



Australian Government

Department of Foreign Affairs and Trade

JOINT STANDING COMMITTEE ON TRADE AND INVESTMENT GROWTH (JSCTIG) INQUIRY INTO AUSTRALIA'S TRANSITION TO A GREEN ENERGY SUPERPOWER

**SUBMISSION BY THE DEPARTMENT OF FOREIGN AFFAIRS AND
TRADE (DFAT), AUSTRADE AND EXPORT FINANCE AUSTRALIA
(EFA)**

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KEY MESSAGES

- 1. The global energy transition presents significant opportunities for Australia as a net energy exporter. The growing global demand for clean energy offers economic and strategic opportunities for Australia to build new green energy industries based on our comparative advantages and support the decarbonisation of our trading partners. However these global trends also create challenges including to our traditional energy export sectors.*
- 2. Australia's ambitions to build green energy export ¹industries will depend on a massive scaling up of domestic clean energy generation capacity, and development of new technologies to enable the transportation of that energy to foreign markets.*
- 3. We will need to address key challenges. This includes attracting the resources required to build our renewable energy sector and to develop the technologies for transporting the exports at prices competitive with traditional products. It will require us to build the skills base and ensure access to supply chains. It will also require us to work closely with foreign governments to ensure access to existing and new markets for our green energy exports.*
- 4. DFAT, Austrade and EFA will play a key role in supporting a successful transition. The Portfolio provides the strategic and foreign policy lens on international climate engagement and energy transition. Our work is already supporting the energy transition of key partners in South-East Asia and strengthening climate resilience in the Pacific. The Portfolio is also responsible for identifying and enhancing opportunities for Australian green energy exports and green trade and investment. We will continue to ensure opportunities for Australia by leveraging existing trade architecture (FTAs, WTO, APEC), developing new approaches to enhance green trade cooperation (such as Indo-Pacific Economic Framework or the Singapore Australia Green Economy Agreement) and assisting Australian exporters develop the commercial partnerships needed to build and connect to new markets.*

1. Potential benefits and risks for Australia

Global energy demand is at the cusp of a significant shift driven by global commitments to net zero emissions. As at September 2022, 140 countries have announced or are considering net zero emissions targets, accounting for 90 per cent of global emissions.² Countries with net zero commitments also represent 97 per cent of the value of Australia's exports.

The rapidly growing demand among Australia's partners for clean energy to help drive their respective decarbonisation agendas presents significant opportunities for Australia as a net energy exporter. Australia possesses many of the comparative advantages needed to become a renewable energy superpower including an abundance of sun and wind, land mass, and significant critical mineral resources. Our environmental, social and governance standards match the highest global benchmarks and we have retained our reputation as a reliable, strategic partner despite global energy volatility. Australia has established mechanisms to engage international partners to strengthen and diversify existing clean energy supply chains, while expanding into new markets and we also have a strong green economy investment pipeline in play through the work of Austrade.

¹ While the scope of this Inquiry specifies 'green energy', DFAT considers this includes not only green energy sources, but also green (environmental) goods and services more broadly. This submission will cover renewable energy exports (e.g. green hydrogen), inputs into renewable energy supply chains (including critical minerals, electrolyzers), and other low-emissions exports with embedded emissions (e.g. green steel and aluminium). DFAT recognises that 'clean energy' sources, including blue hydrogen and CCUS (not captured traditionally by 'green energy'), may have a role to play in ensuring an orderly transition that safeguards the security of domestic energy supply as Australia undergoes its transition to a green energy superpower.

² Climate Action Tracker.

Opportunity for building new industries

Australia stands to gain significant economic benefits from the world's transition to net-zero. Our comparative advantage in solar and wind energy and endowment in metals and minerals positions Australia well to capitalise on new export opportunities. By 2040, it is estimated green export markets will add AUD89 billion in gross value and create 395,000 jobs in the Australian economy.³

Hydrogen represents a significant opportunity. Australia is a trusted global energy exporter with a strong track record of developing large-scale mineral projects. Our proximity to North Asian energy import markets including Japan, Korea, Singapore, and Taiwan makes us an attractive location for a future hydrogen industry. Australia's National Hydrogen Strategy 2019 estimates a hydrogen industry could support 17,000 jobs and generate AUD26 billion in GDP annually by 2050. Australia currently has a project pipeline of 113 hydrogen projects, totalling 105-gigawatts of energy generation requiring over AUD126 billion in capital expenditure. Green hydrogen represents 91 per cent of that project pipeline.

