

Energy & Resources

FedBud Fast Facts

Significant investments in infrastructure, electric vehicles and skills & training

Electricity grid

- \$20b of low-cost financing to modernise the electricity grid by investing in renewables generation, transmission and storage capacity.
- Establish a \$1.9b Powering the Regions Fund to help regional Australians access economic opportunities of decarbonisation.

Industry-wide measures

- Up to \$1b of the National Reconstruction Fund to ensure a greater share of the raw materials are processed in Australia and to support the manufacture of technologies that drive renewables and lower emissions.
- \$50.5m for the Australian Critical Minerals Research and Development Hub to build intellectual property in critical minerals processing.
- \$99.8m for the Strategic Mineral Development Program to assist critical minerals' producers progress strategically significant projects.
- \$141.1m has been committed to investments in development of carbon capture technologies.
- There have been a number of reversals of previous budgets' measures, mostly relating to climate change initiatives, totalling \$746.9m over the next four years.
- The government will provide \$71.9m over seven years to deliver a new green hydrogen hub in Townsville, Queensland.

- There are changes to thin capitalisation rules which are likely to lead to a greater denial of interest deductions for projects which have significant debt funding.

Electric vehicles

- \$500m to reduce transport emissions by improving electric vehicle infrastructure including hydrogen refuelling stations on the busiest freight routes and fast electric vehicle charging stations on major highways across Australia.
- Tax cuts on electric cars to encourage their uptake, \$345m Electric Car Discount will exempt eligible electric cars from fringe benefits tax (FBT) and reductions in import tariffs. These measures will be reviewed in three years.

Energy security & households

- There is a focus on improving energy security and reliability with \$157.9m being committed across the electricity and gas supply markets. This includes a number of measures to improve regulation of gas production, supply and transport. This has been funded by redirecting funding from gas exploration.
- Assistance to 100,000 households to reduce their power bills by delivering 400 community batteries to store excess solar energy costing \$224.5m.
- \$102.2m over 4 years from 2022–23 to establish a Community Solar Banks program for the deployment of community-scale solar and clean energy technologies. Funding will improve access to clean energy

technologies in regional communities, social housing, apartments, rental accommodation, and households that are traditionally unable to access rooftop solar.

- The spending measures for the electricity grid, electric vehicles and batteries will increase demand for commodities that are needed to build this infrastructure

Skills & training

- In addition to the \$1b the government is spending on 180,000 TAFE places it has committed \$100m over nine years to the New Energy Apprenticeships and New Energy Skills programs.
- \$9.6m over 5 years from 2022–23 to support Australia's workforce to transition to a clean energy economy. This funding will support a new mentoring program to help train and support new energy apprentices, the development of fit-for-purpose training pathways, and a capacity study by Jobs and Skills Australia to evaluate Australia's workforce needs to transition to a clean energy economy.



Blayney Morgan,
Partner

E blayney.morgan@sw-au.com



Tony Principe,
Associate Director

E tprincipe@sw-au.com