

IT'S TIME TO RAISE THE RET:

Australia's Sustainability Leaders have their say.



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ZENENERGY

SUMMARY

ZEN Energy invited attendees at the Sustainability Leaders Forum in Australia in March this year to cast their votes across a range of six actions that Australia could take to improve our chances of meeting our carbon emissions reduction targets. Close to 20% of attendees voted. 70% of those voting thought that raising the Renewable Energy Target to 82% renewables by 2030 was the most or second most important issue. 56% of those voting thought that Australia committing to a 1.5°C science-based emissions trajectory was the most or second most important issue that Australia should address.

Using a preferential voting methodology, increasing the RET was the most popular achieving 54% of votes. Attendees at the conference came from a broad range of Australian and global organisations across industries and governments.

PROCESS

On March 1-2, 2023, the third Sustainability Leaders Forum was held in Melbourne, Victoria, Australia. Managed by Connect Media, more than 500 participants and speakers were in attendance.

Attendees came from a broad range of listed, private, global and government organisations. During the course of the two day forum, ZEN Energy (as a platinum sponsor of the Forum) invited individuals to attend their booth and vote for what they considered to be the most important climate issue facing Australia at the moment. Respondents were asked to rank the 6 alternatives from 1 (most important) to 6 (least important).

Diagram 1: Some of the organisations represented at the event.



92 (17.8% of registered attendees) people chose to vote from a total number of registered attendees of 518. We have no insight as to whether all 518 people attended the Forum across the two days, or for how long.

For every vote that was cast, ZEN Energy purchased a tree to be planted by the Forktree Project in South Australia. The Forktree Project is a registered charity whose goal is to return a degraded 133 acre former pastoral property in South Australia's Fleurieu Peninsula back to nature. 250 trees will be planted including a donation from ZEN.

ISSUES VOTED ON

The issues were identified by a team of analysts from ZEN Energy. They were also based on concepts and analysis presented in the book *The Superpower Transformation. Making Australia's zero-carbon Future* by Ross Garnaut. Professor Ross Garnaut is a shareholder and on the board of ZEN Energy.

The issues that were presented to the research participants were:

1. Let's increase the Renewable Energy Target (RET) to 82% renewables by 2030.

The modelling behind Australia's legislated 43% emissions reduction target assumes the grid reaches 82% renewable energy by 2030. Yet, our Renewable Energy Target (RET) is frozen at 20% as of 2020. In the last three years, leadership and innovation from the private sector and state governments saw the emergence of voluntary renewable energy purchase. Voluntary commitments have kept Australia moving forward, but we should not rely on good actors to carry all the load. The Federal government should restate the RET in line with 82% renewable energy by 2030.

2. It's time to develop a domestic manufacturing capacity for solar, wind, and batteries.

With all nations around the world transitioning to net-zero at the same time, there will be pressure placed on global supply chains for renewable generation and storage. America has demonstrated its intention to support its domestic supply with the Inflation Reduction Act (IRA). Australia should put in place similar supports to develop domestic manufacturing of critical energy transformation products.

3. Australia should commit to a 1.5°C science-based emissions trajectory.

In 2018, the Intergovernmental Panel on Climate Change warned that global warming must not exceed 1.5°C to avoid the catastrophic impacts of climate change. Yet projections of warming based on the 2030 Nationally Determined Contributions and long-term targets yield warming of around 2°C. Australia should show leadership by ensuring our targets are in line with a 1.5°C emissions trajectory.

4. We need a Carbon Border Adjustment Mechanism.

From 2026, steel, cement, fertilisers, electricity, and some other products imported into the EU will attract the same carbon price as these same industries within the EU. Border tax adjustments by the EU will require exporting countries, to either implement a carbon price or allow the EU to earn tax from them through a border tax adjustment mechanism. Australia should develop its own Carbon Border Adjustment Mechanism to ensure that first movers access their rightful economic advantage from taking action.

5. We must support, at all levels, the development of our green hydrogen industry.

As the world transitions to net-zero, green hydrogen will be a crucial technology for reducing emissions in hard to abate sectors. Australia is well placed to produce hydrogen from electrolysis and to use green hydrogen to decarbonise the supply chains of products including iron and steel, synthetic fuels, and fertilisers. If we do this "...Australia can supply zero-emissions goods and services that directly reduce global emissions by around 8%, much more than Europe (including the UK) achieving zero net emissions, or more than twice Japan, or more than India doing so." Professor Ross Garnaut, *The SuperPower Transformation*.

6. Now is the time to impose a light vehicle emission standard.

Australia is a global laggard with electric vehicles representing only 2% of new sales in 2021. The Climate Change Authority has calculated that the implementation of a standard to reduce carbon dioxide emissions to 105g/km is estimated to increase the average cost of a new car in 2025 by about \$1,500. However, this would be offset several times by fuel savings of about \$8,500 over the life of the vehicle, leaving motorists better off. The proposed standard is projected to avoid 59 million tonnes of greenhouse gas emissions over the period to 2030, equivalent to the current annual emissions of all light vehicles.