Australia also has comparative advantages in critical minerals with a large pipeline of projects at various stages of development. As of 31 December 2021, Australia has 44 operating critical minerals mines and 55 projects either at development or and care and maintenance stage. Australia is well endowed with at least 26 critical minerals essential for decarbonising technologies. Our resource endowment, ESG and secure supply chain credentials also create opportunities to move up the value chain, by building industries in downstream processing and battery manufacturing.

In addition to clean energy sectors, Australia is also well positioned to develop new export markets in other low-emissions industries, including sustainable agriculture; carbon-reducing technologies; circular economy and biowaste; infrastructure and technologies to support private and public mobility networks; education and professional services.

Potential risks to existing export industries and the transition to clean energy exports

There are economic risks associated with delaying the transition of Australia's key export sectors. In 2021, fossil fuels represented 28 per cent of the value of Australia's exports, with thermal and coking coal making up 11 per cent of Australia's total exports and LNG comprising 10 per cent.⁴ In light of the global energy transition, Australia's coal exports are forecast to fall by 80 per cent by 2050, with declining demand from China, Japan and South Korea accounting for about two-thirds of this fall.⁵

The rise in the number of trade-related climate measures being introduced globally, such as the EU Carbon Border Adjustment Mechanism (CBAM) and the US Inflation Reduction Act, have the potential to impact our traditional export markets as well as the pace and nature of our transition. While the EU CBAM is unlikely to have a substantial impact on Australian exports in its current form, it is likely to have a greater impact if the scope is expanded. In addition, the potential impact on our traditional exports could be potentially more significant if other trading partners introduce similar CBAM policies.

Contribution to global decarbonisation and supporting efforts by our trade partners

Our efforts to become a clean energy superpower will also contribute to the global shift to decarbonisation, and provide strategic dividends by supporting partners in the region decarbonise.

Japan and South Korea are currently two of Australia's top five major two-way trade partners. Both are committed to a target of net zero emissions by 2050 and both have now injected significant green stimulus into their respective economies to support that transition through the USD \$16 billion Japan Green Growth

³Accenture, Sunshot: Australia's opportunity to create 395,000 clean export jobs (October 2021).

⁴ Reserve Bank of Australia, Towards Net Zero: Implications for Australia of Energy Policies in East Asia (September 2021).

⁵ Reserve Bank of Australia, Towards Net Zero: Implications for Australia of Energy Policies in East Asia (September 2021).

Strategy and South Korea's USD \$61.9 billion Green New Deal. However, both countries will continue to rely on energy imports. Japan and Korea have been identified as key markets for Australia's green hydrogen exports in Australia's National Hydrogen Strategy. To the extent that Australia is able to build a clean energy export industry consistent with that Strategy, we will be directly contributing to their energy security and their decarbonisation.

Southeast Asia's clean energy ambitions provide enormous potential to deepen partnerships in the region. Eight Southeast Asia nations have committed to net zero, and ASEAN has a region-wide renewable energy target of 35 per cent of installed power capacity by 2025.⁶ Australia can become a key partner in Southeast Asia's energy transition, as a supplier of choice for green energy, goods and services. Projects such as Sun Cable's proposed Australia-Asia PowerLink to supply Singapore with renewable electricity from the Northern Territory is one example of the potential for Australia to support Southeast Asia's energy transition.

2. Key challenges

The transition will require significant scaling of generation capacity

The key challenge for Australia to become a clean energy superpower will be to deliver renewable energy at scale. According to the Australian Energy Market Operator (AEMO) 2022 *Integrated Systems Plan*, the NEM would need to almost double its electricity generation capacity solely to meet growing domestic energy demand. Australia's ambition to become a clean energy export superpower will require an even greater expansion of electricity generation capacity. In 2020-21, Australia's total energy exports were 15 times the size of its domestic electricity market.⁷

Achieving the necessary scale of renewable energy generation capacity will underpin the successful development of potential emerging green export industries, such as renewable electricity exports, clean hydrogen, critical minerals, advanced manufacturing and services exports.

