

COMMONWEALTH BUDGET 2024-25 - CLIMATE COUNCIL RAPID ANALYSIS

Climate Council's [Seize the Decade](#) report maps out the practical pathway for Australia to cut climate pollution by 75% by 2030, to get on track for net zero by 2035. Every budget is an opportunity to accelerate Australia's progress along this pathway, to cut climate pollution further and faster this decade.

We have assessed the 2024-25 Commonwealth Budget against this plan to see where Australia is gaining ground, and where necessary action is still lagging. Here's our headline scorecard of this year's budget investments; the following brief provides more information on new climate initiatives. For Climate Council's budget night media statement, see [here](#).

	How we power ourselves	How we make things	How we move around	How we use and care for land	How we build things
What we need to do	Build a bigger grid powered by 94% renewable energy Much more solar for homes, commercial and industrial buildings Phase down fossil fuel power generation	Swap polluting coal, oil and gas for clean electricity in mining and manufacturing Improve energy efficiency in heavy industry End new fossil fuel projects and deal with methane	Shift some trips by car to shared and active transport modes Keep electrifying our personal cars and heavy vehicle fleets Encourage use of rail over road and air	End land clearing and native forest logging Scale up emerging solutions for animal emissions Collect and process food and organic waste better	Electrify all homes and commercial buildings Improve energy efficiency with better buildings and appliances
Budget momentum	<i>No significant new commitments</i>	<i>Very significant new commitments</i>	<i>Some significant new commitments</i>	<i>Some significant new commitments</i>	<i>No significant new commitments</i>

The following analysis provides an initial overview of measures in the 2024-25 Commonwealth Budget. Further analysis and updates to advice may be undertaken in coming days as additional details of funded initiatives become available.



HOW WE POWER OURSELVES

By 2030, renewable energy like wind and solar can meet almost all our electricity needs, with storage like batteries keeping power reliable and available around the clock.

Through previous budgets, the Albanese Government has started making significant investments in new electricity generation and transmission. This year’s budget includes limited new direct investment in clean energy projects or grid infrastructure, as major funding from prior years’ budgets is still yet to roll out through initiatives like the Capacity Investment Scheme. The focus this year is on smaller reform initiatives which aim to address bottlenecks to renewables being deployed and taken up by households at scale.

The government’s single largest energy spend is \$3.5 billion to extend energy bill rebates for a further three years. While this will be welcomed by Australians facing high energy bills now, this is around twice the amount the government committed in last year’s budget to support home energy efficiency upgrades. These kinds of retrofits are a great way to improve energy efficiency to slash climate pollution and power bills in one go. They should be prioritised as a permanent solution to higher energy bills, instead of expensive but short-lasting bill rebates.

Initiative	Funded amount	What it does	Our assessment
Harnessing the Energy Transition to Benefit Consumers	\$47.7 million over four years from 2024–25	Package of measures seeking to maximise consumer and community benefits of the energy transition. This includes funding to implement consumer energy resources reforms that help consumers save on bills by boosting the supply of renewable electricity to the grid from rooftop solar, home batteries and other consumer energy resources, and other regulatory reforms to help consumers get a better deal in the energy market.	Energy market reforms are essential to unlock the full capacity for Australians to benefit from having solar on their rooftop. To keep building out our clean grid, <i>Seize the Decade</i> called for solar on around 4 million more rooftops. It remains to be seen how far these reforms will go towards making that a reality; more direct investment to help households on low incomes and those who rent to share in the benefits of solar is also needed now.
Future Made in	\$20.7 million over	Seeks to improve community engagement and	These measures are welcome and

Australia – Strengthening Approvals Process	seven years from 2024–25	social licence outcomes through permanent establishment of the Australian Energy Infrastructure Commissioner, development of voluntary national developer standards with the support of the Clean Energy Regulator, and the development of a regulatory reform package to realise community benefits in regional communities affected by the energy transition	necessary as improving social licence through improved community benefits sharing and speeding up the approval of responsibly-delivered clean energy and industry projects will be essential to accelerate the roll out of responsibly-delivered renewable energy projects that deliver for people, nature and the climate.
Future Made in Australia – Strengthening Approvals Process	\$19.9 million over four years from 2024–25	Resource the Department of Climate Change, Energy, the Environment and Water to develop, agree and maintain a national priority list of renewable energy related projects and process assessments for priority projects	
Expanding the New Energy Apprentices Program	Existing funding - new scope for delivery	The New Energy Apprenticeships Program is an existing government initiative to support 10,000 Australians to gain the skills needed to deliver our energy transition. This initiative expands eligibility for the program beyond pure electrical trades, to also include sectors with exposure to clean energy – like housing construction, automotive and advanced manufacturing.	Australia’s move to clean energy in our grid, homes, industry and transport will create tens of thousands of new jobs and see the skills needed for existing ones change. Supporting more Aussies into a clean energy trade is an important way to ensure workers benefit from these changes and we have the skilled workforce we need to keep accelerating our momentum.



