CLIMATE CAPITAL FORUM

Investment for Australia's Post Carbon Economy

Ten Ideas to Grow Australia's Productivity

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Climate Capital Forum

The Climate Capital Forum (CCF) is a network of investors, climate finance experts, decarbonising companies and philanthropists who came together to provide policy advice on how Australia can lead the world in decarbonising, renewable energy and cleantech innovation.

Established in December 2020, the CCF offers support to all levels of government on how to build a strong future economy and long-term job opportunities that will benefit Australia and uphold our commitments to our region and internationally as the world decarbonises.

Our members manage billions in assets and have firsthand experience navigating the barriers slowing down clean tech investment. We are here to share our lived experience of those barriers and propose practical, specific reforms that will unlock private capital, lift national capacity, and increase Australia's productivity.

TEN BIG IDEAS

1

Get Committed Funds Out the Door

1. Get Committed Funds Out the Door

What's the Idea?
Billions of dollars have been committed through the National Reconstruction Fund (NRF), CEFC's Rewiring the Nation, and Future Made in Australia programs but remain largely undeployed. ARENA likewise has significant capital allocations and growing in house capacities,, as have EFA and NAIF. We propose four clear steps to get this strategic public capital moving to crowd-in private capital:

- **Deploy the remaining $14.4 billion of the NRF within this term of government**, sending a clear signal to industry that investment is real and imminent.
- Streamline funding processes by expanding the one-round application model used in the Capacity Investment Scheme (CIS) to other funds, including ARENA, FMIA, NRF, CEFC's Rewiring the Nation and Future Made in Australia programs. And streamlining CIS state-Federal coordination, and accelerating the speed and upscaling of the CIS to deliver on our 82% RE by 2030 target.
- **Increase risk appetite** and introduce a **two-year grace period** on NRF return requirements for greenfield value-add commitments to unlock investment in strategic initiatives that have long construction timelines (green iron, DRI, green EAF steel, value-added steel scrap recycling and battery manufacturing).
- **Require equity stakes** being gifted to the NRF in return for new public subsidies for strategically important but commercially stressed commodity value-adding (e.g. green aluminium, steel, copper, nickel, lead, zinc, manganese smelting).

Why It Increases Productivity
These changes directly increase Australia's productive capacity by:

- **Accelerating capital deployment** into infrastructure and industrial projects, which boosts output, employment and net exports.

- Reducing administrative friction and delays that suppress private sector momentum. A fast no or a considered yes will speed up the process and give confidence that funds will be deployed as intended.
- **Unlocking co-investment** from clean tech capital that is currently sidelined due to bottlenecks in public funding flows.

This proposal aligns with the Treasurer's **pillar of a more dynamic and resilient economy**, as well as the **net zero transformation** and **efficient delivery of care and infrastructure**. It reflects *Abundance* principles by:

- **Expanding supply** (energy, infrastructure, jobs)
- **Removing bottlenecks** to delivery
- **Speeding up state capacity** to act decisively
- **Focusing on material outcomes** for workers, investors, and regions.

Proof Points

- The CEIS one-round model led to faster deal flow and clearer investor confidence.
- The NRF has so far deployed <5% of its total allocation despite being in its third year.
- Overseas programs (e.g. California's CalSEED) show how lower match requirements and upfront support drive innovation faster and more effectively.

2

Early-Stage Cleantech Funding

2. Early-Stage Cleantech Funding

Increase risk appetite, reduce match-funding requirements, and provide a grace period for returns—especially when competing with subsidised markets like China.

What the idea is
Australia should establish a 10-year, $100 million federal program to support cleantech startups through non-dilutive, non-matching early-stage funding. Drawing on the successful California models of CalSEED and CalTESTBED, the proposed AusSEED and AusTESTBED programs would surface, fund, and support high-potential cleantech entrepreneurs across Australia. By offering competitive grants at key stages of startup development—from initial concept to testing prototypes in existing facilities—this initiative would bridge funding gaps ("valleys of death") and accelerate the commercialisation of Australian innovation.

The funding model should lower financial barriers by eliminating matched funding requirements, expand the pool of potential founders, and increase the diversity of innovation. A clear pipeline would be established from idea to market, with the scale and consistency to build long-term pathways for founders and investors. Importantly, this approach would support Australia's clean energy manufacturing goals and better position the country to compete with jurisdictions like China that provide heavy subsidy support to domestic cleantech.