Bridging the investment gap

The capital required for Australia to achieve the transition to net zero will be significant; Deloitte Access Economics estimates that around \$500 billion investment is required in Australia to achieve a productive and competitive net-zero economy by 2050.⁸ As with other major industry expansions, like the development of Australia's LNG export industry, we will not be able to bridge this gap alone. Significant foreign investment will be needed to provide the capital, intellectual property and capabilities needed to transform the Australian economy. A crucial point: foreign direct investment allows Australia to pool with foreign investors the high risk and return associated with the deployment of emerging technologies. Foreign direct investment is therefore necessary for investment in (financially risky) emerging technologies that might otherwise not be financed by Australian corporates, banks or superannuation funds.

To reach the AUD500 billion by 2050 investment target, Australia will need to uphold its reputation as a reliable investment destination including by maintaining a foreign investment framework that provides certainty and efficiency to investors in green energy sectors. Australia's relative attractiveness as an investment destination will be critical, given global competition is increasing as other economies develop significant incentives for investment into green energy sectors, such as the US through its USD369 billion Inflation Reduction Act.

Competition from other countries

Australia is not the only country that has the potential to meet increasing global demand for clean energy. Canada, the US, Chile, and Saudi Arabia, for example, hold significant potential to decarbonise their existing

⁶ IEA Southeast Asia Economic Outlook 2022

⁷ Department of Climate Change, Energy, the Environment and Water, Australian Energy Update 2022.

⁸ Deloitte Access Economics (commissioned by NAB), 'All Systems Go: Transforming Australia's Economy to Grow (July 2022)'.

fossil fuel exports and become reliable clean energy suppliers to the region, including in clean hydrogen. Some of these competitors are injecting significant economic stimulus into their clean energy transition and building their clean energy export sectors.

The rise in the number of trade-related climate measures being introduced globally also has the potential to impact the pace and nature of Australia's transition (such as EU CBAM, US IR Act, Canada's recent tax incentive scheme). For example, the US' Inflation Reduction Act and the recent tax incentives introduced by Canada for clean energy technologies may divert limited foreign investment capital and skills away from Australia, at a time when we are trying to attract capital and skills into nascent industries, such as green hydrogen. In order for Australia to remain competitive as a supplier of clean energy and secure a significant market share in emerging and existing markets for clean energy, we will need to remain an attractive destination for skilled labour required for the green economy. We will also need to ensure secure and reliable access to inputs required for our clean energy supply chains, such as electrolyzers, particularly if Australia is to become competitive in value-added processes up the supply chain.

Building skills and workforce capability

Transitioning to a green energy superpower will require very high levels of human capital. A recent study undertaken by the University of Melbourne in August 2022 found that up to 1.3 million new workers will be required to achieve Australia's net zero target⁹. Obtaining adequate expertise will be an ongoing challenge for Australia, as other countries seek the same skills and experience to effectively plan and sequence an orderly transition. Consideration needs to be given to whether Australia's research and clean energy skills sector is adequately structured to attract and retain talent, and what might be done to address any issues.

The Government is evaluating the ways in which we can address these critical skills shortages, both through migration and in upskilling our domestic labour force through the strategic review of the migration system being undertaken by the Department of Home Affairs and the Employment White Paper being prepared by the Treasury. These initiatives demonstrate a commitment to ensuring Australia's migration program and education and training system are working in the national interest, and meeting the current and emerging skills and labour requirements Australia needs to secure our future.

Diversifying clean energy supply chains

Globally, unforeseen energy supply chain disruptions resulting from the COVID-19 pandemic and Russia's unlawful invasion of Ukraine have emphasised global energy security risks. Such risks have cast a spotlight on the need for diverse and resilient energy supply chains that are not beholden to individual suppliers of clean energy supply chain inputs. To support the substantial acceleration and expansion of clean energy technologies and the supply chains that underpin them, Australia must continue to support efforts to secure diverse, resilient and reliable clean energy supply chains, particularly in the Indo-Pacific.

Supply chain diversification has emerged as a key focus of multilateral forums, including the Indo-Pacific Economic Framework, as Australia works with partners in the region to develop economies of scale in clean energy technology. Resilient, diverse clean energy supply chains are an imperative for both climate action and energy security.

⁹ University of Melbourne, University of Queensland, Princeton University, Nous, 'Net Zero Australia - Interim results (August 2022)'.

3. DFAT's role in Australia's transition to a green energy superpower

DFAT, with its large network of Posts and collaborative working relationships with foreign governments and trading partners, has significant global outreach. This enables the portfolio to contribute to our transition by establishing and enhancing vital relationships with trading partners to secure new export markets and ensure access to necessary inputs and technology.

DFAT provides the strategic and foreign policy lens on international climate engagement and energy transition which is essential to the whole-of-government efforts needed to achieve a successful transition. DFAT also has strong connections across Commonwealth, state and territory governments, businesses, universities, scientific agencies, non-government organisations and the wider Australian community which equips it to ensure we can represent Australia's interests when engaging overseas.

DFAT has a key role to play in identifying and enhancing (as required) existing or new trade relationships to facilitate key energy and green trade and investment export markets, including leveraging existing trade architecture (e.g. FTAs, WTO, APEC, IPEF). DFAT also provides development assistance, particularly to our region which can contribute to supporting the regional transition.

Building upon Australia's established trade and investment architecture

DFAT is part of a whole-of-government effort to secure strategic partnerships on critical minerals with key partners like the US, Japan, ROK, UK, India, and EU member states. DFAT also leads Australia's engagement in the Minerals Security Partnership, which includes the US, the United Kingdom, the European Union, France, Germany, Finland, Norway, Sweden, Japan, ROK, and Canada, to bolster critical mineral supply chains essential for the clean energy transition.

The Australian Government is also working closely with key international partners via low and zero-emissions technology partnerships led by the Department of Climate Change, Energy, Environment and Water (DCCEEW). Technology partnerships are currently in place with Germany, India, Japan the Republic of Korea (ROK), the United States, and Singapore.

To support these partnerships, DFAT has a critical role to play in promoting two-way trade and investment in green energy, goods and services, including skills and labour. To this end, existing trade and economic architecture can be leveraged, for example to minimise tariff and non-tariff barriers to trade, and to identify and ensure access to new markets for Australian exports

Bilateral Free Trade Agreements (FTA)

DFAT will seek to use negotiations for bilateral and plurilateral trade agreements to support the transition to clean energy and foster investment in sustainable industries. For example in our negotiations toward a free trade agreement with the EU, DFAT is seeking ambitious outcomes that would remove barriers to trade and investment in environmental goods and services, recognise our international commitments, and facilitate cooperation on trade and climate with the EU.

DFAT and other Government agencies are actively promoting Australia's network of free trade agreements (FTAs) to support two-way trade and investment flows for green energy, goods and services. FTAs can be utilised to attract inbound investment for domestic renewable infrastructure through creating certainty and predictability for investors that their investments into green energy overseas will be protected and compensated under international law. Moving ahead, Australia could utilise FTA architecture to enable cross-border electricity trade and increase its share of the international electricity market.

Several of Australia's current FTAs contain commitments on green and renewable energy. For example, the Australia-UK FTA (A-UKFTA), which has yet to enter into force, has an Environment Chapter with a provision on Climate Change. This includes a commitment to cooperate on "clean and renewable energy sources and

supporting infrastructure and enabling technologies” in addition to “energy efficiency.” These provisions within Australia’s FTAs offer Australia opportunities to raise any issues in our green energy trade and investment.

Regional FTAs

The CPTPP includes one of Australia’s most robust FTA Environment Chapters. It contains a provision on *Transition to a Low Emissions and Resilient Economy*, including a commitment to cooperate on clean and renewable energy. Cooperation activities under the CPTPP’s Environment Chapter on green and renewable energy are overseen by the CPTPP’s Environment Committee. In the ASEAN-Australia-New Zealand FTA (AANZFTA) upgrade negotiations, held in 2022, Parties agreed to the inclusion of a new standalone Trade and Sustainable Development Chapter. Economic cooperation activities under Australia’s FTAs, such as the AUD46 million Regional Trade for Development (RT4D) initiative supports the implementation of Australia’s ASEAN-centred FTAs, can also focus on cooperation on green energy.

WTO

DFAT leads whole-of-government work in WTO and is actively engaged in discussions at the WTO on how to use trade and investment to contribute to global climate objectives. In December 2021, Australia cosponsored the Trade and Environmental Sustainability Structured Discussions (TESSD), an initiative created to explore the role of trade and trade policy in supporting climate mitigation and multilateral approaches to address climate change. The TESSD initiative now has over 70 participating countries.

APEC

DFAT leads whole-of-government work in APEC on Australia’s transition to a renewable energy superpower, including trade in environmental goods and services, and on ‘green’ investment. In 2022, Australia led work in APEC on foreign direct investment (FDI) in sustainable infrastructure development and low emissions technologies. APEC is currently on track to meet the goal adopted by APEC Energy Ministers in 2014 to double the share of renewables including in power generation by 2030 in APEC’s energy mix. DCCEEW leads on this and other technical work promoting Australia’s role in the clean energy transition through APEC’s Energy Working Group.

Exploring new and innovative green trade cooperation

In addition to traditional trade mechanisms outlined above, the Government is also pursuing opportunities for clean energy and green trade cooperation with key partners under new and innovative economic frameworks such as the Singapore-Australia Green Economy Agreement, finalised in October 2022, and the Indo-Pacific Economic Framework. These agreements seek to combine trade, economic and climate agendas.

Singapore-Australia Green Economy Agreement

The Singapore-Australia Green Economy Agreement (GEA) is a first-of-its-kind agreement that combines trade, economic and climate change policy objectives. The GEA facilitates green trade and investment by developing a foundational list of environmental goods and services based off existing APEC and WTO lists. This list will ensure the prioritisation of these goods and services in facilitating two-way trade flows between Australia and Singapore to accelerate the decarbonisation of our respective economies. The GEA also includes a bilateral mechanism to identify and address non-tariff barriers to the trade of environmental goods and services. The agreement serves as a potential model for international cooperation on the green economy with other countries.

Indo-Pacific Economic Framework

Australia is currently exploring opportunities for trade and clean energy collaboration with partners in the Indo-Pacific region through the Indo-Pacific Economic Framework (IPEF). This agreement presents a flexible

and innovative framework for Australia to work with its key partners in the Indo-Pacific on shared interests in diversifying clean energy supply chains and advancing decarbonisation and clean energy transition agendas. IPEF members include India, Indonesia, Japan, Republic of Korea, Singapore, United States, Fiji, Malaysia, New Zealand, Philippines, Thailand, Vietnam, and Brunei.

Driving international standards-setting

The Australian Government is actively engaged in a range of international fora which are setting the standards and regulatory frameworks that will govern green trade and investment into the future. For example, the Australian Government is an active member of the International Partnership for Hydrogen and Fuel Cells in the Economy (IPHE), which is developing standards around “low-emissions hydrogen”.

In this transition, Australia needs to high standards across the supply chain for green energy, goods and services, such as ESG standards. Australia is working with its partners to support and influence international standards-setting (e.g. through the International Organisation for Standardization) through multilateral and bilateral forums such as the WTO, FTAs, and new initiatives such as the Indo-Pacific Economic Framework, and Singapore-Australia GEA. For example, under the Singapore-Australia GEA, Singapore and Australia have committed to collaborate on standards development and harmonisation for priority green energy sectors, including hydrogen and critical minerals. By working closely with trading partners to ensure alignment of standards, this will also ensure interoperability of markets and remove technical barriers to trade.

DFAT is already supporting the energy transition of key partners in support of our strategic agenda in Southeast Asia and the Pacific

The Government’s *Southeast Asia Economic Strategy to 2040*, led by the newly appointed Special Envoy for Southeast Asia, will identify opportunities to deepen Australia’s engagement with the region’s clean energy transition. This will include opportunities to strengthen government engagement in the region and mapping the trade and investment opportunities.

Work is underway to ensure that Australian technology and expertise can assist the Pacific in its energy transition to achieve greater energy security. This includes studies into green-shipping and decarbonisation transport, the uptake of small-scale renewables and the training and skills needs of the region. The Government has announced that it will seek to support the uptake of small-scale renewable energy in the Pacific. Work is underway to scope the best modality for this support.

Ensuring Australia’s domestic policy settings continue to attract investment

As the current energy crisis continues, there may be greater scrutiny by a wide range of Australian stakeholders of foreign investment in both fossil fuels and renewable energy. The global energy supply crunch as a result of Russia’s unlawful invasion of Ukraine means we will likely continue to see strong foreign investment interest in gas development in Australia. Similarly, investment in new energy sources for export will be dependent on how quickly demand for these products in key exports markets increases. We will need to continue to monitor and communicate international investor sentiment to domestic policy makers to ensure our domestic settings continue to attract necessary investment in clean energy industries.

Maintaining access to global capital markets will be critical to Australia’s transition. This requires a robust sustainable finance policy architecture that increases transparency on climate-related financial risks and directs institutional investment to more sustainable activities. DFAT supports Treasury and finance sector stakeholders to enhance Australia’s international engagement on sustainable finance policy, including climate-related financial disclosures and green finance taxonomies. This includes collaboration with Singapore under the Singapore Australia Green Economy Agreement.

4. Austrade's role

Austrade is the government's trade and investment promotion and facilitation agency. Austrade leverages its international network and works closely with other Government agencies and States and Territories to deliver trade and investment services to businesses that create jobs and grow Australia's prosperity. Austrade will have a significant role to play in the Government's ambition for Australia to become a green energy superpower.

Building new export industries by helping companies access markets

Austrade provides assistance to individual businesses to facilitate market selection, entry, expansion and diversification. Our services help exporters grow existing and secure new markets. Austrade's services to exporters will play a significant role in helping Australian companies respond to the changes in global production and trade, decarbonise their industries and take advantage of the significant new export opportunities in the green economy transition.

Austrade is already focusing on green export sectors where we have a competitive advantage, including: green resource extraction; hydrogen; critical minerals; advanced manufacturing (including turbines); green education and travel; professional services and finance; green agriculture and high-tech renewables technology.

Australian businesses are contributing to global energy transition challenges by developing and exporting innovative technologies, equipment and services that increase energy efficiency, underpin more decentralised energy infrastructure and reduce carbon intensity. Austrade has assisted approximately 250 Australian companies in the energy sector over the past two financial years (2020-21 and 2021-22) by helping them understand demand drivers in international markets and connecting them buyers and partners. Our support helped 51 individual businesses secure 68 export deals worth more than \$27 million over the same time period. Austrade clients range from large multinational energy engineering companies to smaller companies commercialising university research or adapting existing products and services to new challenges.

DFAT and Austrade are supporting the Singapore-Australia Green Economy Agreement (GEA), establishing platforms and exploring innovative ways to connect buyers and sellers in the emerging green economy and drive green growth and job creation.

FDI attraction and promotion

With around AUD500 billion inward investment needed to achieve net-zero by 2050¹⁰, investment facilitation and promotion will play a significant role in Australia's transition to a green energy superpower.

As the Government's Investment Promotion Agency, Austrade targets high-impact foreign investment projects, which create jobs, build new sector capabilities and generate additional economic activity. Austrade is already aligning its efforts to net-zero objectives. As of 30 October 2022, Austrade's green economy investment pipeline includes:

- 161 projects in renewable energy, predominantly hydrogen (76), solar (27) and storage projects (35). 35 of these projects are from Japan, 16 from Canada and 15 from the USA.
- 27 projects relate to critical minerals, including battery value chains and development.
- 37 projects relate to waste processing and waste to energy, and a further 13 projects relating to future transport (e.g. EV infrastructure).

¹⁰ Deloitte Access Economics (commissioned by NAB), 'All Systems Go: Transforming Australia's Economy to Grow (July 2022)'.

Since 2016, Austrade has delivered more than 100 investment outcomes in the areas listed above. For FY 2021-22, Austrade facilitated investment into 23 green economy projects, which valued AUD1.7 billion and created 4,164 jobs.

Austrade is building international awareness of our competitive advantage in new sectors, such as critical minerals. This includes: industry 'value proposition' reports highlighting specific areas of Australian capability; the Critical Minerals Prospectus on investor-ready critical minerals projects; direct promotional activities and business missions. Austrade also participates in global conferences, including PDAC (Toronto) and IMARC (Australia), marketing Australian capability and engaging with potential investors.

Business missions and commercial introductions also play an important role in connecting Australian companies to international markets. In March/April 2022, Austrade resumed in-country international business missions, with a Ministerial led visit to Washington and New York. This visit provided significant leads for Australian companies, including with global-leading US-based EV manufacturers. In October 2022, Austrade took a delegation of eight Australian critical minerals companies to the Republic of Korea to engage with – and explore commercial opportunities – leading Korean EV, battery, and magnet manufacturing businesses. On 21-29 November, Austrade is taking a delegation of eleven critical minerals companies to France, Germany and the UK.

Austrade also recommends projects for EFA funding and Major Project Status, therefore elevating project status and investment attractiveness with Australian Government endorsements.

Case Study: Neoen

Neoen is a French company producing exclusively renewable energy that has invested more than AUD3 billion in Australian wind, solar and battery storage projects. Austrade has been working with Neoen since 2012, helping the company to map out a pipeline of investment opportunities in Australia. Since then, Neoen has been a driving force behind clean energy investments in Australia – owning and operating 14 large-scale renewable energy projects across the country. Neoen's investment not only bolsters Australia's ability to meet its emission targets, but has also been instrumental in building new Australian capability in the renewables sector.

