

Why I formed a Climate Capital Forum in Australia and why every country needs to do the same

by [Blair Palese](#) | Feb 08, 2023

Share on



The global move to decarbonize is a once in a century economic opportunity, but only if countries move quickly to get in the game.

In mid-December, I invited 18 of my closest impact investment, business, philanthropy, think tank and climate NGO friends together for pizza and beer at the [Ethinvest](#)* boardroom in Sydney. Why? I saw the impact of the \$369 billion U.S. Inflation Reduction Act (IRA) that is turbocharging spending and investment into climate solutions and innovation in America and felt Australia also needs a similar strategic climate plan.

For more than a decade, Australia, like the United States, has lagged behind on climate due to the power of fossil fuel companies and a very conservative government. Like the U.S., we are a “petro state,” one of the top three exporters of fossil fuels — right up there with Russia and Saudi Arabia. And we can’t help but notice that our traditional energy and mining trading partner, China, is decades ahead of us in accelerating decarbonization through clean energy and transport manufacturing supply chain programs.

We’ve just watched the U.S. show us that transformation is possible — if government, businesses and investors step up. If President Joe Biden found a way to deliver significant climate policies in a difficult political atmosphere, surely Australia can too.

Read our related story about the U.S IRA: [Climate law that offers bushels of carrot, few sticks and a lot of promise.](#)



It's now clear that we're in a global technology and investment race. Australia's world-scale renewables and resources could give us a real edge ... or we could be left in the dust as a sad exporter of coal and gas while we watch global demand drop.

With that in mind, our pizza and beer group gathered in Sydney. We were in furious agreement about what Australia needs to do, particularly our new climate-friendlier (relative!) federal government with much-needed climate pressure from the [Greens](#) and community independents known as [Teals](#).

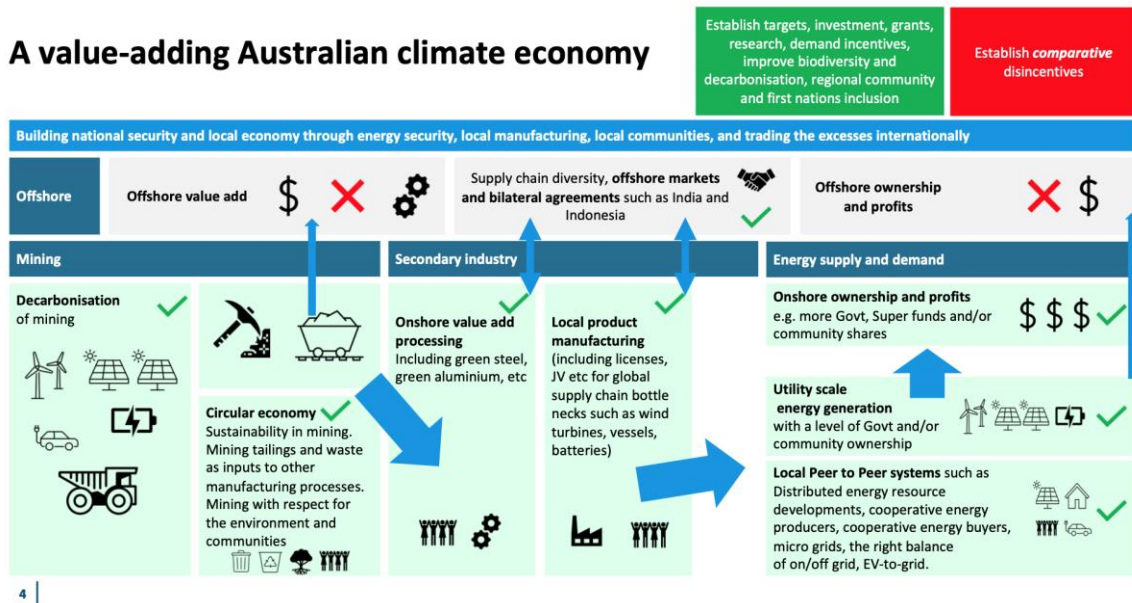
We need to put everything on the table to kick-start the rapid, strategic decarbonization.

In order for Australia to become a renewable energy superpower, we need a new playbook for the whole new decarbonizing ballgame. This includes removing investment obstacles and outdated financial structures, incentivizing investment in the solutions, taxing and penalizing polluting sectors and, most importantly, working together to establish a loud-and-clear market signal that decarbonizing is where the country has to go to be part of the future world economy.

The Climate Capital Forum roadmap

Four weeks after our first meeting, the newly named [Climate Capital Forum](#) was launched and produced a detailed [policy roadmap](#) outlining bold reforms needed to position Australia as a leader in zero-emissions trade and investment.

We presented our roadmap at the [Smart Energy Council](#) Industry Decarbonization summit in Sydney.