HOW WE MAKE THINGS

With smart investments to adapt existing industries and capitalising on new mining and manufacturing opportunities, Australia can build an industrial base fit for the 21st century.

Clean manufacturing is a centrepiece of this year’s budget with the Albanese Government announcing significant new investment through the *Future Made in Australia* package. This is the first time we have seen the Federal Government back specific, strategic industries which can be part of Australia’s clean industry future – like critical minerals, green metals and clean energy component manufacturing. Importantly, gas and coal are not part of the budget’s vision for a Future Made in Australia, underlining that our next era of prosperity can be built on cleaner foundations.

By earmarking billions of investment in coming years to grow these clean industries, the Federal Government is charting a course to power past the end of fossil fuels.

Initiative	Funded amount	What it does	Our assessment
Future Made in Australia – Making Australia a Renewable Energy Superpower	\$1.9 billion over four years from 2024-25 \$19.7 billion over 10 years from 2024–25	Accelerate investment in ‘Future Made in Australia’ priority industries: renewable hydrogen, green metals, low carbon liquid fuels, refining and processing of critical minerals and manufacturing of clean energy technologies. This investment is intended to catalyse clean energy supply chains and support Australia to become a renewable energy superpower. This package includes production tax incentives for critical minerals and hydrogen; commercialisation, pilot and demonstration projects for	This is the sort of leadership Australia needs to tackle climate pollution, generate clean jobs, and ensure a brighter future for our kids. In the US similar policies have helped to dramatically ramp up investment and create tens of thousands of new jobs. As one of the sunniest and windiest countries in the world, Australia has a huge opportunity to make the most of our abundant clean energy resources and deep manufacturing know-how. The Future Made in Australia investment includes several initiatives Climate Council called for in <i>Seize the Decade</i> , including a boost to hydrogen production credits, production incentives for strategic new industries like critical minerals, and improving clean energy supply chains by making more components

		<p>green metals and battery manufacturing; investments in battery production and domestic solar panel manufacturing through the Solar Sunshot initiative and direct investments in some critical minerals projects which are advanced in planning and development, including the Arafua rare earths mine and processing facility; Alpha HPA's high-purity alumina facility and Renascor Resources' Siviour Graphite Project.</p>	<p>onshore. These are welcome steps towards realising Australia's clean industry potential.</p> <p>Australia has some of the biggest known reserves of critical minerals in the world, like cobalt, lithium, manganese and vanadium. These products will all be in high demand around the world for making clean energy products like batteries, wind and solar infrastructure and electric vehicles. Government investment to help establish and grow these new industries should be undertaken as part of a cohesive strategy for transitioning all Australia's exports into future-focused industries and out of coal and gas.</p> <p>Much of this investment is available beyond the forward estimates of the current budget because it is linked to production by companies and industries that need to scale up. Australia will need policy certainty and bipartisan support for these investments to ensure companies do come forward to invest now so we can accelerate the growth of these industries.</p>
<p>Future Made in Australia – Resourcing Australia's Prosperity program</p>	<p>\$566.1 million over ten years from 2024–25</p>	<p>Funds Geoscience Australia to map Australia's national groundwater systems and resource endowments to increase industry investment and identify potential discoveries of all current critical minerals and strategic materials.</p>	<p>In <i>Seize the Decade</i> we called for the federal government to deliver a national Clean Power Map identifying the most appropriate sites for large scale renewable energy projects to be located. This mapping project should be expanded beyond just what's under the ground to do this mapping for clean energy above it as well. This would recognise that wind and solar are also huge opportunities for Australia in creating affordable, clean energy to power industry and more.</p>

