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Senate Economics Legislation Committee,

Response to the Future Made in Australia Bill 2024 [Provisions] and the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 [Provisions] (FMIA)

The Australian Industry Group (Ai Group) welcomes this opportunity to respond to the Question on Notice from Senator David Pocock:

Should the FMIA package include measures to encourage household electrification and improvements in energy efficiency?

Upgrading Australia's homes and other buildings for improved energy efficiency, thermal comfort and emissions performance is a high priority. However, these objectives are best advanced via other energy transition policy frameworks which are complementary but separate to the FMIA package.

The FMIA package is designed specifically for the industrial sector, which we understand in broad terms as mining, manufacturing, construction, utilities and their allied industries. Its net zero stream complements the many energy transition policies for other sectors, including inter alia CEFC, ARENA, EFA, the NRF, Rewiring the Nation, the Powering the Regions Fund, and the Net Zero Authority amongst many others.

FMIA should be aligned to and support, but should not duplicate, energy transition measures designed for other sectors in these other programs and agencies.

With respect to domestic energy efficiency, the Federal Government has extended support through new programs contained in the October 2022-23 Budget (for small businesses) and 2023-24 Budget (for households). Given the distinctive needs of domestic energy efficiency improvements, the domestic energy efficiency objective is best pursued through these bespoke policy measures.

We note, however, that FMIA investments in new energy technologies will unlock products, services and infrastructure whose benefits will flow across Australia's energy systems. FMIA's net zero transformation stream includes a criterion for whether projects can reduce emissions in other areas of the economy.

An example is support for clean energy manufacturing projects, which received \$1.4 billion over eleven years in the 2024-25 Budget. Applying the criterion regarding support for emissions reduction in other areas of the economy, this measure can and should include projects which develop technologies that support domestic energy efficiency.

As Ai Group argued in our original submission, it is therefore critical that FMIA support should be offered to existing industries which can support transition across all sectors of the economy.

Sincerely yours,



Louise McGrath
Head, Industry Development and Policy – Ai Group