

Federal Budget 2017/18 Fast Facts Energy & Resources



What did we deduce?

The additional funding will help address Australia's short term gas supply issues to some extent and improve affordability for households. However whether it would be a sustainable solution in the future is questionable.

The key takeouts are:

- \$90 million will be provided to increase gas production and to improve affordability for domestic use. This includes securing commitments from the gas industry to guarantee supply during peak electricity demand periods.
- Australian Competition and Consumer Commission (ACCC) has been requested to undertake inquiries into competition in retail electricity and commence ongoing monitoring of the gas markets.
- Undertaking investments in new low emissions technology. The Government has already provided around \$1.2 billion in grant funding for renewable technologies through the Australian Renewable Energy Agency (ARENA) and over \$3 billion of debt and equity to support low emissions projects through the Clean Energy Finance Corporation (CEFC).
- Investment in new generation, transmission and storage capacity via the Snowy Hydro Scheme 2.0. The project is expected to provide a 2000 megawatt increase in energy capacity. Funding is also being provided to investigate new gas pipelines and energy infrastructure in South Australia. Up to \$110m in funding will be made available for an equity investment, if required, to help secure the delivery of a solar thermal project in Port Augusta, South Australia.

What does this mean for you:

The initiatives will help improve the affordability and reliability of energy for Australian businesses and domestic users.

Australians would welcome cost reductions in energy costs as the reforms are linked to achieving better energy efficiencies from the implementation of more renewable technologies. This while ensuring consumers and the industry are getting a fair deal.

ShineWing Australia Budget Rating:

