

## Budget 2024: A win for clean energy, not environment

BY ROSE MARY PETRASS | WEDNESDAY, 15 MAY 2024 2:51PM

The Federal Budget is an "excellent down-payment" on clean energy - but fails on nature and biodiversity, gas, electrification, and ACCUs.

Treasurer Jim Chalmers aims to unlock \$65 billion in renewables by 2030 through the Capacity Investment Scheme.

Key allocations include:

- \$1bn to Solar SunShot,
- \$466m to PsiQuantum,
- \$500m to the Battery Breakthrough Initiative,
- \$3.2bn to the Australian Renewable Energy Agency,
- A \$6.7bn Hydrogen Production Tax Incentive, and
- \$1.3bn for Hydrogen Headstart.

The Future Made in Australia Act - Canberra's strategic industrial response to the US Inflation Reduction Act - totals over \$21 bn.

To boost critical minerals, Canberra will invest \$8.8 bn over the decade, and introduce a \$7 bn Critical Minerals Production Tax Incentive from 2027.

Other notable allocations include:

- \$399m for the Net Zero Economy Authority,
- \$48m for the Australian Carbon Credit Unit scheme,
- \$170.6m to expediate renewables project approvals,
- \$63.8m to support emissions reduction in the agriculture,
- \$178.6m for renewables employment support and training, and
- \$56m for Building Women's Careers.
- \$17.3 million will expand Australia's sustainable finance taxonomy and create a labelling regime for sustainable products, and a further \$1.3 million will develop guidance for best practice transition plans.

Experts called the Future Made in Australia plan highly ambitious, and agreed critical minerals support is vital to securing the nation's competitive advantage in the renewable energy and battery supply chain.

"If done well and with speed, this funding will allow Australia to build a future economy as part of the growing demand for decarbonising energy, products and manufacturing globally," Blair Palese, Ethinvest director and Climate Capital Forum founder said, adding that the Critical Minerals Production Tax Incentive should kick in now - not in 2027.

She questioned Labor's continued inclusion of gas in the energy mix until 2050 without taxing the industry: "We can't have it both ways and the government needs to send a clear message to

investors, businesses and our trading partners that we want to lead in the global decarbonising market."

Tim Buckley, founder and director of Climate Energy Finance said the Budget was an "excellent down-payment" that will give Australia enduring comparative advantage and resilient supply chains.

It's a "new front door for investors" with transformational proposals that will attract both global and domestic capital.

"This is Australia's biggest investment, employment, and export opportunity in a century."

Buckley called the critical minerals and hydrogen tax credits a "strong step forward" but highlighted the importance of additional future funding for electrification to attract private capital and urged Australia to front-load investment in this decade.

Carbon Market Institute CEO John Connor also called the Budget an important down-payment but stressed the need for more substantial investments in the ACCU and Nature Repair Market.

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