# Overview of 1st two months of the Labor Government (2025-2028)

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# Department of Industry, Science & Resources

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The first 60 days of this term saw actions focused on stabilizing critical industries, strengthening Australia's industrial base, driving early innovation collaboration, and positioning new technology and science priorities under the *Future Made in Australia* framework. Key initiatives included direct support for heavy industry, new funding for green technologies, early moves in AI capability-building, and steps to link science and research more closely with industrial policy. Several major industry facilities faced significant challenges during this period, which shaped much of the portfolio's immediate work.

## Key actions undertaken

### I. Advanced manufacturing and heavy industry

Significant focus was placed on supporting domestic manufacturing capacity and protecting jobs in heavy industry. A prominent example was the launch of the $2 billion Australian Aluminum Production Credit, directed at the Tomago aluminum smelter in Newcastle. This measure aims to provide investment certainty for low-emissions aluminum production while securing a strategic domestic capability. Engagement with the smelter's workforce and management was coupled with efforts to encourage the negotiation of renewable power contracts to ensure long-term sustainability.

The formal sale process for the Whyalla steelworks was also initiated during this period, following the federal and South Australian governments' commitment of $1.9 billion within a broader $2.4 billion Sovereign Steel package. Administrators began the data-room process, with global interest in the sale, and early actions included stabilizing operations and re-hiring local workers and apprentices. These steps were presented as crucial for safeguarding the local iron and steel value chain.

In Queensland, the future of Glencore's Mount Isa copper smelter and mine was another priority. High-level meetings were held with company leadership and state officials to secure copper processing capacity onshore. Similar interventions were made for the Liberty Bell Bay manganese smelter in Tasmania, which suspended operations during the period. In that case, a federal rapid assessment team was established to work with the Tasmanian Government, although no direct bailout was provided.

### II. Critical minerals and clean energy projects

The period saw continued support for major projects in the energy transition and critical minerals sector. Several ventures received or renewed Major Project Status, including a new solar-panel component facility in Queensland, a carbon capture and storage project in the Bonaparte Basin, and the Cobalt Blue battery minerals project. This status is designed to

streamline approvals and boost investor confidence for projects aligned with national net-zero and manufacturing goals.

The National Reconstruction Fund and the Industry Growth Program were cited as key channels to channel investment into advanced manufacturing, particularly in sectors like food and beverage production and local rail manufacturing.

**III. Innovation and research networks**

A new $10 million Green Metals Innovation Network was launched, coordinated by CSIRO and the HILT Cooperative Research Centre. Its objective is to accelerate development of low-emissions technologies for steel, alumina and aluminum, building on a broader multi-billion-dollar commitment to green metals and critical minerals.

At the Collaborate Innovate Conference, the portfolio signaled an intention to strengthen the link between Cooperative Research Centers and applied industrial R&D. There was an emphasis on better aligning research translation with national industrial priorities to maximize the impact of Australia's strong science base.

**4. Artificial intelligence and emerging technologies**

AI capability building emerged as an early focus. The release of the Australian AI Adoption Tracker in June showed a measurable increase in AI uptake among small and medium enterprises, with productivity and decision-making gains reported. A National AI Capability Plan was announced, highlighting the rollout of AI Adoption Centers and targeted micro-credentials through TAFEs to expand skills in industry.

Public statements also reinforced the view that digital infrastructure, such as energy-intensive AI data centers, should leverage domestic renewable energy to secure a stronger position in the global technology ecosystem. The continuation of the government's $190 million commitment to the PsiQuantum project underscored the intention to develop domestic quantum computing capability as part of broader productivity growth.

**5. Science engagement and community outreach**

Science engagement actions were mostly symbolic but signaled continuity. For example, Questacon celebrated a milestone of 13 million visitors, recognized for inspiring young Australians in STEM. The 150th anniversary of the Meter Convention was used to highlight the fundamental role of measurement science in trade and climate research.

Statements during this period frequently recognized the contribution of CSIRO, the Chief Scientist, and the National Measurement Institute, with repeated commitments to better align industrial and research priorities. However, no new structural reforms or large funding programs for science were announced beyond these engagements.

## Major challenges and responses

Several major industrial sites faced viability crises during the 60-day period, requiring urgent action to protect jobs and sovereign capabilities. In most cases, the response relied on convening stakeholders, pressing owners for transparency, deploying assessment teams, and working closely with state governments. Direct bailouts were avoided, with funding focused on already announced credits or structural support, such as the Sovereign Steel package and aluminum production credits.

