

# WESTERN AUSTRALIA AS AN ENERGY SUPERPOWER

- The McGowan Government will invest more than \$3 billion to tackle climate change and develop climate-resilient communities as part of the 2023-24 State Budget.
- Identifying new Critical Minerals deposits is vital for global transition to clean energy, including \$40 million geoscience initiative to support critical minerals exploration in Western Australia.
- Since the mid-2010s, WA has attracted more than \$9 billion of investment for a range of battery and critical minerals projects, including the establishment of globally significant mineral processing facilities.



# AUSTRALIA-UNITED STATES CLIMATE, CRITICAL MINERALS, AND CLEAN ENERGY TRANSFORMATION COMPACT

- Securing and accelerating access through expansion and diversification of end-to-end clean energy supply chains
- The promotion of responsible, sustainable, and reliable supply of critical minerals
- Driving the development of emerging battery technologies
- Support the development of emerging markets for clean hydrogen and its derivatives



# INFLATION REDUCTION ACT- \$US369 billion (\$547 billion)

Australia needs a response to the **US Inflation Reduction Act (IRA)** if it is to have any hope of attracting the capital and the projects needed to build strong renewables and critical minerals manufacturing.

What is the Inflation Reduction Act:

- The US Inflation Reduction Act is designed to reduce emissions and reform the US energy landscape by creating a solid manufacturing base of renewables products and transforming American homes by helping them switch off from fossil fuels.
- The IRA offers direct support to U.S. manufacturing by providing:
  - Production tax credits for the manufacture of solar panels, wind turbines, batteries and critical minerals processing.
  - Bonus credits if components are produced domestically.
  - New clean electricity investment tax credit for investment in qualifying zero-emissions electricity generation facilities or energy storage technology.



# INFLATION REDUCTION ACT - AUSTRALIA'S RESPONSE

## May 2023 Budget Measures

- \$89 million Capacity Investment Scheme (administration)
- \$2 billion Hydrogen Headstart
- Small industry programs and bonds measures



# INFLATION REDUCTION ACT

*\$5.6 million in Budget for “further work before the end of 2023 on the best ways to leverage Australia’s competitive strengths in renewable energy, critical minerals and highly skilled workforce to accelerate our other clean industrial and manufacturing capabilities”.*



# SMART ENERGY INDUSTRY RESPONSE

- Comprehensive, coordinated Smart Energy Council response
- Establishing new Critical Minerals and Batteries Supply Chain Working Group
- Establishing new Renewable Hydrogen Working Group
- Establishing new Action Groups in solar manufacturing, battery manufacturing and power electronics
- Develop specific policy recommendations for government



# SMART ENERGY INDUSTRY RESPONSE

Campaign (June - Dec) that includes:

- Industry-led lobbying and advocacy
- Detailed policy work
- Supporting research
- Communications + media engagement

Potential event at ALP National Conference 17-19 August 2023

Parliamentary lobbying day and meetings- 12-13 September 2023

Concerted work program until Budget 2024

