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BUDGET 2023: ACTION ON ENERGY, RENEWABLES AND HOUSING
KEY WINS FOR BUSINESS

The region's peak business organisation, Business Illawarra, has this evening welcomed the second budget of the Albanese Government, saying that it contained positive measures to address rising costs and pressures for business.

Business Illawarra Executive Director Adam Zarth said that the Budget also contained initiatives that would support major economic priorities for the Illawarra Shoalhaven, including clean energy transition and affordable housing.

"Small-to-medium enterprises across our region are struggling with the rising costs of electricity and gas, and at the same time are keen to become more energy efficient and play their role in the transition to a net zero economy," said Mr Zarth.

"The budget contains a series of measures that incentivise them to become more energy efficient and some will receive direct relief for their power bills. We also welcome the temporary increase to the instant asset write-off threshold to \$20,000, which will encourage small businesses to invest in their operations."

"Our region is well-advanced on the path towards net zero emissions and is a major hub for investment in a range of renewable energy projects. We also are home to heavy manufacturing and some of the largest emitters in the nation. The establishment of the National Net Zero Authority will provide clarity and direction to help guide local industry and ensure our transition is undertaken in a manner which grows our economy rather than shrinking it."

"In particular, the \$2 billion Hydrogen Headstart Program announced tonight will support investment in a key emerging renewable energy opportunity in our region where we have the opportunity to produce and ultimately export this clean energy source of the future."

"Local employers are concerned about the critical shortage of affordable housing for their key workers that is particularly acute in the Illawarra Shoalhaven. We welcome the Federal Government's leadership on this issue, and the \$2 billion contained in this Budget for affordable and social housing as a good start."

"Finally, there is the prospect of major funding for skills, subject to negotiation with the states and territories, with \$3.7 billion set aside for a five-year National Skills Agreement that would commence on 1 January 2024."

Summary of key budget initiatives to support economic priorities for the region

- Creation of the National Net Zero Authority to assist in the transition to renewable energy and \$2 billion for the Hydrogen Headstart Program which will provide revenue support to help drive investment in hydrogen production
- \$2 billion for more social and affordable housing through the National Housing Finance and Investment Corporation, and measures to support the growth of the Build-to-Rent sector
- \$3.7 billion for the five-year National Skills Agreement, subject to negotiation with the states and territories

Summary of measures that will support businesses in the region

- Temporary increase to the instant asset write-off threshold to \$20,000: small businesses with a turnover of up to \$10 million can immediately deduct the full cost of an eligible

asset costing less than \$20,000 that is first used or installed ready for use between 1 July 2023 and 30 June 2024.

- Tax deduction for energy upgrades: up to 3.8 million small businesses investing in energy-efficient equipment will be eligible for a tax deduction of as much as \$20,000. Eligible assets or upgrades will need to be first used or installed between 1st July 2023 and 30th June 2024.
- Businesses with a turnover of up to \$50 million will get cash to electrify cooling and heating systems, install new batteries and heat pumps, and replace ageing tools.
- \$3 billion in state and federal funding for one-off energy bill discounts, including rebates estimated at \$630 for NSW small businesses.

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About Business Illawarra

Formerly the Illawarra Business Chamber, *Business Illawarra* is the region's peak business organisation; a not-for-profit advocacy group dedicated to the economic development of the Illawarra.