

# Federal Budget Overview

The signature policy that the PM flagged in Queensland a month ago – the Future Made in Australia Act – was the centrepiece of the energy and industry announcements. In addition to the funding announced, the budget papers note that the government will legislate a Future Made in Australia Act and establish a National Interest Framework to identify priority industries and guide investments associated with these industries, to ensure they are responsible and targeted. Again, this flags some of the policy announcements made by the Treasurer a couple weeks ago in his speech at the Lowy Institute when he flagged the changes to the Foreign Investment Review Board (FIRB) processes.

The Future Made In Australia Act allocates close to \$22.7 billion over 10 years and is – finally – the start of Australia’s policy and funding response to the challenges posed by first the EU tax incentives and those in the US Inflation Reduction Act.

Measure	Amount	Implication
<b>Future Made in Australia</b>		
Future Made In Australia	Total of \$22.7 billion over 10 years (range of measures)	The Government will legislate a Future Made in Australia Act and establish a National Interest Framework to identify priority industries and guide investments associated with these industries, to ensure they are responsible and targeted.
<b>Hydrogen</b>		
Hydrogen Production Tax Incentive	Estimated cost: \$6.7 billion over the decade 2027-28 to 2039-40 inclusive	<p>Renewable hydrogen \$2/kg – this is around half of the US\$3/kg incentive under the IRA and around double the subsidies announced under the EU’s first hydrogen auction a few weeks ago.</p> <p>The Hydrogen Production Tax Incentive will be available from 2027–28 to 2040–41 to producers of renewable hydrogen who take FID by 2030.</p> <p>The ATO website notes that the subsidy will be available to eligible resident corporations.</p> <p>The total budget announcement for hydrogen was estimated \$8.0 billion over ten years from 2024–25 (and an average of \$1.2 billion per year from 2034–35 to 2040–41) to support the production of renewable hydrogen, including:</p> <ul style="list-style-type: none"> <li>– A Hydrogen Production Tax Incentive from 2027–28 to 2040–41 to producers of renewable hydrogen to support the growth of a competitive hydrogen industry and Australia’s</li> </ul>

Measure	Amount	Implication
		<p>decarbonisation, at an estimated cost to the budget of \$6.7 billion over ten years from 2024–25 (and an average of \$1.1 billion per year from 2034–35 to 2040–41)</p> <ul style="list-style-type: none"> <li>– \$1.3 billion over ten years from 2024–25 (and an average of \$151.6 million per year from 2034–35 to 2038–39) for an additional round of the Hydrogen Headstart program to bridge the green premium for early-mover renewable hydrogen projects</li> <li>– \$17.1 million over four years from 2024–25 (and an additional \$2.5 million in 2028–29) to deliver the 2024 National Hydrogen Strategy, including hydrogen infrastructure planning, social license and industry safety training and regulation.</li> </ul> <p>The budget papers and the ATO website both note that the incentive amount and other design elements for the scheme will be subject to consultation – and we can’t underestimate the political headwinds. Already the LNP have stated that they do not think they can support the hydrogen package, calling it a handout for billionaires.</p>
Guarantee of Origin	\$32.2 million	<p>\$20.9 million over four years from 2024–25 (and \$1.2 million per year ongoing) to undertake further consultation on incentives to support the production of, and demand for, low carbon liquid fuels, as well as the development of a low carbon liquid fuels certification scheme through the Guarantee of Origin Scheme.</p> <p>\$11.4 million over four years from 2024–25 (and \$1.1 million per year ongoing) to fast track the initial phase of the Guarantee of Origin Scheme for green hydrogen and bring forward work on green metals, including iron, steel and aluminium.</p>
Green metals	\$18.1 million over six years from 2024–25	Funding for foundational initiatives to expedite the emergence of Australia’s green metals industry, including through enhanced industry and research collaboration, exploration of opportunities to improve the use of Australian scrap metal and undertaking of further consultation on incentives to support the production of green iron, steel, alumina and aluminium.