How it increases productivity
This proposal boosts productivity by addressing a structural weakness in Australia's innovation pipeline. As outlined in *Driving Australian Climate Innovation* and the EnergyLab/New Energy Nexus submission, the current scarcity of early-stage, high-risk capital is holding back the development of new intellectual property, early-stage innovation, job creation, and high-value manufacturing industries in Australia. By accelerating the time it takes for promising technologies to reach market viability, this program increases the

efficiency of capital, research, and labour inputs—driving up the output side of the productivity equation.

From the Treasurer's five-pillar framework:

- **Dynamic and resilient economy**: This program builds domestic capacity in cleantech manufacturing, reducing reliance on imported technology and strengthening economic resilience.
- **Net zero transformation**: It directly supports decarbonisation through the development of technologies that underpin Australia's clean energy transition.
- **Data and digital**: Startups supported through this program often involve software, automation, and data-driven solutions for clean energy, multiplying the impact on productivity through spillover effects into digital infrastructure and skilled jobs.

From the *Abundance* frame:

- This program reflects the abundance mindset by focusing on the scale and pace of innovation required to generate prosperity in a low-carbon world. It recognises that abundance doesn't come from scarcity thinking, but from removing structural bottlenecks to allow talent and ideas to flourish.

Proof points and evidence

- California's EPIC program has invested US$1.125 billion, resulting in US$10.5 billion in private capital raised by supported companies, 70+ technologies commercialised, and 243+ jobs created just from CalTESTBED participants.
- CalSEED startups improved by an average of two Technology Readiness Levels over the course of the program—accelerating the path to commercial success.
- EnergyLab and New Energy Nexus are already delivering the Supercharge Australia program, and are ideally positioned to replicate this success in the Australian context.

3

Expand Future Made in Australia Production Credits to Green Iron

3. Expand Future Made in Australia Production Credits to Green Iron

What's the Idea?
Australia has a narrow but critical window to lead the global race for decarbonised heavy industry. The government's Future Made in Australia (FMIA) package rightly focuses on clean energy and green manufacturing, but **key gaps remain — particularly around support for green iron and steel**. We propose:

- **Introducing a Production Tax Credit (PTC)** for green iron for the first few commercial scale projects to allow private investors to overcome the FOAK capital cost premiums and technology risks. This is particularly important whilst we continue to operate without a price on carbon emissions in Asian trade. Alternatively the government could pursue a Clean Commodity Trading Initiative (CCTI) to establish bilateral / trilateral agreements and maximise the effectiveness of taxpayer monies.
- **Expanding FMIA legislation** to explicitly include green iron in its eligibility criteria.
- **Applying a national interest test** to protect critical minerals and strategic metals processing and refinery projects from foreign acquisition, financial distress and/or closure due to unfair foreign price competition and dumping. Taxpayer financial support could be exchanged for a public equity stake to be managed by the NRF. Assistance should be conditional upon a clear alignment with national strategic, decarbonisation, and security goals,[1] including global supply chain diversification. Multilateral agreements for shared aligned geopolitical goals are needed.[2]

Australia has the raw materials, renewable energy potential, and industrial know-how to become a global leader in green metals — but it is losing ground to jurisdictions with more aggressive industrial policy, particularly at a time when our top trade partner, China, acknowledges the issues of 'disorderly low-price competition' due to overcapacity.[3]

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[1] AFR Alison Reeve, Treasury must vet Nyrstar bailout to avoid picking a loser, 2 July 2025
[2] AFR, China's grip on critical minerals revives supply fears at Quad meeting, 2 July 2025
[3] SCMP, China's top leadership takes aim at 'disorderly low-price competition', 2 July 2025

Why It Increases Productivity
This proposal would drive a pivot in the Australian economy and our export efforts towards lower emissions industries of the future by:

- **Creating high-value export industries** that add value to raw materials domestically instead of shipping them offshore.
- **Improving capital efficiency** through stronger policy certainty to build global competitiveness.
- **Catalysing private investment** in the enabling infrastructure, workforce, and technology required for large-scale industrial transformation.