Public debate on energy prices, climate targets, and international trade policy also shaped portfolio priorities. Concerns about the impact of US trade measures and the ongoing AUKUS review were addressed through statements reaffirming commitment to domestic manufacturing and critical minerals processing as a hedge against global market volatility.

The scale of the portfolio's remit are cutting across energy, resources, technology, and research which required careful coordination with state governments and other Commonwealth portfolios. Frequent public appearances and local site visits signaled a collaborative approach to tackling these challenges but also underlined the complexity of delivering outcomes quickly.

## Gaps and areas for improvement

Despite visible early activity, several areas show clear gaps:

- **Outcome certainty for major facilities:** While announcements and negotiations progressed for sites like Whyalla, Mount Isa, and Liberty Bell Bay, none had a confirmed long-term rescue plan by the end of the reporting period. Progress largely depended on private owners' next steps and future funding decisions.
- **Legislative and Regulatory Reform:** Aside from the mandatory seafood labelling reform, no major new legislation or regulatory overhaul was enacted. Long-term policy changes on AI regulation, innovation tax settings, or industry standards remain pending.
- **Research system coordination:** Although better R&D alignment was a repeated theme, no new structural reforms, agencies, or pilot programs were launched to connect the science base more directly to industry during this period.
- **Sovereign capability detail:** Frequent references to the importance of sovereign manufacturing and processing capacity were made, but specific strategies or detailed plans to build this capability remain to be outlined in practical terms.
- **Workforce and Skills Pipeline:** Initial AI skills announcements and adoption centers are positive, but broader workforce development measures for manufacturing and advanced tech sectors were not detailed in the first 60 days.

## Overall impact

The following summarize recommendations dated May 27, 2025, sent by IPAG Asia Pacific, Melbourne to Hon Tim Ayres, Minister for the Industry, Innovation & Science for implementing in the 1st 100 days of the 2nd term of the Labor Government. It provides status of implementation and what needs to be done is to be on track for timely completion of the initiatives.

| IPAG Recommendations | Progress Made | Implementation Status (✓/X) | Remarks |
|---|---|---|---|
| **1. Future Made in Australia Act** | Major Project Status for key ventures. No final framework/advisory group yet. | ✓ (Partially) | Early steps taken but lacks clear timeline for full framework and pilots. |
| **2. National reconstruction fund** | NRF promoted in speeches. No new disbursements confirmed. | ! (Limited progress) | Funding promises are made but first major allocations still pending. |
| **3. Science & research priorities** | Support for CRCs. No new structures or funding streams yet. | ! (Limited progress) | Support exists but there is no cross-sector plan or new incentives yet. |
| **4. AI & advanced tech roadmap** | AI Capability Plan & Tracker out. No full roadmap or council yet. | ✓ (Partially) | AI tracker launched but broader strategy and council needed for coordination. |
| **5. Industry–research collaboration** | Green Metals Network launched; CRC model highlighted. No new office. | ✓ (Partially) | Initial networks are good start; stronger co-funding programs would accelerate impact. |
| **6. Science governance** | Coordination flagged in speeches; no formal reforms yet. | X | No substantial reforms yet; Cabinet-level review yet to materialize. |
| **7. Manufacturing modernization** | Aluminum credit delivered; green energy/minerals status. No new grants/hubs yet. | ✓ (Partially) | Some credits delivered but sector needs new grants and hubs for scale-up. |
| **8. Youth innovation fund** | No action yet. | X | No action yet. |

## Moving forward……

The first 60 days delivered a clear signal that national industrial resilience, low-emissions transformation, and stronger links between research and industry remain top priorities. Actions taken, such as launching the Green Metals Innovation Network, awarding Major Project Status for key energy and minerals ventures, and supporting large manufacturers through credits and facilitation, align with the Future Made in Australia vision.

Early steps in AI capability-building and productivity tracking show intent to position Australia in emerging technology markets. Likewise, visible engagement with the research sector suggests momentum for more coordinated science and industrial policy in the months ahead.

However, limited legislative progress, unresolved industrial crises, and a lack of concrete structural changes to the R&D system point to the scale of work required. While these first measures have stabilized immediate challenges and signaled strong federal commitment, they are best seen as groundwork for reforms and investments that will need to mature over coming months and years.

The overall effect is an agenda in motion. So far, the ministry has helped reassure workers and communities facing industrial change, pointed out clearer ways to grow green industries and technology, and highlighted how important science is for keeping the country competitive. But turning these plans into real results will require strong follow-through, deliver the promised funding, and create practical ways to turn policy ideas into real investment and innovation.