

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science and Resources
Inquiry into the Future Made in Australia (Production Tax Credits and Other Measures) Bill
2024 [Provisions]
23 January 2025

AGENCY/DEPARTMENT: Department of Industry, Science and Resources

TOPIC: Announcement of an aluminium production credit

REFERENCE: Question on Notice (Hansard, 23 January 2025, Page 32-33)

QUESTION No.: 1

Senator DEAN SMITH: I would like to ask now, in all seriousness, about the government's announcement earlier this week in regard to the aluminium production credit. Is the legislative base for that announcement this legislation that the committee has in front of it?

Mr Robinson: That is a separate announcement of government. It is a production credit; it's not a production tax credit. I will see if Mr Chesworth wants to make any further comments in relation to that announcement.

Senator DEAN SMITH: Mr Chesworth, if you could—or Treasury might—elaborate on the distinction between the two—those that are paying attention.

Mr Chesworth: I'm afraid there's not actually much more I can offer, because there's another part of the department that looks after it, but we could take it on notice and get an answer that describes the difference if that would assist the committee.

ANSWER

No. The *Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024* is not the legislative basis for the Green Aluminium Production Credit (the Credit).

The \$2 billion Credit will support Australia's smelters to produce green (low or near-zero emissions) aluminium. It will provide credits in the form of grants to eligible aluminium smelters that can demonstrate new significant decarbonisation before 2036. The Credit will be delivered through an open application process, administered by the Business Grants Hub.

The Critical Minerals Production Tax Incentive (CMPTI) will be a tax offset which will be legislated through the *Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024*, and will be co-administered by the Department of Industry, Science and Resources and the Australian Taxation Office. The incentive will provide a refundable tax offset of up to 10 per cent of eligible processing expenditure for critical minerals processed and refined between 2027–28 to 2039–40, for up to ten years per activity.