It delivers on the Treasurer's pillars of a **dynamic and resilient economy**, **net zero transformation**, and **skilled and adaptable workforce**. From an *Abundance* perspective, it:

- **Unlocks national capacity** by targeting investment where Australia has a comparative advantage.
- **Accelerates supply-side innovation** in a sector critical to global climate goals.
- **Rebuilds state capability** through strategic, confident industrial planning.

Proof Points and Evidence

- The **Superpower Institute** estimates green iron could generate **$50bn in economic value**, calling it *Australia's best economic and climate opportunity this decade*. Their detailed roadmap outlines how green iron can scale with the right policy support: TSI: A Green Iron Plan for Australia (May 2025)
- The **WWF** echoes this view, calling green iron *Australia's economic sweet spot* and urging the government to include green iron in its production support policy mix: WWF: Green Iron is Australia's Economic Sweet Spot (Feb 2025)
- Climate Energy Finance's report "Green Metal Statecraft: Forging Australia's Green Iron Industry" https://climateenergyfinance.org/wp-content/uploads/2024/11/CEF_Green-Metal-Statecraft_FINAL.pdf
- The **Climate Capital Forum**, backed by major investors, called on government to introduce **Production Tax Credits** & expand FMIA legislation to include green metals: CCF Media Release: Investors Call for Green Metals Support (Feb 2025)
- A **Medianet article** summarising a new report warns that Australia's **critical minerals ambitions are at risk**, with one-third of refinery projects vulnerable to delay or exit without a stronger national interest framework: Medianet: Critical Minerals at Risk (May 2025)
- The **Institute for Energy Economics and Financial Analysis (IEEFA)** argues the main barrier to green iron progress is now policy uncertainty — not technology, saying *Australia is racing against time and losing ground to better-prepared jurisdictions*: IEEFA: Australia's Green Iron Journey – Racing Against Time
- Prof. Elizabeth Thurbon and Oliver Yates have called for a Clean Commodity Trading Initiative (CCTI) to develop trilateral agreements for green iron, particularly Australia-Korea-Japan.https://asiapacific4d.com/idea/ccti/.

4

Superannuation Reform: Align Performance Tests with Climate Risk

4. Superannuation Reform: Align Performance Tests with Climate Risk

Modernise the *Your Future, Your Super* (YFYS) performance test to account for climate risk — both **transition risk** (e.g. investments in high-emitting sectors that may underperform or become stranded) and **physical risk** (e.g. climate impacts such as floods, fires, and heatwaves that can degrade asset performance over time). These reforms aim to support long-term capital allocation in the national interest by:

- Introducing optional **climate-aligned benchmarks** into the APRA performance test regime, allowing super funds to adopt indices consistent with a net zero pathway without being penalised under current rules.
- Using **APRA's MySuper heatmap** to guide default fund flows away from portfolios with significant exposure to both transition and physical climate risks, particularly those that underperform on long-term, risk-adjusted metrics.

These changes preserve the integrity of the performance test while enabling super funds to invest in clean energy, infrastructure, and climate-aligned industries that are more resilient to the physical impacts of climate change and positioned for stable returns over time.

Why It Increases Productivity
Superannuation is Australia's largest pool of capital. Aligning it with climate risk boosts national productivity by:

- **Channelling investment** into future-facing sectors, such as renewable energy, green manufacturing, cleantech innovation and sustainable transport.
- **Improving capital allocation** toward assets that are resilient to both **physical** and **transition** climate risks, and capable of generating long-term, stable returns.

- **Supporting financial system efficiency**, ensuring the super system helps fund national growth rather than entrenching exposure to declining or vulnerable industries.

This reform supports the Treasurer's pillars of a more dynamic economy, net zero transformation, and harnessing capital through digital and regulatory reform. It also reflects *Abundance* principles by:

- Expanding the capital base for climate-smart growth
- Reforming regulation to enable better investment decisions
- Focusing on long-term prosperity and financial security

Proof Points

- APRA's own analysis and MySuper heatmap already highlight high-carbon funds as potential underperformers.
- Climate risk is recognised by global financial regulators (e.g. TCFD, ISSB) as a material financial risk to long-term returns.
- Climate-aligned benchmarks have already been adopted by some global pension funds without compromising performance.