<b>Measure</b>	<b>Amount</b>	<b>Implication</b>
Hydrogen Highways	\$75 million over 4 years	The Australian Government will provide funding to roll out hydrogen refuelling infrastructure on key freight routes to help decarbonise heavy transport. This program forms part of the Driving the Nation Fund.
<b>Investment attraction</b>		
New front door for investors		<p>The Government will establish a new front door for investors with major, transformational investment proposals to make it simpler to invest in Australia and attract more global and domestic capital.</p> <p>The AHC has been calling for this for at least 18 months, as a non-financial incentive for investors and we're really pleased to see this announced.</p> <p>It is proposed the new front door will deliver a joined-up approach to investment attraction and facilitation, identify priority projects related to the Government's Future Made in Australia agenda, support accelerated and coordinated approvals, and connect investors with the Government's Specialist Investment Vehicles. Its core functions and institutional arrangements will be subject to consultation, led by the Treasury.</p> <p>The Net Zero Economy Authority (NZEA) will receive \$399 million to begin its work, including working with this new front door for investors to provide investment facilitation support and lead place-based co-investment.</p> <p>The mandate of Export Finance Australia's National Interest Account will be expanded to provide financial support for projects where public investment can strengthen the alignment of economic incentives with Australia's national interests and incentivise private investment at scale in the development of priority industries.</p>
Streamlined foreign investment framework	\$15.7 million	The Government will apply greater scrutiny to high-risk investments and enhance monitoring and enforcement activities. At the same time, low-risk investments will be processed faster to help bring in the capital Australia needs.
Sustainable finance strategy	\$17.3 million	This Budget fully funds completion of Australia's preliminary sustainable finance taxonomy, as well as development of a labelling regime for investment products marketed as sustainable.

<b>Measure</b>	<b>Amount</b>	<b>Implication</b>
Southeast Asia Economic Strategy to 2040	\$505.9 million, plus up to \$2 billion in loans, equity and insurance	Funding to catalyse Australian trade and investment in the region. The AHC are already working closely with AusTrade and DFAT looking for opportunities for us and our members.
Geoscience Australia	\$556.1 million over 10 years	To map Australia's potential for critical minerals, hydrogen, groundwater and other resources to guide future investment.  We see this as an investment in pre-feasibility assessments that can assist investors and project developers in site location and are keen to see more details.
<b>Technology</b>		
ARENA	\$1.5 billion over 7 years	ARENA was a big winner in tonight's budget, with significant additional funding provided.  In addition to the extension of Headstart, program funding was extended and a new fund was announced.
Future made in Australia Innovation Fund	\$1.7 billion	Administered by ARENA This Fund will support innovation, commercialisation, pilot and demonstration projects and early stage development in priority sectors, including renewable hydrogen, green metals, low carbon liquid fuels and clean energy technology manufacturing such as batteries.
<b>Regulatory Approvals</b>		
Timely environmental approvals	\$96.6 million over 4 years	Around \$160 million was announced to support environmental approvals, assessments of projects, assessments of complex cultural heritage applications and to support community engagement in impacted communities.  Regulatory approval timing is a global issue, so it's good to see this funding.  As with everything, the devil is always in the detail so we hope to see more information on just what these programs cover and how they will work with the new hydrogen funding announcements.
Assessment of renewable energy projects	\$19.9 million over 4 years	
Assessment of complex cultural heritage	\$17.7 million over 3 years	
Community engagement in energy infrastructure	\$20.7 million over 7 years	

Measure	Amount	Implication
<b>Skills</b>		
Energy industry jobs plan	\$44 million	<p>An area of significant funding focus was skills and apprenticeships support.</p> <p>Of the measures announced, a number are applicable to our industries. The energy industry jobs plan allocates \$44 million.</p>
Skills and employment support	\$134.2 million	Targeted at regions impacted by the transition, we assume that this will intersect with the work of the NZEA
Building Women's Careers program	\$55.6 million	This program will deliver around ten large-scale projects, and several smaller local projects, to support women to access flexible training in clean energy, construction, tech and advanced manufacturing
Clean energy workforce	\$91.0 million	An additional \$91 million was allocated for clean energy workforce development.
Hydrogen Skills Centre	\$10.0 million in 2025–26	Establishment of a National Hydrogen Technology Skills Training Centre, in partnership with the Victorian Government, to promote hydrogen workforce development