

GOVERNMENT'S COMMITMENT TO SUPPORT THE DECARBONISATION OF HEAVY INDUSTRY WELCOMED

The important role of large Commercial and Industrial energy users in the pursuit of Australia's net zero goal has been highlighted in the May budget with confirmation that funding will begin to flow, said leading advocate for the hard to abate sector, the Energy Users' Association of Australia (EUAA).

"It's great to see the Federal Government moving forward with serious intent and funding that will begin the long and difficult decarbonisation of heavy industry," said EUAA Chief Executive Officer, Andrew Richards. "It's a great start but I think everyone realises there is a long way to go so industry-government partnerships and appropriate levels of support will be crucial to unlocking a decarbonised industrial sector."

Many EUAA members will be required to reduce emissions under Safeguard Mechanism legislation so it's great to see the measures supporting many businesses as they seek to modernise their operations, including:

- **Accelerating industrial decarbonisation**

As part of the Powering the Regions Fund, the \$400 million Industrial Transformation Stream will support the growth of new clean energy industries in regional areas, as well as innovative efforts to decarbonise existing industrial activities.

- **Securing critical inputs for the net zero transition**

The \$400 million Critical Inputs to Clean Energy Industries stream of the Powering the Regions Fund will provide grant funding to support the development of clean energy industries.

Funding allows these industries to maintain production while they work to reduce their emissions, and ensures Australia has secure access to critical inputs for the transition.

- **Transforming Safeguard Mechanism facilities**

The \$600 million Safeguard Transformation Stream of the Powering the Regions Fund will support trade-exposed facilities covered by the Safeguard Mechanism to reduce their on-site emissions and boost their global competitiveness.

In addition to this, the EUAA is pleased to see initial support for firming renewable energy through the Capacity Investment Scheme noting government comments that this scheme will unlock at least \$10 billion of new investment and 6GW of dispatchable power by de-risking investments in priority generation and storage projects.

"Coordinating action by the commonwealth, states and territories will be critical moving forward so the \$157.9 million National Energy Transformation Partnership that aims to work alongside the Capacity Investment Scheme is also welcomed," added Mr Richards.

The EUAA is the peak body representing Australian industrial and commercial energy users. EUAA membership covers a broad cross section of the Australian economy including significant retail, manufacturing and materials processing industries. Combined EUAA members employ over one million Australians, pay annual energy bills in the many billions of dollars and support the development of a lasting national energy and climate change plan that puts downward pressure on electricity and gas costs.

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