5

Mandate Australia's Sustainable Finance Taxonomy

5. Mandate Australia's Sustainable Finance Taxonomy

What the idea is
Australia's Sustainable Finance Taxonomy, currently being developed by the Australian Sustainable Finance Institute (ASFI), will define which economic activities are environmentally sustainable and which support the transition to net zero. It aims to create a clear, credible, and science-based classification system for sustainable investments, supporting both investor confidence and national climate goals.

The taxonomy is currently voluntary and being piloted with a small group of financial institutions. This idea proposes that:

- The federal government formally endorse the taxonomy and commit to a **phased roadmap** towards mandating its use for large institutional investors, superannuation funds, and banks.
- It becomes the standard reference for green and transition finance in Australia — used in disclosure frameworks, product labelling, investment screening, eligibility for public-private funding, **and potentially for the definition of "green" bonds**.
- Expand the Taxonomy to incorporate climate adaptation and resilience

A clear roadmap is necessary to address key technical and practical gaps before full adoption. For example, the taxonomy currently lacks detailed rules for assessing alignment — such as how key performance indicators (KPIs) should be calculated and disclosed. Without mandated company-level reporting, financial institutions will lack the data required to apply the taxonomy consistently. A phased approach would help build the data infrastructure and clarity required for eventual mandatory use, while minimising pushback and enabling effective implementation.

Ultimately, embedding the taxonomy in Australia's sustainable finance system will give capital markets a consistent foundation for aligning portfolios with climate goals, reduce

greenwashing, and ensure that investments marketed as “green” are aligned with national priorities.

How it increases productivity
Mandating a sustainable finance taxonomy supports productivity by:

- **Streamlining capital allocation**: Investors will be better able to identify, compare, and fund productive, low-carbon activities.
- **Reducing the cost of capital** for credible clean energy and industrial transition projects by increasing investor certainty.
- **Avoiding the misallocation of capital** to high-risk, high-carbon, or stranded assets that fail to support Australia’s future economic model.
- **Crowding in private finance for adaptation,** which is critical for minimising the economy-wide productivity drains from climate impacts documented in the Intergenerational Report

This proposal aligns with the Treasurer’s pillars of:

- **Harnessing data and digital**: The taxonomy is a data-based tool for market efficiency.
- **Net zero transformation**: It accelerates the transition by guiding investment to high-impact, scalable solutions.
- **Dynamic and resilient economy**: It ensures Australia’s financial system adapts to emerging global sustainability standards.

From the Abundance perspective:

- It removes a hidden bottleneck in the investment process — **uncertainty** — and invites larger, faster flows of capital into projects that build national prosperity.
- It builds **institutional confidence and national coordination** behind the net zero agenda.

Proof Points and Evidence

- ASFI's pilot program has confirmed strong financial sector appetite for a taxonomy that provides clarity, consistency, and comparability.
  ASFI: Australian Sustainable Finance Taxonomy Overview
  https://www.asfi.org.au/publications/australian-sustainable-finance-taxonomy-3lwP4
- RIAA reports that a mandatory taxonomy would reduce regulatory fragmentation, lower compliance costs, and build investor trust in transition finance claims.
  RIAA: What Will the Australian Sustainable Finance Taxonomy Look Like?
- Mandated taxonomies are already in place across the EU and are emerging in markets such as Singapore, Canada, and South Korea — with Australia at risk of falling behind in global investment flows if we do not act.

6

Diesel Fuel Rebate Phase Out

6. Fuel Tax Credit Scheme: Phase Out a Counterproductive Subsidy

What's the Idea?
The Fuel Tax Credit Scheme (commonly known as the diesel rebate) will cost the federal budget almost **$48 billion over the current forward estimates**, primarily benefiting the mining, transport and agricultural sectors. While originally intended to exempt off-road users from an excise hypothecated to road-funding, the link was formally abolished in 1992. Now, as a forgone taxation scheme, it acts as a **de facto imported fossil fuel subsidy** that delays the electrification of industrial and heavy transport sectors, and undermines the effectiveness of the Safeguard Mechanism. At the Scheme's current rate, the marginal price of the subsidy is 5 times the marginal penalty applied by the Safeguard Mechanism.