<p>Future Made in Australia – Workforce and Trade Partnerships for Renewable Energy Superpower Industries</p>	<p>\$218.4 million over eight years from 2023–24</p>	<p>Supports the development of the clean energy and industry sectors through a number of workforce development initiatives, including: \$91.0 million to address vocational education and training sector trainer workforce shortages for energy trades, and \$10.0 million in 2025–26 to establish a National Hydrogen Technology Skills Training Centre, in partnership with the Victorian Government.</p>	<p>These are welcome steps towards improving the skills and training ecosystem for clean energy and industry trades. But the government is not yet investing to address clean energy and industry skills gaps to the extent this challenge needs. In <i>Seize the Decade</i>, we’ve called for a comprehensive overhaul of energy training and a major boost to free training places through establishing the <i>Australian Energy Corps</i>.</p>
<p>Regional cooperation initiative on carbon sequestration</p>	<p>\$32.6 million over four years from 2024–25</p>	<p>Establish regulatory frameworks and bilateral instruments that will provide industry with the option of moving carbon dioxide to geological storage sites.</p>	<p>Carbon capture and storage (CCS) is an unproven technology being promoted by the fossil fuel industry in an effort to extend the life of their polluting products. It has not been proven to work at scale for capturing onsite climate pollution from coal and gas projects, and does not deal with the much larger problem of the climate pollution produced when these products are burned for energy. The government should be directing all its investment to things which help accelerate our shift to clean energy, not enabling CCS.</p>



HOW WE MOVE AROUND

Growing shared, active and electric transport options means better ways to get from A to B and healthier communities. By shifting more trips to shared and active options, and electrifying more vehicles, we can cut climate and air pollution, enjoy quieter and cleaner neighbourhoods, and make our roads safer for pedestrians and cyclists.

Ahead of the Budget, the Albanese Government has been working to deliver a New Vehicle Efficiency Standard that will give Australians better access to cleaner cars that are cheaper to run. The budget includes significant new funding to implement the standard and deliver more vehicle charging infrastructure so it's available as more people make the switch to EVs. Alongside funding to support the uptake of EVs, the government has also established a new fund to invest in active transport projects around Australia, and made contributions to shared transport in some states and territories. This is the right direction, and we'll need to see far more of it in future budgets to give Australians real choice in how they move around.

Initiative	Funded amount	What it does	Our assessment
New Vehicle Efficiency Standard Implementation	\$154.5 million over six years from 2023–24	Implement a New Vehicle Efficiency Standard to support greater choice of fuel-efficient vehicles that will reduce motoring costs and transport emissions. Funding includes: \$84.5 million to establish a regulator to administer the New Vehicle Efficiency Standard and \$60.0 million to support the installation of electric vehicle charging infrastructure at automotive businesses to support the transition to selling and servicing electric vehicles	The Climate Council has campaigned hard over several years to get the Australian Government to deliver the New Vehicle Efficiency Standard . It is positive to see continued momentum towards implementing this important reform.
National Active Transport Fund	\$100 million over four years from 2025–26	The federal government will invest \$100 million to establish a new national Active Transport Fund that will upgrade and deliver new bicycle and walking paths. This will support zero emissions travel, provide a	Climate Council has been campaigning for the federal government to play a more active role in delivering the infrastructure and services Aussies need to be able to choose shared and active

		safer environment for cyclists and pedestrians, and promote active and liveable communities.	transport options for more trips, more often. This is a welcome start but the \$100 million is a fraction of the \$1 billion provided for the <i>Roads to Recovery</i> program.
Building a Better Future Through Considered Infrastructure Investment	TBC	<p>Within the \$4.1 billion <i>Infrastructure Investment Plan</i>, the budget papers call out some specific shared and active transport projects for funding including:</p> <ul style="list-style-type: none"> • \$115 million for Zero Emission Buses Tranche 1 Infrastructure – Macquarie Park Depot in New South Wales • \$50 million to plan for Stage 2B of the Canberra Light Rail in the Australian Capital Territory • \$540 million for the Australian Rail Track Corporation to invest in the interstate [freight] rail network, including \$150.0 million for the Maroona to Portland Line Upgrade <p>However, the majority of projects funded through this initiative, and the existing projects receiving increased funding in this year’s budget, are still road projects.</p>	<p>The Climate Council has consistently called for the Federal Government to invest more in shared and active transport options that provide more transport options for all Australians, and cut climate pollution.</p> <p>While these funding commitments are positive, the continued focus on road projects won’t cut climate pollution or give Australians more choice in shared and active ways to get around.</p>
Supporting Transport Priorities	\$78.8 million over three years from 2023–24	Resource the High Speed Rail Authority to undertake the development of a business case for the Sydney to Newcastle high speed rail corridor.	Climate Council welcomes this initiative to develop high speed rail on Australia’s East Coast. There is also more we can do to make long-distance rail better in the short term. In <i>Seize the Decade</i> we called for a focus on strategic faster rail routes. Rather than waiting for an entirely new high speed rail network, we propose staged upgrades to improve rail connections and deliver rapid benefits.



