

# Energy & Resources

## Fast Facts '24



15 May 2024

### Investment of \$22.7b to make Australia a renewable energy superpower.

#### Future made in Australia

With the Government's commitment to net zero transformation, based on emissions reduction targets of 43% by 2030 and net zero by 2050, this Budget has a major focus on energy, with resources funding being focussed on critical minerals, and key focus on Net Zero transition programs.

This Budget will allocate funding of **\$22.7bn** over the next decade to build a Future Made in Australia.

#### National interest framework

The framework will impose rigor on Government's investment decisions particularly around those aimed at incentivising private investments at scale:

- Net Zero transformation – industries that can make significant contributions to achieving Net Zero targets
- Economic security and resilience – sectors that are critical to the economy resilience and are vulnerable to supply disruptions and that require support to unlock sufficient private investments

#### Priority industries

Five industries aligned with the National Interest Framework:

1. Renewable hydrogen
2. Critical minerals processing
3. Green metals
4. Low carbon liquid fuels
5. Clean energy manufacturing, including battery and solar panel supply chains

#### Australia renewable energy superpower (\$13.7bn)

Green Hydrogen and Critical Minerals: **\$13.7bn** in production tax credits are dedicated to stimulating the green hydrogen sector and enhancing the processing of critical minerals such as lithium and cobalt

- **Hydrogen Production Incentive:** Introducing a Hydrogen Production Tax Incentive that offers \$2 per kilogram for renewable hydrogen produced, with an allocation of **\$6.7bn** applicable from 2027-28 to 2039-40 for projects up to ten years.
- **Renewable Energy Development:** Allocating **\$3.2bn** through the Australian Renewable Energy Agency over the next decade to accelerate the commercialisation of essential net-zero technologies. This includes a new \$1.7b innovation fund for pioneering technologies and facilities in sectors like green metals and low carbon liquid fuels.
- **Hydrogen Headstart Program:** Investing **\$1.3bn** to support early adopters in the hydrogen industry over the next decade, fostering the initial phases of industry development.

#### Resources & strengthening economic security (\$8.8bn)

Australia is enhancing its status as a renewable energy leader through strategic investments:

- **Resource Sector Investment:** **\$8.8bn** over ten years to improve mineral processing and refining, including a **\$7bn** production tax incentive and **\$1.2bn** to develop critical minerals projects.
- **Clean Energy Technology Manufacturing:** Committing **\$1.5b** for projects including the Solar SunShot and Battery Breakthrough Initiative.



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### Innovation, digital & science capabilities

Enhancing Australia's position as a leader in innovation and technology by channeling **\$1bn** across quantum computing capabilities and supporting critical scientific endeavors like mapping the nation's critical minerals and ground water resources. These efforts, paired with a strategic review of the research and development sector, aim to boost the country's research infrastructure and economic resilience.

### Investing in people & places

The Australian government is investing significantly in workforce and regional development with **\$640m** to support the transition to a clean energy economy.

### Other funding

Includes a **\$4.5bn** loan and **\$2.6bn** in equity for Snowy Hydro's Snowy 2.0 project, along with **\$134m** to enhance environmental decision-making processes.



**Rick Hemphill,**  
**Partner**

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



**Sharon Tala,**  
**Associate Director**

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



**Nasko Chernev,**  
**Senior Manager**

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

We score it:



Examining the net zero targets in this budget is like discovering your electric car can fly - futuristic, thrilling, and energetically efficient. A high-flying 4/5