We recommend:

- **Capping the tax credits at $50m annually per corporation**, limiting this initiative to 10 globally significant mining firms.
- **Phasing out the rebate over time** for sectors with available electric or low-emissions alternatives.
- **Reimbursing any firm impacted by the cap up to the level of additional tax paid,** conditional upon this being invested into electrification and decarbonisation infrastructure (e.g. enabling electrification infrastructure including transmission and distribution networks, charging networks, renewable energy generation and firming capacity, electrified heavy mobile equipment procurement to replace diesel fleets).
- **Establishing a transition support package** for affected businesses to adopt cleaner, more efficient technologies.

Why It Increases Productivity
This reform increases productivity by:

- **Increasing Australia's energy independence** and reducing our ~$60bn annual oil import bill, of which 50% is refined diesel products.
- **Removing a market price distortion** that encourages inefficient, high emissions, imported fossil fuel use and locks in outdated practices.
- **Shifting capital toward cleaner, lower-cost technologies**, which reduce long-run energy costs and emissions liabilities.
- **Creating market signals** that accelerate innovation in industrial decarbonisation and logistics.

It supports the Treasurer's pillars of a **net zero economy**, **better resource allocation**, and a **more dynamic, modern industrial base**. It reflects *Abundance* principles by:

- **Ending artificial scarcity of incentives** for clean technologies.
- **Reinvesting public dollars in future-focused infrastructure.**
- **Removing regulatory and fiscal barriers** to low-emissions progress.

Proof Points

- Climate Energy Finance's briefing note: "Reforming the Fuel Tax Credit Scheme is not 'economy-wrecking', but will align economic incentives with Australia's climate ambition and accelerate our pathway to a FMIA" https://climateenergyfinance.org/wp-content/uploads/2024/08/Fuel-Tax-Credit-Scheme-Report-Response.pdf
- Climate Energy Finance's report: "Fuel Tax Credit Scheme and Heavy Haulage Electric Vehicle Manufacturing in Australia" https://climateenergyfinance.org/wp-content/uploads/2023/09/Fuel-Tax-Credit-Scheme-and-Heavy-Haulage-Electric-Vehicle-Manufacturing-in-Australia.docx.pdf
- **40-50% of the diesel rebate** goes to the mining sector, one of the largest emitters in the country.
- Fortescue's June 2025 report: "Incentivising Diesel Decarbonisation" https://content.fortescue.com/fortescue17114-fortescueeb60-productionbbdb-8be5/media/project/fortescueportal/shared/documents/publications/reports/incentivising-diesel-decarbonisation.pdf
- Phasing out the rebate could **save billions** over the forward estimates, enabling reinvestment in regional clean industry infrastructure.
- Clean alternatives for mining haul trucks and on-farm vehicles are now entering the market, but adoption is suppressed by distorted fuel pricing e.g. BHP and XCMG Group's June 2025 MoU "A New Era in Green Mining: XCMG and BHP Sign Strategic Framework Agreement" https://xcmg.net.au/a-new-era-in-green-mining-xcmg-and-bhp-sign-strategic-framework-agreement/

7

Environmental Law: EPBC Reform and a Climate Trigger

7. Environmental Law Reform: Clear the Path for Clean Energy Projects

What's the Idea?
Australia's outdated environmental approvals regime is delaying the rollout of the very projects needed to address climate change. We recommend:

- **Restarting the EPBC reform process** to align environmental law with climate and biodiversity objectives.
- **Introducing climate as a formal trigger** under the EPBC Act, recognising that fossil fuel expansion and renewable energy deployment have radically different climate impacts.
- **Fast-tracking permitting and planning approvals** for clean energy infrastructure, including wind, solar, storage, Future Made in Australia and transmission projects.
- Introducing an **Overriding Public Interest test** and a time limit on approvals of decarbonisation proposals, like done in the EU, when it comes to climate considerations, including scope 1-3.[4] [5]

This is not about lowering environmental standards — it's about designing assessment pathways that reflect the public interest role of clean energy and end the regulatory mismatch currently impeding the transition.

Why It Increases Productivity
This reform increases productivity by:

- **Reducing regulatory delays and investment risk**, accelerating the delivery of major energy projects.

[4] Australian Financial Review, Dr Alan Finkel Opinion, We need overriding public interest test to break approval logjam, 12 August 2024
[5] CEIG, Australia's Productivity Inquiries, 6 June 2025

- **Lowering cost inflation** caused by slow planning, project redesigns, and capital idling.
- **Unblocking the pipeline** of renewable energy projects needed to maintain energy system reliability and affordability.

