

11 August, 2023



To Department of Climate Change, Energy, the Environment and Water

[Beyond Zero Emissions](#) (BZE) is an independent think tank creating solutions for a prosperous zero-emissions future. We have been actively working on decarbonisation for more than a decade, and have a range of publications relevant to this submission such as [National Supergrid](#), [Deploy](#), [Export Powerhouse](#) and [Renewable Energy Industrial Precincts](#).

We commend the government's initiative to establish international best practice benchmarks for our safeguard facilities. This consultation is very important and must be used to identify an ambitious and meaningful benchmark for Australia. Establishing this benchmark represents a significant opportunity to decarbonise our high-emission facilities, setting Australia on a trajectory to achieve net zero by 2050, and positioning us as a renewable energy superpower.

Australia stands in a unique position, boasting world-class renewable energy resources. This allows us not only to decarbonise our established industries in regional industrial hubs but also to develop a clean manufacturing sector. Four Renewable Energy Industrial Precinct (REIP) locations - Gladstone, Kwinana/South-West WA, Hunter, and Bell Bay - account for nearly 25% of the total SGM emissions. Our work on REIPs shows that delivering renewable energy and other common user infrastructure to these industry clusters can achieve large scale emission reductions while repowering our industries for growing cleantech and clean commodity markets. Such an approach promotes economies of scale for renewable energy generation and transmission needed by SGM facilities, offering notable cost benefits compared to addressing each facility individually. Consequently, this strategic approach provides the government with a higher return on investment in its decarbonization efforts, potentially freeing up resources for further emission reductions.

Our 2021 Export Powerhouse report identified a \$333 billion green export opportunity for clean commodities and manufactured goods by 2050 (almost triple the value of 2019 fossil fuel exports).<sup>1</sup> We have a once in a generation opportunity to establish a globally competitive clean commodity market.

With the introduction of the Inflation Reduction Act and the Carbon Border Adjustment Mechanism, we are at a critical junction for investing in enabling infrastructure that will allow manufacturing sector to setup green manufacturing of commodities such as green steel, green aluminium, green hydrogen, etc

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<sup>1</sup> Beyond Zero Emissions, 'Export Powerhouse: Australia's \$333 Billion Opportunity'.

To realise this opportunity, we need to:

- Fast track investment in transmission and distribution upgrades to clusters of SGM facilities in preference to facility by facility approaches to encourage energy use productivity and minimise duplication of infrastructure. For more details refer to our recent report a [National Supergrid: connecting Australians to a zero-emissions future](#); and
- Support access to this investment by small to medium enterprises within and surrounding the SGM anchor tenants to grow an ecosystem of heavy industry and manufacturing (such as battery manufacturing) powered by renewables. For more detail refer to our work on [RenewableEnergy Industrial Precincts \(REIPs\)](#).<sup>2</sup>

We would welcome the opportunity to discuss our work in relation to international best practice benchmarks for SGM facilities.

Yours Sincerely,

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We acknowledge that Australia cannot become a renewable energy superpower without the growth and decarbonization of our regional industrial heartlands.

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<sup>2</sup> Beyond Zero Emissions, 'Gladstone Renewable Energy Industrial Precinct Briefing Paper'; Beyond Zero Emissions, 'Hunter Renewable Energy Industrial Precinct Briefing Paper'.