



Premier of Western Australia

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Committee Secretary
Senate Standing Committees on Economics
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SENATE ECONOMICS LEGISLATION COMMITTEE INQUIRY INTO THE FUTURE MADE IN AUSTRALIA (PRODUCTION TAX CREDIT AND OTHER MEASURES) BILL 2024

The Western Australian Government is pleased to provide this submission to the Senate Economics Legislation Committee Inquiry into the Future Made in Australia (Production Tax Credit and Other Measures) Bill 2024 in support of the critical minerals and hydrogen production tax incentives.

Western Australia can play a leading role in delivering the Australian Government's Future Made in Australia agenda. Our abundant critical mineral deposits, renewable energy resources, combined with a skilled workforce can strengthen Australia's supply chains and economic resilience in the net zero global economy.

The Western Australian Government shares the Australian Government's commitment to promoting critical minerals and renewable hydrogen production as evidenced by our submissions to the consultation papers dated 2 August 2024.

Key Western Australian Government initiatives and investment were announced as part of the 2024-25 State Budget to assist with implementation of refreshed Battery and Critical Minerals and Renewable Hydrogen strategies released in 2024. These include:

- investing \$500 million to Western Australia's strategic industrial areas to deliver common-user and other enabling infrastructure
- investing an additional \$500 million towards clean energy initiatives
- providing an additional \$36 million to reduce green tape and speed up approvals.

The Australian Government's proposed production tax incentives can help catalyse domestic and international markets to achieve a long term and sustainable supply of critical minerals and renewable hydrogen, and drive decarbonisation of associated industries. This aligns with WA industry objectives as highlighted by the Chamber of Minerals and Energy's December 2024 report into Realising WA's green iron potential, which emphasises the importance of low carbon hydrogen to positioning Western Australia as a globally competitive green iron producer.

I welcome the policy changes to the Bill as a result of the consultation process in July 2024, including:

- the removal of the Final Investment Decision requirement by 2030 for critical minerals
- providing for output eligibility to be principally defined based on processing activities (rather than purity) for critical minerals
- the use of National Association of Testing Authorities accredited laboratories to demonstrate output compliance (rather than Geoscience Australia) to reduce administrative burden for critical minerals
- enabling entities to choose when their 10-year period commences in relation to a renewable hydrogen project.

The Critical Minerals List includes minerals that are essential for the economy and national security, and vulnerable to supply disruptions. Noting this, it is important the List is agile enough to respond quickly to change to global supply. A legislative process could be administratively burdensome and may impact on Australia's ability to pivot quickly in changing circumstances.

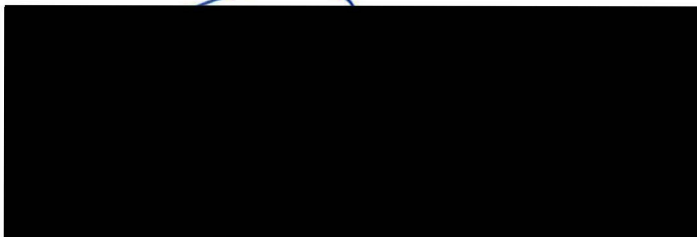
Renewable hydrogen projects have high start-up costs and need a longer-term commitment, consideration could be given to removing the requirement of a Final Investment Decision date of 2030 for renewable hydrogen projects.

The Western Australian Government looks forward to engaging with the Australian Government on the Community Benefit Principles set out in the bill, which have yet to undergo consultation. It is vital that Western Australia understands how the principles and supporting processes will be applied to investment decisions.

Flexibility is also sought on their application given our industry's established engagements with its diverse local communities, where place-based contexts are emphasised. The duplication of existing State and industry requirements and processes must be avoided.

The global and Australian challenge for decarbonisation, and the investment scale and ambition that is required for companies to bring renewable hydrogen and critical minerals to production emphasise the case for this important Bill to be passed as a priority.

Yours sincerely



ROGER COOK MLA
PREMIER

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