It delivers against the Treasurer's pillars of **net zero transformation**, **delivering quality care more efficiently** (by decarbonising health and energy inputs), and a **dynamic and resilient economy**. It aligns with *Abundance* principles by:

- **Rebuilding the capacity of the state** to manage complex challenges with fit-for-purpose institutions.
- **Speeding up national capacity deployment** by making approvals match the urgency of transition.
- **Reforming systems to support the public good**, not entrench delay.

Proof Points

- The Clean Energy Investor Group (CEIG) reports that environmental assessments are among the **top causes of project delay, cost escalation, and investment uncertainty**. Fragmented, duplicative processes and under-resourced agencies are key drivers.
- WWF and 40+ industry, science and environment groups have called for **climate change to be reinstated as a trigger in the EPBC Act**, warning that without it, climate-harming fossil fuel projects continue to be approved without adequate scrutiny (WWF 2025 joint statement).
- RE-Alliance identifies a need to **fast-track planning approvals for renewables**, especially transmission, while improving community engagement and benefit sharing.[6]
- CEIG modelling suggests that removing key regulatory delays could unlock **$421 billion in clean energy investment** while maintaining high standards.

[6] RE Alliance, Industry, community and environment, union and science leaders unite in urgent call for EPBC Act reform, 29 May 2025

8 Local Content Requirements

8. Local Content Requirements: Build with Communities, Not Just in Them

What's the Idea?
Large-scale renewable projects are increasingly facing delays and opposition in regional Australia — not because communities oppose clean energy, but because they're excluded from the planning and benefits, including community / First Nations co-ownership. This idea proposes:

- **Embed consistent criteria reflecting the FMIA Community Benefit Principles** across Government investment supports, procurement, and approvals, including in FMIA, the CIS, all Special Investment Vehicles (SIVs), and the soon-to-be-developed Secure Australian Jobs Code.
- **Financially supporting local content requirements,** beyond the qualitative assessments being used in the CIS, we need either mandated local content requirements or an extra incentive for local content inclusion. We note the Victorian government's recent Victorian Energy Upgrades scheme includes $1,400 public support for electric hot water systems, but adds an extra $400 to the total subsidy if the system purchased is made in Australia.[7]
- **Requiring or incentivising community co-ownership or co-investment** of utility scale renewables and grid infrastructure, particularly Renewable Energy Zones (REZs) to ensure that communities are able to grow their wealth too.
- Ensuring that community financial participation is locally rooted so that the financial gains benefit a broad cross section of the community. This includes a principle of locals first so that communities and those most impacted are offered investment stakes first while the large utility/financial backer takes the equity stake that remains
- **Developing a strategy and regulatory framework** to support financial participation, including:

[7] Renew Economy, Victoria extends gas ban to all new homes and hot water systems, sets strict rules to electrify rentals, 24 June 2025

1. Access to low-cost capital for communities
2. Clear structures for joint ownership and dividends
3. Incentives for developers to include communities *and biomass feedstock providers* as equity partners
4. Community planning and participation requirements so that communities can protect local places of importance

- **Educating communities on co-ownership and co-investment options. for example through local energy hubs www.localenergyhubs.org.au and organisations that advocate on behalf of communities.**
- **First Nations equity participation**: If Treasurer Jim Chalmers were to make a fund commitment of say $1bn to a new equity fund dedicated to providing financial support for our First Nations communities to participate in new renewable energy project developments on their lands with an ownership stake (beyond or in addition to just a free-carry), that could build up self-determination and self-sufficiency over time as a key alignment of interests with decarbonisation.
- Offering local communities in the proximity of renewables projects **discounted electricity tariffs** via a new zonal pricing structure, both incentivising local use of local production (e.g.whenever the wind is blowing or the sun is shining, locals get a 50% price concession to create a positive association), thereby building a positive alignment for the community over the life of the renewables project.
- Energy resilience for local communities. Ensuring that communities hosting the generation are not left with energy poverty or energy resilience issues, and ensuring that a portion of the electricity is available for the local community to ensure energy resilience for local communities.

