



GUEST POST

Keeping an eye on the decarbonising prize

By Blair Palese, founder, Climate Capital Forum

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Do you remember the Magic Eye puzzles that were popular in the 1990s? You would stare at an image of intricate repetitive patterns, and if you looked for long enough, a 3D image would pop out.

It became greater than the sum of the parts.

It was amazing and quite entertaining.

Lately, Australia's energy transition agenda has felt like we're staring at intricate patterns – but without the pop-out image that brings everything together. There's been a series of announcements and incremental investments but it's difficult to see the big picture.

We have definitely made progress in developing and implementing a suite of policy changes to transition to net zero, following years of stagnation under the LNP denialists and sceptics. There were new programs and initiatives in the 2023 budget: the [National Reconstruction Fund](#) has \$15bn with a focus on climate and energy technology investment. \$21bn in new money for the [Clean Energy Finance Corporation](#) (CEFC), [Australian Renewable Energy Agency](#) (ARENA) has expanded funding, there's critical minerals investments, support for household energy upgrades, funding to support regional investment, and establishment of [Net Zero Economy Agency](#).

All is very welcome, but it's only a small fraction of what is needed, especially in the face of the US Inflation Reduction Act's (IRA) \$1trillion investment for decarbonising the US economy – with potential to pull green investment away from Australia at a critical juncture in the global transition.

I've said it before and I will keep on saying it. We need a new playbook for the decarbonising ballgame. A massive national strategic capital public investment program that establishes Australia as a zero-emissions trade and investment leader is required; an approach [echoed by Guy Debelle](#), former Reserve Bank of Australia Deputy Governor this week.

The Climate Capital Forum and a broad range of organisations, unions and NGOs estimate this requires \$100bn capital to “crowd-in” around \$300bn of private capital. We also need to remove investment obstacles and outdated financial structures, making investment easier, tax and penalise polluting sectors and, most importantly, work together to establish a loud-and-clear market signal that decarbonising is where the country has to go to be a key player in the future world economy.

Yet eighteen months on from the May 2022 election, it’s still not clear how we plan to address the triple crises of the cost of living, energy transition and climate change.

Just one example of many opportunities: a new briefing paper on battery supply chains released this week by industry think tank Beyond Zero Emissions (BZE) projects that “the rapid roll-out of batteries can reduce Australia’s national emissions by 23% by 2035 across the stationary energy and transport sectors.”

Instead of digging and shipping high demand minerals such as lithium, copper and nickel, Australia can invest to refine and process here, re-industrialise our economy to make and recycle things -- such as batteries -- and re-skill for the decarbonised economy, addressing energy security and sovereign supply chain issues, and building resilience and future workforces.

It would also add complexity to our economy which currently lags at almost the bottom rung of the global economy complexity charts.

The upcoming COP28 in Dubai must focus attention for more ambition and strong initiatives that fit a national vision. The community and business world at home and abroad – not to mention our Pacific neighbours – want to understand how the Australian government sees the scope of the opportunity and how to get on board.

The Climate Capital Forum stands ready to support and advise the government on the next steps to invest in our decarbonising efforts and help drive the global move to renewable energy and storage to build our future economy.

We’re also ready to not just look at the big picture at home, but also to the horizon where the chance to host the COP31 in 2026 with Pacific nations awaits.

But only if we can show through leadership and commitment that we are serious about the global transition to net zero.

*Blair Palese is founder of the [Climate Capital Forum](#), a community of Australian climate-focused financial experts, investors, philanthropists, industry bodies and non-government organisations. Blair was named in the most recent edition of *The List*, *The Australian’s top 100 energy players*.*