Promoting Australia's value proposition to international audiences

Austrade is responsible for selling Australia abroad – growing awareness of 'Brand Australia', elevating Australia's international reputation, and reinforcing our desirability as a trusted trading, investment and study partner.

Austrade's marketing initiatives and campaigns will play an important role in achieving our green energy ambitions. Existing initiatives include:

- Australia's Nation Brand provides a unified brand identity and voice for Australian business, industries and government agencies to communicate internationally. It was used by the Department of Climate Change, the Environment and Water for the Australia pavilion at COP27.
- The Global Australia website (reached more than 260,000 unique users over the past year) and LinkedIn channel (10,000 followers) promote Australian investment credentials to an international audience, including green energy and circular economy themes.

Austrade can learn from global and domestic best-practice to re-focus its trade and investment effort to prioritise the most strategically significant and promising projects in support of the Government's net-zero objective. To deliver this, Austrade could re-calibrate client portfolios, potentially through a new targeting and assessment model. Austrade can also develop a comprehensive communications and branding strategy through Australia's Nation Brand platform, that positions Austrade as a leader in net-zero.

5. Export Finance Australia's (EFA) role

Export Finance Australia (EFA) is Australia's export credit agency. EFA supports Australia's trade and infrastructure agenda by providing commercial finance for exporting businesses and Indo-Pacific infrastructure development. EFA administers the Australian Government's National Interest Account, which includes the Critical Minerals Facility, the Defence Export Facility and lending for the Australian Infrastructure Financing Facility for the Pacific.

As our regional and domestic energy transition quickens, EFA will support Australia's transition to a green energy superpower. EFA has a history of supporting Australian low emission technology exports and the development of renewable energy and green infrastructure in the Indo-Pacific. EFA is:

- EFA is preparing for new opportunities in new low-emissions fuel, technology and commodity exports for Australian businesses.
- Providing finance to help Australian SME exporters to realise direct and supply chain export opportunities. EFA works closely with Austrade and sees opportunities to expand support for Australian SMEs with clean energy expertise to grow and invest overseas through direct exports or as part of a supply chain.
- Supplying project finance for large Australian exporting projects including where Australia has a competitive advantage. As the sector matures, EFA anticipates opportunities in sectors such as hydrogen and ammonia.
- Supporting the development of critical minerals projects that enable green technologies like electric vehicles, wind turbines, and batteries. EFA administers the Australian Government's AUD2 billion Critical Minerals Facility to this sector. To date, the Government has approved over AUD1.49 billion in finance for Australian critical minerals projects under this Facility. EFA has also provided finance on its own Commercial Account to critical minerals projects and SMEs working in the supply chain of these projects.
- Delivering finance for regional Indo-Pacific infrastructure where there is an Australian benefit, including in areas such as renewable energy and energy transmission. In doing so, EFA supports Australia's reputation as a supporter of renewable energy and an infrastructure financier of choice.

EFA's financing of renewable projects - Case studies

Lotus Wind Power Project: To enable the development, construction and operation of three wind farms in Quang Tri province in the central highlands of Vietnam, the project sponsors required a USD173 million green loan project financing package. In collaboration with the Asian Development Bank, the Japan International Cooperation Agency and private financiers, EFA provided a USD32 million (AUD41 million) loan as part of a green syndicated finance facility. Expected to generate an average of 422 gigawatt-hours of electricity, the project will increase Vietnam's wind power capacity by 30 per cent, avoiding an average of 162,430 tons of CO2 emissions annually. This loan demonstrates EFA's ability to finance sustainable infrastructure, including renewable energy, across the Indo-Pacific.

Biogas Renewables: Biogas Renewables specialises in the construction and operation of bioenergy plants. Using a technology known as anaerobic digestion, the plants convert organic matter like food and agricultural waste into biogas. This can then be used for electricity generation, heating and even converted to natural gas. EFA provided Biogas Renewables with a AUD850,000 Performance Bond and a Warranty bond, enabling it to fulfil its construction project projects across Australia, including those with a major Australian grain business, and be a direct exporter of its technology with construction contracts internationally. This finance demonstrates EFA's ability to support Australian businesses to take their renewable energy solutions global, including through supply chains.