

Budget 2021 – Infrastructure

Climate change and energy overview

The budget is a missed opportunity to accelerate action on climate change, aligned with the actions announced recently by the USA and other major trading partners, and to prioritise a 'green' recovery from the pandemic. Funding for the Technology Investment Roadmap priority areas must be supported by more ambitious Government targets, including a commitment to Net Zero by 2050, and stronger regulation of large polluters. The Budget also does not address other areas where significant investment for emission reduction is required, such as incentives to promote the uptake of electric vehicles or investment to support the development of charging infrastructure.

Climate change and energy

The Budget

Budget measures relating to climate change and energy are found in the Industry, Science, Energy and Resources portfolio. The measures announced in the Budget reflect the commitments announced by the Prime Minister and the Minister for Energy and Emissions Reduction in April 2021 and previously in the Government's Technology Investment Roadmap and Low Emissions Technology Statements. They are also a continuation of measures announced in the 2020-21 Budget's JobMaker Plan.

Investment under the technology investment roadmap

The Government will provide \$1.6 billion over ten years from 2021-22 (including \$761.9 million over four years from 2021-22) to incentivise private investment in technologies identified in the Government's Technology Investment Roadmap and Low Emissions Technology Statements (Budget Paper No.2, p. 138, 2021).

Of this, \$1.2 billion over ten years from 2021-22 (including \$643.4 million over four years from 2021-22) will be used to create a technology co-investment facility that supports the development of regional hydrogen hubs, carbon capture, use and storage technologies, soil carbon measurement and agricultural feed technologies consistent with the priorities identified under the [Technology Investment Roadmap](#) (Budget Paper No.2, p. 138, 2021).

Other allocations relate to encouraging business to reduce emissions and energy costs through \$279.9 million over ten years from 2021-22 (including \$81.7 million over four years from 2021-22) to establish the below baseline crediting mechanism, as recommended by the [King Review \(2020\)](#), \$26.4 million over four years to support the uptake of more energy efficient industrial

equipment and business practices and \$10.4 million over four years to expand the range certifications for businesses voluntarily reducing emissions (Budget Paper No.2, p. 138, 2021).

The Government will also provide \$50.0 million over ten years from 2021-22 to establish an early stage seed capital financing function within the Australian Renewable Energy Agency (ARENA). However, the cost of this measure will be met from within the existing resources of ARENA (Budget Paper No.2, p. 138, 2021).

Investment in gas infrastructure

To support a ‘gas-fired’ recovery, the Government announced \$58.6 million of measures over four years from 2021-22 that build on the 2020-21 Budget measure titled *JobMaker Plan — gas fired recovery* (Budget Paper No.2, p.135, 2021).

This includes \$38.7 million over two years from 2021-22 for gas infrastructure projects, \$6.2 million over three years to develop the Wallumbilla Gas Hub, \$5.6 million over two years from 2021-22 to fund the development of the [2022 National Gas Infrastructure Plan](#) , and \$3.5 million in 2021-22 to design a framework to facilitate Commonwealth investment in critical gas infrastructure projects (Budget Paper No.2, p.135, 2021).

There is also \$4.6 million over four years from 2021-22 to develop initiatives businesses to better negotiate competitive outcomes in gas contracts (Budget Paper No.2, p.135, 2021).

Disaster response

The Government is providing \$1.2 billion over five years from 2020-21 to improve Australia's capability to better prepare for, respond to, and recover from natural disasters.

Building Australia's Resilience

Payments (\$m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Infrastructure, Transport, Regional Development and Communications	0.1	0.7	-	-	-
National Recovery and Resilience Agency	-	206.8	242.7	248.3	201.8
Bureau of Meteorology	-	45.6	65.0	52.1	43.2
Department of Home Affairs	-	37.1	21.7	16.2	16.3
Department of the Treasury	-	8.0	20.0	12.0	-
Department of Agriculture, Water and the Environment	-	0.9	0.9	0.7	0.7
Department of Finance	-	0.1	0.1	0.1	0.1
Total — Payments	0.1	299.3	350.5	329.5	262.1

Related receipts (\$m)

National Recovery and Resilience Agency	-	4.7	-	-	-
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2021-22 Budget Paper No 2, p. 65.

