

# Budget 2020 – Climate change and Energy

## Climate change and Energy Overview

The 2020-21 Budget is a missed opportunity to lead Australia on a path to a green recovery. The budget delivers the majority of its funding to support investment in male-dominated energy and gas industries, with little stimulus for clean or renewable energy development. The mandate of the Australian Renewable Energy Agency (ARENA) and the Clean Energy Finance Corporation (CEFC) is expanded to allow investments in carbon capture and storage and gas developments. The announced investments in coal, gas, and diesel fuels will lock in an on-going dependence on fossil fuels and deliver little progress on climate change abatement or gender parity.

## Climate Change and Energy

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### The Budget

Budget measures related to energy and climate change are found in the Industry, Science, Energy and Resources Portfolio. As announced in September 2020, the Budget has some significant outcomes for the energy industry. However, climate mitigation progress through investments in low emission technologies and renewable energies appears limited.

#### Investment in renewable energy

The Government will provide \$5.0 million in 2020-21 to establish an Advanced Manufacturing Facility in South Australia to facilitate the manufacturing and assembly of electric vehicles and for a bi-directional vehicle-to-grid trial in South Australia (Budget Paper No.2, p.113, 2020).

#### Investments in new energy technologies

As part of the JobMaker Plan, the Government will provide \$1.4 billion in new funding to the Australian Renewable Energy Agency (ARENA) over 12 years, including \$223.9 million over four years to 2023-24 to provide research and development investments for emerging low emission technologies (Budget Paper No.2, p.113, 2020). This funding will be partially sourced by removing funding from the Climate Solutions Fund, with the budget outlining that \$86.3 million will be taken away from the Clean Energy Regulator over the next four years, which administers the Fund. While new funding for ARENA is welcomed, the \$1.4 billion over 12 years constitutes an effective reduction in funding for the agency, which previously received \$1.58 billion over the eight years 2012-20 (ARENA, 2020).

The Budget includes \$50.0 million in funding over three years to establish a Commonwealth Carbon Capture Use and Storage Development Fund (Budget Paper No.2, p.119, 2020). Funding research into carbon capture and storage will require an expansion of the CEFC and ARENA mandates (Technology Investment Roadmap, 2020). Indeed, the Clean Energy Finance Corporation (CEFC) will expand its investment mandate by removing the requirement to ensure that half of its investments are in renewable energy (Budget Paper No.2, p.119, 2020).

A previously announced \$74.5 million over four years has been allocated to create a Future Fuels Fund (Budget Paper No.2, p.118, 2020), supporting the uptake of hydrogen, electric, and bio-fuelled vehicles.

Other allocations include a \$95.4 million Technology Co-Investment Fund, to support a range of emission reduction and energy productivity measures across industry, freight, and agricultural businesses; \$70.2 million to support the development of a regional hydrogen export hub; \$67.1 million over six years to a new Regional and Remote Communities Reliability Fund to support the creation of new microgrids; and \$52.2 million over five years to fund energy efficiency upgrades in the buildings and hotels sectors (Budget Paper No.2, p.118-119, 2020).

### **JobMaker Plan — investment in new energy technologies**

Payments (\$m)

	2020-21	2021-22	2022-23	2023-24
Department of Industry, Science, Energy and Resources	50.7	72.9	62.8	48.3
Australian Renewable Energy Agency	14.6	51.2	167.0	145.5
Department of the Treasury	13.5	-	-	-
National Offshore Petroleum Safety and Environmental Management Authority	0.7	0.7	-	-
Geoscience Australia	0.2	-	-	-
Clean Energy Finance Corporation	-	-	0.1	0.4
Clean Energy Regulator	-11.4	-20.6	-31.5	-22.8
<b>Total — Payments</b>	<b>68.3</b>	<b>104.1</b>	<b>198.5</b>	<b>171.4</b>
<i>Related receipts (\$m)</i>				
Clean Energy Finance Corporation	-	-	1.3	3.7
Clean Energy Regulator	..	..	..	..
<b>Total — Receipts</b>	<b>..</b>	<b>..</b>	<b>1.3</b>	<b>3.7</b>

Source: Budget 2020-21, Budget Paper No. 2, p. 118: JobMaker Plan — investment in new energy technologies.

