

# Spotlight on Spending

## Energy & Resources

### Iron ore underpins the increased spending in this year's Federal Budget. Energy sector sees selective investment but potentially heavier regulation.

#### Key takeaways

##### Energy

- Increased funding of \$23.7m over two years for the Australian Energy Regulator to meet new statutory obligations. We expect the effect from this increase in regulator funding will be felt across the retail energy industry.
- \$1.6bn over 10 years will go some way to incentivising private investment in carbon reduction technologies, 75% of which will go towards a co-investment facility to invest in hydrogen hubs and carbon capture projects.
- \$58.6m for the gas fired recovery over four years will go towards specific infrastructure projects, measures to improve gas supply.
- \$215.4m has been earmarked for selected projects to sustain or improve energy reliability and affordability. A quarter of this will go towards hydrogen projects.

##### Others

- Significant investment in infrastructure, in particular roads, for the purpose of facilitating energy related projects in Northern Australia – for example \$173.6m for the NT Gas Industry.
- \$50.7m invested over six years to maintain Australia's refining capacity and enhance national fuel security.

#### Opportunities

- Industrial emitters can apply for the new carbon abatement mechanism
- Increased investment in new technology as demonstrated by the \$1.2bn co-investment facility over ten years for the development of clean energy and hydrogen technologies and hubs

#### Discussion point

Does the levy for the decommissioning of the offshore Laminaria-Corallina oil fields create a precedent for future rehabilitation requirements?

#### Did the Budget put the spotlight on what you wanted?

Reach out to our experts for assistance navigating the implications and opportunities this Budget presents for you, your business and your industry.

#### Our review



4/5 – Some bits missing

*A bit of a mixed bag with some good measures and a concerning new levy for offshore projects.*

*When will this be implemented on other projects?*

*The budget does not provide encouragement to the mature companies that form the backbone of the sector with the incentives to invest*



**Blayney Morgan, Partner**

T +61 2 8059 6806

E [bmorgan@sw-au.com](mailto:bmorgan@sw-au.com)



**Tony Principe, Associate Director**

T +61 2 8059 6832

E [tprincipe@sw-au.com](mailto:tprincipe@sw-au.com)