International examples, such as the *Middelgrunden Wind Farm* in Denmark (a 50/50 co-ownership between citizens and a municipal utility), show how this model can build lasting trust, speed up approvals, and keep economic benefits local.

Why It Increases Productivity
This reform increases productivity by:

- **Reducing approval delays** caused by social resistance or legal challenges.
- De-risking and speeding up projects due to the value that communities add to site selection and environmental processes when invited to participate
- **Increasing local acceptance and workforce availability**, which lowers costs and speeds delivery.
- **Retaining more economic value in regions**, creating stronger, more resilient local economies.

It aligns with the Treasurer's pillars of a **dynamic and resilient economy**, **net zero transformation**, and **delivering public goods efficiently**. It reflects *Abundance* by:

- **Democratising access to prosperity**, giving communities a stake in national progress.
- **Removing social friction** that slows infrastructure rollout.

- **Building the enabling conditions** (trust, consent, local capital) to go faster and further.

Proof Points

- FNCEN's co-ownership model demonstrates how local equity improves support for renewables in First Nations communities. https://theconversation.com/heres-how-first-nations-landholders-can-share-the-benefits-of-the-nsw-energy-transition-259702
- The *Best Practice Principles for Clean Energy Development* recommend benefit-sharing mechanisms including co-ownership, joint ventures, and local investment vehicles. https://www.firstnationscleanenergy.org.au/network_guides
- CEC's report "Leading Practice Principles: First Nations and Renewable Projects" https://cleanenergycouncil.org.au/cec/media/background/resources/leading-practice-principles-first-nations-and-renewable-energy-projects.pdf
- The Middelgrunden case in Denmark shows co-ownership can successfully scale, with 8,000 citizens investing in the project — leading to high community pride and zero litigation.

9

Build the Basics to Unlock Private Investment

9. Social and Common User Infrastructure Bottlenecks: Build the Basics to Unlock Private Investment

What's the Idea?
Major clean energy and industrial projects are being delayed or downsized because the social and common user infrastructure in host communities — including housing, schools, and health services — is not keeping pace with investment. Developers report struggling to secure housing for workers, enrol their families in local schools, or access basic health services. This shortage makes it harder to recruit and retain skilled workers, delays project timelines, increases reliance on FIFO (with all the associated social issues) and reduces the economic viability of regional clean tech investments.

Common User Infrastructure - Government support for the development of common user infrastructure is essential to unlock the full productivity and economic potential of renewable energy powered projects. Shared assets—*such as transmission lines, ports, pipelines, sewage treatment plants and storage facilities*—enable multiple proponents to access critical infrastructure, reducing duplication, lowering costs, and accelerating project delivery. This approach has proven successful in Australia's resources sector, with government-backed infrastructure like the ARTC rail network and major coal terminals – for example Port of Newcastle and Wiggins Island - unlocking large-scale export opportunities. In contrast, when proponents have been left to develop infrastructure independently – three coal seam gas pipelines to Gladstone and four rail lines to Port Hedland - it has led to inefficiencies, higher costs, and missed opportunities for regional development.

The Federal Government should encourage other states to adopt similar planning reforms to those introduced by NSW: standardizing digital planning systems, setting clear benchmarks for assessment timeframes, reducing duplicative processes, and linking infrastructure investment directly to development approvals. National consistency in planning frameworks would help unlock housing supply, facilitate major projects—including renewable energy—and boost economic activity by providing greater certainty and efficiency for

proponents and communities alike. By focusing on transparency, local empowerment, and the alignment of infrastructure with growth, these reforms offer a blueprint for a more responsive, productive, and equitable planning system across Australia.

We propose that government:

- **Treat enabling social infrastructure as essential project infrastructure** in investment planning and regional development policy.
- Encourage the development of **Renewable Energy Industrial Precincts (REIP)** both new e.g. Lansdown Eco-Industrial Precinct in Townsville, & existing e.g. Kwinana, WA.
- **Coordinate with state governments and regional councils** to ensure housing, education, and health capacity is planned and funded alongside major REIP.
- **Incentivise public-private partnerships** to deliver housing and essential services that directly enable clean industry growth.