RESULTS AND DISCUSSION

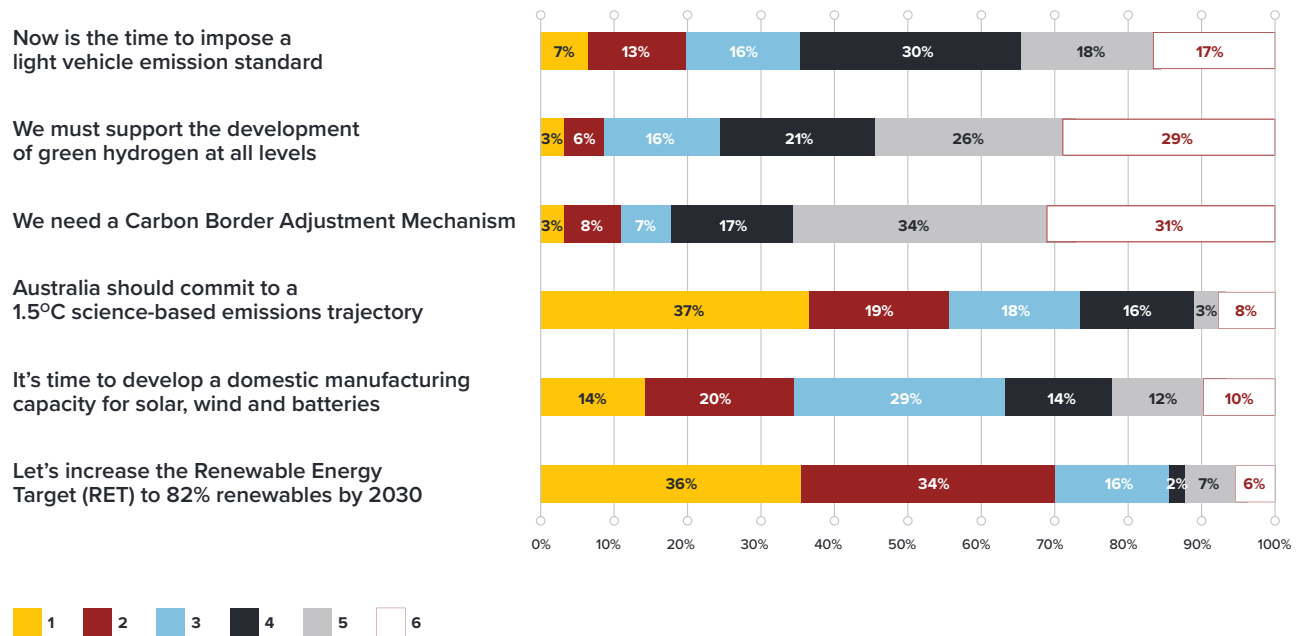
Of the 92 respondents, two responses were excluded due to incorrect completion of the ranking against each issue. This gave us a total sample of 90 responses.

37% of respondents thought that the most important issue was that *Australia should commit to a 1.5°C science-based emissions trajectory*, with a further 19% ranking this as the second most important issue. 56% of respondents thought that this was in the top two most important issues facing Australia.

36% of respondents selected *Increase the RET to 82% renewables by 2030* as the most important issue of the 6 presented. A further 34% ranked this as the second most important issue. 70% of respondents felt that this was the most or second most important issue that Australia should address.

14% of respondents each selected *It's time to develop a domestic manufacturing capacity for solar, wind and batteries* as the most important issue for Australia to address.

Table 1: Results of voting excluding invalid votes where 1 is most important and 6 is least important issue.



RESULTS AND DISCUSSION

Table 2: Results Table

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Let's increase the Renewable Energy Target (RET) to 82% renewables by 2030 | 36% | 34% | 16% | 2% | 7% | 6% |
| It's time to develop a domestic manufacturing capacity for solar, wind and batteries | 14% | 20% | 29% | 14% | 12% | 10% |
| Australia should commit to a 1.5°C science-based emissions trajectory | 37% | 19% | 18% | 16% | 3% | 8% |
| We need a Carbon Border Adjustment Mechanism | 3% | 8% | 7% | 17% | 34% | 31% |
| We must support the development of green hydrogen at all levels | 3% | 6% | 16% | 21% | 26% | 29% |
| Now is the time to impose a light vehicle emission standard | 7% | 13% | 16% | 30% | 18% | 17% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% |

When a preferential voting methodology was established and voting preferences redistributed, in line with the Australian Electoral Commission guidelines (Australian Electoral Commission, n.d.), the most important issue to participants was Let's increase the Renewable Energy Target (RET) to 82% renewables by 2030 taking 54% of the votes, followed by Australia should commit to a 1.5°C science-based emissions trajectory with 46%.

These two issues are indelibly linked. On a broad level, there was strong support for Australia to commit to a 1.5°C science-based emissions trajectory. This was always likely to garner support given that the audience was sustainability leaders from across business and government.

With respect to a tangible action that could be taken today, increasing the Renewable Energy Target to support 82% renewables by 2030, to in turn support our government to reach its target of 43% emissions reduction by 2030 was a clear winner.

We acknowledge the Traditional Custodians of the land, waters and knowledge for the places where we gather to collaborate and strengthen communities. In our work, we recognise the importance of Country – not just as a place, but how it also maintains community, family, kin, lore and language. We pay our respects to Elders past, present and future.

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