

# FINANCIAL REVIEW

## **Australia Can't Afford To 'Sit Out' Clean Energy Race**

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The clean energy industry is urging the federal government to “hold its nerve” and deliver an ambitious and co-ordinated package of budget incentives to win back investors.

Responding to criticism of Prime Minister Anthony Albanese’s Made in Australia Act, a group of energy and finance leaders joined forces on Thursday to call for the scale of budget support required for decarbonisation.

In a joint statement, they urged Treasurer Jim Chalmers to use the May budget to encourage investment, as rival economies throw trillions of dollars into renewable energy and clean tech to secure their national interests.

Australia could not afford to “sit out” the accelerating global transition and needed taxpayer support to unlock the private capital needed for zero-emissions economic opportunities, they said.

The Clean Energy Investor Group, representing developers and investors with a combined \$38 billion renewable energy portfolio and a project pipeline of almost 50 gigawatts, said the act could unlock significant investment through the superannuation system.

The chief scientist at grassroots organisation Rewiring Australia, Saul Griffith, said the legislation would put Australia in step with other countries already investing in their own futures and ensure the profits did not flow overseas.

“It’s a great opportunity for Australian households,” Griffiths said.

“We need the government to co-ordinate Australian public and private investment in the processing of critical minerals and development of technologies from home-grown innovators in green metals,” he said.

While critics have slammed the government’s move to subsidise local industry, the Smart Energy Council said Australia could play a key role in the solar and battery manufacturing supply chains.

“For too long Australia has been a dig-and-ship country. In the future we can value-add to those minerals and export zero-carbon iron and other products to the world,” CEO John Grimes said.

“The Smart Energy Council is looking to the federal budget to lay the foundations for Australia to be a renewables and critical minerals superpower,” he said.

Climate Energy Finance think tank director Tim Buckley said the “ambitious and visionary” Made in Australia Act set the nation up for the speed and scale of investment for a place in the global net zero economy.

“We urge the government to hold its nerve and deliver an ambitious and co-ordinated package of budget incentives,” Buckley said.

This would enable Australia to pivot from the “historic over-dependence on fossil fuels” to a zero-emissions global trade and investment leader, he said.

Kane Thornton, CEO of the industry’s Clean Energy Council, said the United States’ Inflation Reduction Act had reshaped the global energy transformation in its first year. “It is time for Australia to step up and prioritise smart policy and support in this new era,” he said.

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