will be submitted after the November state election.

Mr Davey described ACI’s current budget as “an ever decreasing one”. Since 2009, ACI had received a bit more than \$20 million in research funds from the state and federal governments, with two-thirds from the state. This had converted to research and development outcomes exceeding \$60 million in value within 60 individual projects.

“Not a huge amount of money is involved. In the scheme of things, compared to a new train line, for example, it’s ‘chicken feed’ – stuff you would find down the back of a couch. And it maintains the capability in Victoria,” he said.

The Commonwealth had given money in the past, but unless Victoria “stumps up the money”, they would not give any more funds. “Why should they? It’s hard to argue.”

Mr Davey said the potential economic benefits could be undermined by a steady decline in local expertise. “The current cohort of good researchers are 60-plus in age. Here at Fed, a great coal chemist will retire this year and they have no one else. That is a huge hole in the capability of FU – the service the uni can provide the region,” he said.

Brown coal, a resource with a life of more than 500 years, contributed more than 20 per cent of gross regional product and a long-term economic value estimated at trillions of dollars. “It risks becoming a stranded asset,” he said.

Mr Davey emphasised that brown coal only produced carbon dioxide emissions when it was burnt. Our work is focussed on the use of the resource for its mineral value, not for use as a fuel,” he said. “Lignite (brown coal) is essentially a mixture of carbon, organic compounds and water and by itself is not a greenhouse gas.”

To ignore Victoria’s largest and most valuable resource on ideological grounds risked the future prosperity of the region and the state.

“The steps taken to date to assist in the transition are supported but we believe are being limited by the blinkered view of the role that lignite can play in a prosperous future,” he said.

Mr Davey said the Commonwealth was not funding brown coal but had given \$35 million to the black coal industry. “We are appalled at that. You can do much more with brown coal because it is chemically more complex than black coal. Black coal is limited to CO2 capture and storage. Products from black coal are very limited, whereas products from brown coal are huge,” he said.

Mr Davey said the term “decarbonise the economy” was wrong. “It fails to understand a fundamental fact that life on our planet is carbon-based and carbon itself is not the problem. All industry, including renewable energy, uses carbon in a variety of ways. The use of carbon is fundamental to agriculture, pharmaceuticals, construction (production of steel and cement) and transport. Carbon fibre is used to build planes, trams, trains and cars,” he said “Renewable energy technologies – solar, wind and batteries – have an essential carbon component.”

Source: <https://arr.news/2022/09/02/australian-carbon-innovation/>