



Senate Economics Legislation Committee
Budget Estimates 2022-23
Thursday, 7 April 2022
Daily summary

Here is the summary of today's proceedings in the Economics Legislation Committee estimates hearing.

The committee met from 9.00am until 12.06pm.

The committee called:

- Department of the Treasury portfolio, including Corporate and Macroeconomic Group; Fiscal Group; Revenue Group; and Markets Group; and
- Department of Industry, Science, Energy and Resources portfolio, including corporate group; Program 1.1: Investing in science, technology and commercialisation; Program 1.2: Growing innovative and competitive businesses, industries and regions; and Program 1.3: Supporting a strong resources sector.

Topics discussed by the committee included:

Department of Industry, Science, Energy and Resources Portfolio (DISER)

- modern manufacturing and related grants, consultation, implementation, and consideration of longer-term investment by and partnerships with government, examples of successfully funded projects.
 - policy goals – competition based on value not price
 - complexity of the modern manufacturing strategy
 - research and innovation alignment with modern technologies
 - diversification of the sector
 - budget – increased investment in science and innovation
 - vaccine for lumpy skin
 - development of vaccinations
 - audit regarding animal vaccine capability in Australia
 - shortages of diesel additive AdBlue (regional) – work undertaken by the government to secure additional supplies
 - shortage because of a Chinese export ban
 - benefits of modern manufacturing – medical benefits
 - examples of projects that are being funded under the MMI and that are supporting investment, innovation and growth in the sector
 - space program launch – stimulus because of the investment in manufacturing
 - private sector response to the MMI – \$946.9 million committed to projects which leverages broader impacts across the economy

Australian Space Agency (ASA)

- space agency agreement with USA;
- space launch, including Space Strategic update, abolition of space launch application fees, fast tracking access to space measure and infrastructure, competitive regulations, and internal restructure, hypersonic, work with Defence Space Command and impacts on local manufacturing and commercialisation;
- national electric vehicle strategy;
- budget – reduction in the cost of launch permits – current funding arrangements; and
 - permanent abolishment of fees

- scope of the ASA in relation to launch works – multiple aspects / jurisdictions
- fast tracking access to space measure – investment in infrastructure
- hydro sonic weapons program development – intersection with ASA research programs.

CSIRO

- mission to reduce plastic waste;
- increasing agri-food exports;
- launch of national research lab – stimulation of bush fires to mitigate and plan for disasters in the future and building resilience;
- national space mission – partnership with ASA, BoM and Defence – building of new satellites in the country;
- bio-lab capability in Australia;
- climate change modelling and auditing, and climate mitigation strategies to reduce carbon emissions, impacts of radiation;
- basis of current climate, agriculture and energy policies, development, and subsidies;
- radiation – carbon emissions – methods to audit and track to heat;
- net-0 policy – advice regarding policy and procedures;
- electricity prices;
- state of the climate report;
- variable energy source funding;
- wind and solar subsidies;
- virtual critical minerals research and development centre and CSIRO's role;
 - release of report regarding critical minerals
 - partnership between other agencies
 - governance arrangement and structure – critical minerals facilitation office
 - opportunities for 'in person' collaboration at James Cook University – technology to link and connect sites together – strategic relationship agreement and possibilities for expansion
 - management of the critical mineral's facility and timeline
- flood monitoring work – engagement with the investment with Gov;
- contribution of science to solving national issues (e.g. climate change, water);
- selection and appointment of board members, role of the board; and
- Water Lens project.

Outcome 1 and Program 1.3: Supporting a strong resources sector

- LNG and carbon capture storage in Darwin (renewable / clean energy hub);
 - active consultation process on bi-lateral agreement for emissions reduction with NT Gov (Cmth – NT partnership)
 - gov platform and plan for clean energy
 - timeline for the business case
- energy security and regional development plan, including its development and funding, CCS project in Darwin;
- clean energy projects;
- virtual National Critical Minerals Research and Development Centre, establishment, governance and priorities and collaborative research;
- critical minerals grant opportunities, including closed round and perpetually open grants, guidelines, use of Industry Growth Centre, application assessment, and funding issued;
- funding of infrastructure projects in the Pilbara (Energy Security fund); and
- *Northern Endeavour* litigation update and potential for liability for the public.

NOPSEMA

- approval of Barossa drilling environmental plan and consultation conducted with First Nations people;
- consultation with traditional owners in proximity to gas fields – relevant person entitlement holder consultation process;
- public consultation process for the project and environmental approval;

- approvals process for the facilitation of drilling – requirements and consent from traditional owners;
 - consideration of objection claims
 - decision criteria for the acceptance of a claim & requirement for relevant consultation and timeliness of this process
- environmental regulations – off-shore gas and petroleum regime;
- \$1.5 million dollars for infrastructure in the Pilbara region;
 - examples of projects
 - increase offshore processes
 - supporting steel production in export countries
 - supply chains security – low emissions manufacturing facilities – hydrogen demand and export
 - allocation of funds in respect to co-investment in the area
- update on Northern Endeavour litigation; and
 - de-commissioning costs recovered by the levy
- Laminaria-Corallina field potential approach from Timorese.