Why It Increases Productivity
This proposal increases productivity by:

- **Reducing delays in project delivery** caused by workforce accommodation and community service gaps.
- **Improving regional labour market efficiency**, by making it viable for domestic and international workers and their families to relocate and reducing the reliance on fly in fly out (FIFO) / drive in and drive out (DIDO).
- **Strengthening the social license and resilience** of host communities to support long-term industrial activity.

It supports the Treasurer's pillars of a **more dynamic and resilient economy**, **net zero transformation**, and **quality care delivered more efficiently**. It aligns with *Abundance* principles by:

- **Expanding national capacity** beyond megawatts and megatons to include communities and services.
- **Speeding up delivery** by removing non-technical barriers to deployment.
- **Making clean industry work for people**, not just investors.

Proof Points

- The NSW Audit Office (2023) found that infrastructure lags in renewable energy zones are already delaying delivery timelines due to lack of local housing and workforce accommodation. Source
- In Queensland, housing shortages near proposed hydrogen and wind projects have prompted community resistance and workforce challenges.
- Infrastructure Australia has consistently rated regional housing and service access as national infrastructure priorities.
- Strategic and timely government investment in common infrastructure is particularly important for emerging industries like green hydrogen, where coordinated hubs and shared supply chains can drive down production costs and attract global investment. Australia's National Hydrogen Strategy highlights a clear roadmap and government

intervention are critical to avoid monopolisation, ensure fair competition, and deliver broad economic benefits. By supporting the design, delivery, and operation of common user infrastructure—potentially through innovative ownership models involving state and local governments, First Nations, and infrastructure investors—governments can future-proof regional economies, maximise productivity, and position Australia as a global leader in renewable energy exports.

10

Build the Human Capital for Net Zero

10. Workforce Shortages: Build the Human Capital for Net Zero

What's the Idea?
Australia faces a severe shortage of electricians, technicians, engineers and other skilled workers essential to delivering the net zero transition. We propose three targeted solutions:

- **Accelerate workforce supply** by increasing apprenticeship pay, expanding investment in and access to TAFE, and investing in high-quality, industry-led not-for-profit training centres.
- **Retrain internal combustion engine (ICE) mechanics** to work on electric vehicles, with a national retraining strategy that supports regional and mature-age workers.
- Retrain coal mining and coal-power plant workers for both end-of-life rehabilitation works, critical minerals and strategic metals mining, and provide relocation assistance to avoid a greater reliance on FIFO.
- **Remove structural barriers** that limit the entry and retention of women, young people, and culturally diverse communities in clean energy careers.

Apprenticeship completion rates are at an 11-year low, and training pipelines are not keeping pace with demand — especially in regional Australia. Clean energy projects are being delayed or downsized because the skilled workers simply aren't there.

Why It Increases Productivity
This reform increases productivity by:

- **Expanding the skilled labour supply**, allowing more projects to be delivered on time and on budget.
- **Reducing labour bottlenecks** that drive up costs and delay economic output.
- **Aligning education and training** with industry needs, boosting job match efficiency and national competitiveness.

It supports the Treasurer's pillars of a **skilled and adaptable workforce**, **net zero transformation**, and a **dynamic economy**. It reflects *Abundance* by:

- **Scaling up national capacity** through people, not just capital.
- **Making the state an enabler** of fast, inclusive training and retraining.
- **Delivering tangible improvements** in employment, equity, and community resilience.

Proof Points

- The Clean Energy Council estimates Australia will need 32,000 additional electricians by 2030.
- Only 56% of trade apprentices complete their training.
- The ACTU recommends embedding decent job conditions in all clean energy investments to avoid a "low-road" transition.
- FYA's research shows many young people see green jobs as out of reach — despite strong interest when barriers are removed.

Investment for Australia's Post Carbon Economy

Climate Capital Forum

The Climate Capital Forum (CCF) is a network of investors, climate finance experts, decarbonising companies and philanthropists who came together to provide policy advice on how Australia can lead the world in decarbonising, renewable energy and cleantech innovation.

Established in December 2020, the CCF offers support to all levels of government on how to build a strong future economy and long-term job opportunities that will benefit Australia and uphold our commitments to our region and internationally as the world decarbonises.

Our members manage billions in assets and have firsthand experience navigating the barriers slowing down clean tech investment. We are here to share our lived experience of those barriers and propose practical, specific reforms that will unlock private capital, lift national capacity, and increase Australia's productivity.