



NET ZERO ECONOMY AGENCY ADVISORY BOARD

AGENDA

20 July 2023 9am-12.15pm AEST

Senger/Wilson Room
Level 7, Tower 3, International Towers
300 Barangaroo Avenue, Sydney

Agenda item	Presenter
1. Acknowledgement of Country Welcome and introduction (15 minutes)	Chair
2. Declarations and Management of Interests (5 minutes)	All
3. Context on the Agency and the Governments Expectations (20 minutes)	Chair and CEO
4. The Role, Operations and Governance of the Advisory Board (20 minutes)	Chair and CEO
Break (15 minutes)	
5. Strategic discussion seeking views of Advisory Board members on Agency work-streams (80 minutes) a) Catalysing investment b) Transforming key regions and industries c) Supporting workers transition d) Communicating a cohesive and positive narrative (verbal update) e) Design and establishment of the legislated Authority (verbal update)	Chair/All
6. Department of Climate Change, Energy, the Environment and Water update (25 min)	Ms Jo Evans PSM Mr Simon Duggan
7. Other Business (5 minutes)	Chair
8. Next steps (10 minutes)	All



ITEM 2: Declarations and Management of Interests

20 JULY 2023

PRESENTER: MR COMBET, CHAIR
FOR DISCUSSION

KEY OBJECTIVES

That the Chair:

1. Note the declared register of disclosed interests at **Attachment A**.
2. Ask Board Members if there are any additional conflicts to be declared.
3. Discuss mitigation strategies for any conflicts of interest.

KEY POINTS

1. As per the Terms of Reference, Advisory Board members have been required to complete a Personal Interest Declaration, declaring all interests and identifying any potential conflicts.
2. The Secretariat maintains a register of disclosed interests, conflicts of interest and their mitigation strategies (**Attachment A**).
 - a. This register discloses a number of potential conflicts of interest and proposed mitigation strategies for consideration by the Chair.
3. Ahead of Advisory Board meetings the Secretariat will ask members to confirm the disclosed interests and provide updates where necessary, against the proposed meeting agenda.
4. The Chair, supported by a probity advisor, is responsible for determining if a conflict exists and the actions required to manage the actual or perceived conflict.
 - a. In the event that a potential conflict relates to the Chair, the CEO will perform this role.
5. The mitigation strategy for a particular conflict of interest is at the discretion of the Chair, but may include asking the Advisory Board member concerned to recuse themselves from discussion of a particular agenda item (or sub-item),



BACKGROUND

6. Professional familiarity with subject matter does not necessarily imply a conflict of interest.
 - a. A conflict of interest may occur when implementation of advice given by a member (by the Agency or government more broadly) may materially benefit that member, or an employer of that member other than the Agency.
 - b. This may be particularly likely in circumstances where they or their employer have a commercial interest in the topic under discussion.

NEXT STEPS

7. The Register of Interests is a living document which will continue to be circulated and updated prior to Advisory Board meetings.
8. The Chair and Advisory Board members have an ongoing responsibility to inform the NZEA Secretariat of changes to their interests so that actual or potential conflicts can be proactively managed.
9. The Chair may implement mitigation strategies for conflicts of interest at any time, including in between Advisory Board meetings.

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Register of Interests – Net Zero Economy Agency Chair and Advisory Board

From the Agency's Terms of reference:

Prior to appointment, prospective Advisory Board members will be required to complete a Personal Interests Declaration, disclosing all interests, and identifying any potential conflicts.

The Secretariat will maintain a register of disclosed interests, and any potential conflicts of interests and associated mitigation strategies. The register will be shared with all Advisory Board members.

Members are required to notify the Secretariat of any changes in interests.

In circulating the agenda for meetings (and in the context of any out of session business), members will be asked by the Secretariat to:

- *confirm their disclosed interests and provide updates where necessary*
- *identify any potential conflicts of interest relating to specific matters proposed for consideration by the Advisory Board*

Each meeting will commence with a discussion on potential conflicts of interest, and actions that may be required to manage any actual or perceived conflicts.