Australia as a leader in fossil free energy is a miracle, right?

Maybe not. After all, climate change is the single greatest threat to the Australian — and every country’s — economy. Fortunately, tackling climate change is also our greatest opportunity for investment, economic, export and employment growth that fossil-fuel loving Australia has ever seen.

From “dig and ship” fossil fuels to value-added lithium and more

Our road map was clear. We need to put everything on the table to kick-start the rapid, strategic decarbonization of every sector to help drive the accelerating global energy transition and build our future prosperity.

In reality, this means new strategies and policies and profound economic reform — a redesign and reindustrialization of Australia’s economy and energy systems and a refocusing of our mining sector to shift from fossil fuels to the critical rare earth minerals needed for renewable energy batteries.

If we can figure out how to move from a “dig and ship” economy to a value-adding pre-export, electrify-everything economy, “Making Australia Make Again” and leveraging our global competitive advantage in low-cost renewable energy, we might just become a renewable energy superpower.

Unbeknownst to most, Australia is the world’s largest exporter of lithium and iron ore, and the second largest for copper, with critical minerals demand



forecast to grow exponentially this decade. We are a democracy and a developed country with trusted trade partner status in Asia and super-abundant renewable resources to power processing onshore.

As we leverage our competitive advantage in the emerging global clean energy market, we also further our own national and energy security — a need starkly exposed when Russia invaded Ukraine, sending fossil fuel prices soaring, hitting nations around the world.

Climate change is now a strategic initiative

Our new Climate Capital Forum made it clear that we must have an ambitious national emissions reduction target, in line with the science, to ensure a clear market signal — a 75% reduction by 2035 (compared to 2005 levels). Australia must also ban all new fossil fuel projects and end fossil fuel subsidies. Tax reform is needed to ensure fossil fuel multinationals pay appropriate tax and royalties — any at all, really — here at home. This important revenue could be reinvested in the energy transition. And after a wasted decade of making climate change a political issue instead of an economic one, the country also needs to finally set a credible, lasting price on carbon, with emissions offsets only as a last resort.

Australia is in a strong position to leverage its international partnerships through zero-emissions trade agreements with China, the EU, India, Indonesia, Japan, South Korea and the U.S., while expanding existing agreements with Singapore and Japan, and work with those partners on a potential carbon border tariff to ensure Australian companies investing in reducing carbon aren't disadvantaged.

Made in Australia

One thing we agreed we need to do, we think every country needs to consider. Our government needs to commit to a Made in Australia program. The fast-growing demand for renewable energy components, technology and infrastructure, batteries, EVs — passenger vehicles, trucks and mining equipment — as well as EV charging, green hydrogen, ammonia, zinc and iron, lithium hydroxide and rare earths, integrated rooftop solar and behind-the-meter storage IT systems, and smart energy and emissions management systems sets the scene for Australia to play a major role regionally.

That's a lot of stuff that needs to be made. While we can't pretend making all of it here is possible or makes economic sense, we should look strategically at what we could be making here rather than buying it all from China.



It is essential we don't repeat the mistakes of the past.

Australia must also pursue a “nature-positive” approach that prioritizes effective assessment, avoidance and mitigation of the environmental impacts of the new renewables energy sector.

It is essential we don't repeat the mistakes of the past. And it's critical that First Nations Aboriginal citizens and regional communities are partners in the transition and all climate solutions.

Why write about what Australia needs to do in Climate & Capital Media? Because Australia is much like every country in the world — in need of clear economic direction that can accelerate climate action. As a global media organization, Climate & Capital will use this roadmap as we strive to deliver the best ideas on how success is defined in the new climate economy everywhere in the world.

While each country's approach and opportunities may be different, the goals are the same: to establish a strong economy, a flourishing environment, and a more equitable society living and working in a less hostile climate.

Help wanted: best and the brightest please apply

It's time for every country to gather its best and brightest investors, philanthropists, businesses, climate NGOs and think tanks together, maybe even some enlightened government officials, to draw up transformational climate policy roadmaps and then act on them.



It's likely that most, like us, will find plenty of common solutions. We have all the answers we need to move fast on climate change and much of the capability to deliver the solutions we need (if we can get fossil fuels out of the way).

NOTE: Signatories to the Climate Capital Forum and signatories to the policy roadmap include: [Ethinvest](#), [Climate Energy Finance](#), [Smart Energy Council](#), [Rewiring Australia](#), [Australian Impact Investments](#), [LAUTEC](#), [NorthStar Impact Funds](#), Supercharge Australia, [FutureSuper](#), and Stephen Pfeiffer, climate donor and advocate. Special thanks to Climate Energy Finance's Tim Buckley for collaborating on this story.

**In addition to being a co-founding editor of Climate & Capital Media, Blair Palese is also Director of Philanthropy at Ethinvest in Australia*