As part of this measure, the Government will establish a new National Recovery and Resilience Agency (NRRRA) to lead resilience to and recovery from hazards and to manage:

- \$615.5 million over six years from 2021-22 for the Preparing Australia program to provide grants for projects that support public and private disaster risk reduction and resilience, and

- \$280.0 million over three years from 2021-22 for grants for projects in bushfire affected areas as part of the \$2 billion National Bushfire Recovery Fund.

Gender implications

Why is this an issue for women?

Women are more likely than men to suffer the adverse health consequences of extreme climate events (WHO, 2011). Women are also disproportionately affected by climate change disasters (UN Women, 2016; IUCN, 2015). In Australia, disasters increase women's economic insecurity: women lose or forgo employment opportunities on taking up additional community and care responsibilities. Evidence shows this pattern has recurred in the 2009 Black Saturday bushfires, and the 2011 floods in Queensland and Victoria. There is also a strong Australian body of evidence that disasters increase rates of gender-based violence, including from the 2009 Black Saturday Bushfires, a pattern replicated after the 2020 fires.

With climate change impacts disproportionately affecting women, failing to take action on climate change and emissions abatement can exacerbate gender inequality and reduce women's ability to adapt.

Women and men tend to have different views on climate change, with a greater proportion of women worrying about global warming and supporting certain climate change mitigation policies than men. Notably women are more in favour of stronger regulation of large polluters, something the Government has been hesitant to do (Ballew et al., 2018).

Efforts to increase energy affordability should be lauded as access to affordable and reliable energy can have transformative effects for women and families. However, energy affordability and decarbonisation must work hand in hand to mitigate the adverse impacts of climate change.

What are the 2021 Budget impacts on women?

The budget is a missed opportunity to accelerate action on climate change, aligned with the actions announced recently by the USA and other major trading partners, and to prioritise a 'green' recovery from the pandemic.

Mitigating gendered climate impacts requires that the incentives funding the Technology Investment Roadmap priority areas announced are supported by more ambitious Government targets, including a commitment to Net Zero by 2050, and stronger regulation of large polluters. The Budget also does not address other areas where significant investment for emission reduction is required, such as incentives to promote the uptake of electric vehicles or investment to support the development of charging infrastructure.

Investment in the creation of regional hydrogen hubs in areas such as the Latrobe and Hunter Valleys that have legacy fossil fuel industries can be expected to have a positive impact on job creation in these regions. This could support women's employment in new industries: 32 per cent of workers in renewable energy are women, compared to 22 per cent in energy overall (IRENA, 2020). Any gains are, however, mixed given the Government's focus on a 'gas-led' recovery continues to favour male-dominated industries.

In relation to disaster management, it is important to note that a significant proportion of the funding that has been committed is to be in the form of grants. It will be important to ensure that decision-making process around the allocation of these funds are transparent, gender aware, and responsive to the full range of negative impacts on women that have been identified, including physical and mental health, employment, family violence.

Recommendations

- Being faced with a gendered climate crisis, NFAW recommends that the government takes serious action on climate change by committing to net-zero emissions by 2050, phasing and increasing Australia's 2030 Nationally Determined Contributions (NDCs) in line with the recent actions of major trading partners.
- NFAW recommends that the government prioritises a 'green recovery' over a 'gas led' recovery and diverts investments from fossil fuels towards accelerating the uptake of renewable energy technologies.
- 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.
- From its inception, the National Recovery and Resilience Agency should put in processes to ensure that decision-making process around the allocation of grants associated with the Preparing Australia program and the National Bushfire Recovery Fund is transparent, gender aware, and responsive to the full range of negative impacts on women that have been identified, including physical and mental health, unemployment and family violence.

References

Ballew, M., Marlon, J., Leiserowitz, A., & Maibach, E. (2018) Gender differences in public understanding of climate change. Yale Program on Climate Change Communication. Climate Note, Nov. 20. Retrieved from <https://climatecommunication.yale.edu/publications/gender-differences-in-public-understanding-of-climate-change/>

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