



The Hon. Scott Morrison MP
Prime Minister

The Hon. Angus Taylor MP
Minister for Energy and Emissions Reduction

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INVESTMENT IN NEW ENERGY TECHNOLOGIES

The Morrison Government is investing in new and emerging technologies that will support jobs, strengthen our economy and reduce emissions.

Prime Minister Scott Morrison said the \$1.9 billion investment package in future technologies to lower emissions would back jobs now and into the future, cut costs for households and improve the reliability of our energy supply.

The Prime Minister said the Government is supporting the next generation of energy technologies with an extra \$1.62 billion for the Australian Renewable Energy Agency (ARENA) to invest, as well as expanding the focus of ARENA and the Clean Energy Finance Corporation (CEFC) to back new technologies that will cut emissions in agriculture, manufacturing, industry and transport.

“Our JobMaker plan is about protecting and creating the jobs of today and positioning Australia for the jobs of the future, which is why our investment in new technologies is so crucial,” the Prime Minister said.

“Australia is in the midst of a world-leading boom in renewable energy with over \$30 billion invested since 2017. Solar panels and wind farms are now clearly commercially viable and have graduated from the need for government subsidies and the market has stepped up to invest.

“The Government will now focus its efforts on the next challenge: unlocking new technologies across the economy to help drive down costs, create jobs, improve reliability and reduce emissions. This will support our traditional industries – manufacturing, agriculture, transport – while positioning our economy for the future.

“These investments create jobs and they bring new technologies into play. This will not only cut emissions, but deliver the reliable energy Australia needs while driving down prices for homes and businesses.”

The new package also invests in a range of promising low-emissions, reliable new technology advancements including:

- Supporting businesses in the agriculture, manufacturing, industrial and transport sectors to adopt technologies that increase productivity and reduce emissions through a new \$95.4 million Technology Co-Investment Fund that was recommended by the King Review
- Piloting carbon capture projects that will dramatically help cut emissions with a \$50 million investment in the Carbon Capture Use and Storage Development Fund
- Helping businesses and regional communities take advantage of opportunities offered by hydrogen, electric, and bio-fuelled vehicles with a new \$74.5 million Future Fuels Fund
- Setting up a hydrogen export hub worth \$70.2 million to scale-up demand and take advantage of the advancements in this low emissions, high powered source of energy
- Backing new microgrids in regional and remote communities to deliver affordable, reliable power with \$67 million
- Contributing \$52.2 million to increase the energy productivity of homes and businesses, including a sector specific grant program for hotels supporting equipment and facilities upgrades
- Slashing the time taken to develop new Emissions Reduction Fund (ERF) methods from 24 months or more to less than 12 months, involving industry in a co-design process and implementing other recommendations from the King Review into the ERF, worth \$24.6 million
- Boosting energy and emissions data and cyber-security reporting and supporting the delivery of future Low Emissions Technology Statements under the Technology Investment Roadmap process, as well as developing an offshore clean energy project development framework, together worth \$40.2 million

Minister for Energy and Emissions Reduction Angus Taylor said getting the next generation of energy technologies right would not only help to keep prices low and the lights on, but would importantly grow jobs, strengthen the economy and reduce emissions.

“We will reduce the cost of new and emerging technologies, not raise the cost of existing technologies or layer in new costs to consumers and businesses through mandated targets or subsidies,” Minister Taylor said.

“The Government recognises the strong growth in emerging energy technologies that will play a role in Australia’s energy mix into the future. We need to get the balance right and our investment to re-energise ARENA will deliver that.

“ARENA has played an important role in this growth, and as the cost of renewable technologies has fallen dramatically, the Government is investing in the future of ARENA to support the next generation of energy technologies.”

The Government’s emissions reduction strategy is focussed on technology not taxes. An approach that doesn’t compromise energy affordability or reliability will be more important than ever as we recover from the COVID-19 pandemic.

The Government will provide ARENA with guaranteed baseline funding of \$1.43 billion over 10 years. ARENA’s baseline funding will be supplemented in two ways:

1. Together with the Clean Energy Regulator, ARENA will be approved to deploy a portion of the \$2 billion Climate Solutions Fund; and
2. ARENA will also become a clean technology grants hub for future initiatives, with a new \$193.4 million provided to deploy targeted programs.

The Boards of ARENA and CEFC will continue to be accountable for individual investment decisions. The Government will introduce new legislation so both agencies can support new and emerging low emissions technologies (including zero and negative emissions technologies). That ensures they will be able to support critical technologies such as soil-carbon sequestration, carbon capture and storage, production of green-steel, and industrial processes to reduce energy consumption.

This package will contribute to Australia's continued success in meeting and beating our emissions reduction targets. Australia beat its Kyoto-era targets by up to 430 million tonnes and the Government is on track to meet and beat our 2030 Paris target.

As a nation, Australia has done far better than similar export-oriented countries with emissions now 14.3 per cent below 2005 levels. This is an achievement all Australians can be proud of.

Early-stage investment is a proven method to accelerate the development of new and emerging technologies. The Technology Investment Roadmap will provide a strategic framework to prioritise the Government's investments.

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