

Australia's heavy industry supply chains could transition to net zero emissions.

The pathway to net zero emissions will be complex and challenging, but we are ready to work together and position Australia to prosper in a decarbonising global economy.



Our organisations have come together as members of the ***Australian Industry Energy Transitions Initiative***, which was co-convened by Climateworks Centre, operating within the Monash Sustainable Development Institute, and Climate-KIC Australia, in collaboration with the Energy Transitions Commission and delivery partners CSIRO, RMI and BloombergNEF. The Australian Industry ETI was developed with the generous support of philanthropic donations, funding from the Australian Government through the Australian Renewable Energy Agency and contributions from participating organisations.

Urgent action is required to work towards reducing greenhouse gas emissions consistent with global efforts to limit warming to 1.5°C. Three years of extensive research and analysis on behalf of the Australian Industry Energy Transitions Initiative, alongside robust debate and consultation with its partners, shows significant decarbonisation of Australian heavy industry is possible and outlines pathways for how it could be done. It will require a significant stretch in ambition, and coordinated action across businesses, investors and government, while being inclusive of our communities, workers and Traditional Owners and Elders on whose lands we operate.

We come from diverse sectors but share a common vision of Australia as a globally competitive, equitable, net zero emissions industrial economy with the potential to also become a net zero emissions energy and commodity export powerhouse. Leveraging abundant renewable energy and mineral resources, home-grown intellectual property, and experience will drive our competitive advantage towards becoming a leader in the global effort to decarbonise.

The current global energy crisis highlights the need for energy security. However, this should not distract from the imperative to reduce emissions. In fact, it presents an opportunity to plan for and invest in the future energy system we need. We recognise decarbonisation can build competitiveness and create jobs by delivering low-cost, reliable, decarbonised energy at scale, a shift to electrification and developing new export-oriented industries. As some of Australia's largest companies, we understand that we have a critical role to play.

Together, the Australian Industry Energy Transitions Initiative has identified five objectives to enable heavy industry to transition to net zero emissions consistent with global efforts to limit warming to 1.5°C.

1. Set a strong, clear, enduring framework with a net zero emissions goal to align industry, finance and government.
2. Transition to the large-scale, cost-competitive, renewable energy system of the future.
3. Accelerate development and demonstration of the emerging technologies needed.
4. Drive deployment of low-carbon solutions, reduce barriers and support investment towards the transition.
5. Develop integrated net zero emissions industrial regions, supply chains and energy network solutions.

Government, industry and investors need to work together on these objectives, continue to lift ambition, and align on a common goal. Mutual trust and commitment will be critical to building the confidence needed to invest the substantial capital required to achieve this transition. We will encourage and support federal and state governments as they develop an economy-wide suite of policies to support the above objectives, including measures to drive down emissions, reduce barriers and support investment towards the transition.

Our organisations in the industrial sector will support investment in the development, deployment and integration of the low-carbon solutions needed to decarbonise effectively. Our organisations in the finance sector will be active stewards of capital to support a net zero emissions transition. Together, we will collaborate in our regions and supply chains.

The pathway to net zero emissions will be complex and challenging, but if we succeed, it presents the opportunity to ensure Australia, its industries, its regions and its communities are positioned to prosper in a decarbonising global economy. Action is needed now to lay the foundations, capitalise on the opportunities, and avoid more costly emissions reduction measures in the future.

We are ready to seize this opportunity and are calling on others to join us. We know Australian industry is up for this challenge, and we're ready to work together to get there.