### Improving energy affordability and reliability

The budget has allocated \$134.7 million over four years for a range of electricity infrastructure projects, including loans to progress the design of the Marinus Link interconnector, the construction of a Big Battery Project in Western Australia, funding for the CopperString 2.0 link between Townsville and Mount Isa, and an unspecified amount for upgrades to Delta Electricity's Vales Point coal fired Power Station to reduce emissions, improve reliability and provide additional dispatchable generation in New South Wales (Budget Paper No.2, p.117, 2020).

### Investments in other energy initiatives

To support a 'gas-fired' recovery, the Government announced a \$52.9 million investment over four years to encourage the development of up to five new gas basins across Australia, fund the CSIRO's Gas Industry Social and Environmental Research Alliance, and develop a National Gas Infrastructure Plan (Budget Paper No.2, p.116, 2020).

The Government will also invest \$250.7 million over 10 years from 2020-21 to hold a sovereign refining capability and increase our domestic storage capabilities to secure Australia's liquid fuel security. This includes \$203.7 million over four years to support the construction of new diesel fuel storage (Budget Paper No.2, p.121, 2020).

## Gender implications

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### Why is this an issue for women?

Women and men tend to have different views on climate change, with a greater proportion of women worry about global warming and supporting certain climate change mitigation policies than men (Ballew et al., 2018). Support for technology based solutions such as hydrogen is significantly higher amongst men than women ([ARENA, 2018](#)). Knowing this, perhaps it is no surprise that climate change policies don't feature in this budget since the Expenditure Review Committee that makes important budget decisions was, until late June, [an all-male panel](#).

Women are also [more likely than men to suffer the adverse health consequences](#) of extreme climate events ([WHO, 2011](#); see also Disaster Risk Reduction, Management and Recovery Section). With climate change impacts disproportionately affecting women ([UN Women, 2016](#); [IUCN, 2015](#)), failing to take action on climate change and emissions abatement can exacerbate gender inequality and reduce women's ability to adapt.

Efforts to increase energy affordability should be lauded. Access to affordable and reliable energy can have transformative effects for women and families. Being able to afford and acquire electricity increases time for children to study, and enables use of electronics such as mobile phones and heating, which can improve health conditions and quality of life – particularly important to single parents and women fleeing domestic violence situations.

### What are the 2020 Budget impacts on women?

The Government's 2020-21 budget delivers a substantial amount of stimulus funding for traditionally male-dominated industries such as the construction, infrastructure, energy and resources sectors (see also Infrastructure section). These budget measures are unlikely reach women's employment, which was hardest hit by COVID and the subsequent recession. Women only represent 22 per cent of the workforce in the oil and gas industry—heavily supported through this budget (IRENA, 2019). The renewable energy sector, on the other hand, [has a significantly higher female workforce](#) (32 per cent) but stimulus for this sector is dwarfed by funding for petrol storage and refining, and a continued push for gas.

Women may benefit from investments in apprentice- and trainee-ships (see Vocational Education and Training Section), however, overcoming the gender gap in the resources and energy industries will require much more policy support than currently allocated in the 2020-21 budget.

The COVID19- provoked economic stimulus package has completely dwarfed the climate crisis that many regions in Australia were directly (and catastrophically) confronted with in the summer of 2019-20. The budget contains little by way of new funding to support direct climate change mitigation measures such as incentives to promote the uptake of electric vehicles or support the development of charging infrastructure. The meagre spending on renewable energy and emission reduction strategies puts Australia behind our international peers.

## Recommendations

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1. NFAW recommends that the governments targets a 'green recovery' and diverts investments from fossil fuels and the resources industry to developing and incentivising an increased uptake of renewable energy technologies.
2. NFAW recommends that budget stimulus measures target solutions that provide win-win opportunities for abating climate change and reducing gender inequality. This requires more alternatives to fossil fuels (beyond hydrogen), investments in the renewable energy sector, and support for female apprenticeships and jobs in the energy sector.
3. Being faced with a gendered climate crisis, NFAW recommends that the government takes serious actions on climate change by committing to net-zero emissions by 2050, phasing-out coal, and supporting carbon-free technologies to produce steel, cement, and ammonia.

## References

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