HOW WE USE AND CARE FOR LAND

Australia can keep farming, better protect our precious landscapes and restore our environment by ending native forest logging, reducing land clearing, and improving agriculture and waste practices.

Climate action in the land and agriculture sectors has been a limited focus for investment by the Albanese Government to date, with only modest commitments primarily in research and development partnerships with industry. The 2024-25 budget provides funding for the agricultural sector to research new ways to cut climate pollution and mitigate the impacts of climate change. However, there are no budget initiatives addressing other sources of biogenic emissions: waste and land use, land use change, and forestry.

Initiative	Funded amount	What it does	Our assessment
Future Drought Fund – better support for farmers and communities to manage drought and adapt to climate change	\$519.1 million over eight years from 2024–25 from the Future Drought Fund	Improves support to farmers and communities to manage drought and adapt to climate change - includes 11 different investments in pilots, trials and information-sharing initiatives to develop a range of promising solutions to make farms more drought resilient in a changing climate.	The climate change which has already occurred, and continues worsen as we release further climate pollution, is expected to cause worse droughts, more often. This funding to deal with the already locked-in impacts of climate change is important. Adaptation initiatives should continue to be investigated, but should not be prioritised over the urgent goal of cutting climate pollution today.
Agriculture and Land Sectors – low emissions future	\$63.8 million over ten years from 2024–25	Supports initial emission reduction efforts in the agriculture and land sectors as part of Australia’s transition to net zero by 2050.	In <i>Seize the Decade</i> Climate Council has previously called for further research into emerging solutions to decarbonise Agriculture. This commitment to further research is welcome.



HOW WE BUILD THINGS

Improving our buildings and appliances is one of the simplest and fastest ways to cut climate pollution with technology and materials that are widely available and scalable today. Better buildings means we can live and work in places that are more comfortable, ease the costs of living for households and businesses, and slash climate pollution.

Last year's budget included a first foray into household electrification, including for people living in public and social housing. The Albanese Government has not maintained this momentum in the 2024-25 Commonwealth Budget. While \$27.7 million has been committed to the rollout of consumer energy resources (see *How we power ourselves*), no new commitments have been made to make our homes more energy efficient and comfortable or get homes and businesses off gas.

Other climate initiatives worth noting:

Initiative	Funded amount	What it does
Net Zero Economy	\$399.1 million over five years from 2023–24	<p>Resources a number of federal government agencies to coordinate policy and deliver initiatives across government which can support communities and workers affected by the necessary transition away from fossil fuels.</p> <p>This includes:</p> <p>\$209.3 million to expand the work of the Net Zero Economy Authority, including by brokering investments that create jobs in regions;</p> <p>\$134.2 million to provide workforce transition support for impacted workers and the broader communities affected by the net zero transition;</p> <p>\$44.4 million to deliver the Energy Industry Jobs Plan, to assist employees impacted by the closure of relevant coal- and gas-fired power stations to access new employment by supporting job and skills matching and providing onboarding and early retirement incentives to employers.</p>
Future Made in Australia – Strengthening Approvals Process	\$96.6 million over four years from 2023–24	Resources the Department of Climate Change, Energy, the Environment and Water to strengthen environmental approvals for renewable energy, transmission, and critical minerals projects, deliver additional regional plans, and undertake targeted scientific studies to improve the environmental data used in decision-making
Australia's International Climate Change Engagement	\$76.2 million over five years from 2023–24	Supports Australia's continued engagement in international climate change and energy transition issues, including through the International Energy Agency, G20 and United Nations Framework Convention on Climate Change, to bolster trade opportunities and enhance security relationships with key partners, and bid to co-host the 31st Conference of the Parties (COP31) in partnership with the Pacific and undertake initial planning in the event of a successful bid.
International Climate	\$150.0 million over four	Contributes additional investment to two global climate finance initiatives:

Finance	years from 2024	<p>\$100.0 million as an investment in the Pacific Resilience Facility, an initiative endorsed by the Pacific Islands Forum Leaders, to fund small scale climate and disaster resilience projects in the Pacific</p> <p>\$50.0 million over two years from 2026–27 to the United Nations Framework Convention on Climate Change Green Climate Fund to assist developing countries in adaptation and mitigation practices to counter climate change.</p>
Improving the Australian Carbon Credit Unit Scheme	\$48.0 million over four years from 2024–25	Implements further reforms to the Australian Carbon Credit Unit scheme as part of the Government’s response to the Independent Review of Australian Carbon Credit Units.