

## BUDGET FOCUS ON HARD TO ABATE SECTORS A POSITIVE MOVE

The Energy Users' Association of Australia (EUAA) welcomes several positive funding announcements in the 2021 Federal Budget that are focussed on accelerating the development and deployment of low emissions technologies in some of our hardest to abate industrial sectors.

“Viable, low emissions technologies are simply not available for a number of large industrial sectors such as steel, aluminium, cement and bricks. Requiring these sectors to reduce their emissions through targets alone without a viable way of achieving them will just result in emissions reduction through demand destruction,” said EUAA Chief Executive Officer, Mr Andrew Richards.

The 2021 federal budget outlined several important funding initiatives that are welcomed by the EUAA, being:

- \$639.0 million to back low emissions international technology partnerships and initiatives by co-funding research and demonstration projects and developing a high-integrity carbon offset scheme in our Indo-Pacific region.
- \$279.9 million to establish the below baseline crediting mechanism recommended by the King Review, which will support large industrial facilities to reduce energy consumption and emissions while improving productivity and international competitiveness.
- \$26.4 million to help Australian businesses and supply chains to reduce energy costs through more energy efficient industrial equipment and business practices.

“Large industrials make the key ingredients for much of the built environment we take for granted. These initiatives will encourage them to chart a path to a lower emissions future while maintaining jobs and economic growth,” added Mr Richards.

Achieving net zero emissions by 2050 is a monumental task that requires both economy-wide market-based signals and specific initiatives targeted at sectors of the economy where technology transformation is required. The two approaches are complimentary and if pursued in a sensible, measured way can get us to a low emissions future without leaving anyone behind.

The transition of our energy system will also continue to play an important role and more needs to be done to provide a smoother ride than we are currently experiencing. The budget provides additional funding for clean hydrogen export hubs and the Australian Renewable Energy Agency, which are also welcomed by the EUAA.

“We support additional funding for clean hydrogen and ARENA but we also hope that future budgets look to provide additional funding for key transmission upgrades to lessen the repayment burden currently being borne by energy consumers,” said Mr Richards.

The EUAA is the peak national body representing major Australian electricity and gas users. Membership covers a broad cross-section of the Australian economy including significant retail, mining, manufacturing, healthcare, raw

materials and food processing industries producing many essential items used by the Australian community every day.

Combined, EUAA members employ over 1 million Australians, pay billions in energy bills every year and are desperate to see a national energy and climate change plan that puts downward pressure on electricity and gas costs.

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