The Chair is responsible for determining whether a conflict exists and if so, what mitigation strategy is required. In the event that a potential conflict relates to the Chair, the CEO will perform this role.

The Chair will be supported by a probity advisor from the Agency.

Advisory Board members will apply an individual and collective focus on supporting the Chair to ensure good governance and probity in the operations of the Advisory Board.

NZEA Advisory Board Member	Interest	Date interest declared	Date interest ceased (if applicable)	Handling strategy
Greg Combet (Chair)	Director - IFM Group companies: IFM Investors Pty Ltd, IFM Holdings Pty Ltd, IFM Fiduciary Pty Ltd, IFM Fiduciary No 2 Pty Ltd, IFM Investors (Nominees) Ltd	24/5/23	30/6/23	Resignation
	Director - Industry Super Holdings Pty Ltd	24/5/23		Indication of intention to resign
	Director - Industry Super Australia Pty Ltd	24/5/23		Indication of intention to resign
	Director - Greg Combet Pty Ltd	24/5/23		Suspension of all consulting roles
Ross Garnaut	Director - ZEN Energy	25/5/23		Declaration of potential conflict, removing self from discussion of agenda items on case-by-case basis
	Director - Renergi Pty Ltd	25/5/23		Declaration of potential conflict, removing self from discussion of agenda items on case-by-case basis

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NZEA Advisory Board Member	Interest	Date interest declared	Date interest ceased (if applicable)	Handling strategy
	Director - Superpower Institute	25/5/23		Declaration of potential conflict, removing self from discussion of agenda items on case-by-case basis
	Director - Maccullochella Pty Ltd (Trustee of Garnaut Family Trust and Garnaut Superannuation Fund)	25/5/23		Seeking of guidance from Chair and other colleagues on private interests which might involve conflict.
Anthea Harris	Currently employed by the Commonwealth as the CEO of the Australian Energy Regulator.	8/6/23		In the event that any matters considered by the Net Zero Economic Agency Advisory Board are in potential actual or perceived conflict with the regulatory role of the AER, recuse self from deliberations, discussions and decisions.
Nicole Lockwood	Chair - Airbridge	24/5/23		Declare any conflicts as they arise and absent self from decision making if they are unable to be resolved.
	Chair - Malka Foundation	24/5/23		Declare any conflicts as they arise and absent self from decision making if they are unable to be resolved.
	Chair - Infrastructure WA	24/5/23		Declare any conflicts as they arise and absent self from decision making if they are unable to be resolved.
	Board Member - NBN Co.	24/5/23		Declare any conflicts as they arise and absent self from decision making if they are unable to be resolved.
	Deputy Chair - Green Building Council of Australia	24/5/23		Declare any conflicts as they arise and absent self from decision making if they are unable to be resolved.
	Director - Lazy Days (WA) Pty Ltd (SMSF)	24/5/23		Declare any conflicts as they arise and absent self from decision making if they are unable to be resolved.
	Director - Lockwood Advisory	24/5/23		Declare any conflicts as they arise and absent self from decision making if they are unable to be resolved.
Tony Maher	General President of the Mining and Energy Union	25/5/23		Declare the potential conflict and absent self from any matter potentially connected to the Mining and Energy Union.
	Director - Mine Super	25/5/23		Declare the potential conflict and absent self from any matter potentially connected to Mine Super.
	Director - Mining and Automotive Skills Alliance Limited	25/5/23		Declare the potential conflict and absent self from any matter potentially connected to Mining and Automotive Skills Limited.

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<i>NZEA Advisory Board Member</i>	<i>Interest</i>	<i>Date interest declared</i>	<i>Date interest ceased (if applicable)</i>	<i>Handling strategy</i>
Michele O'Neil	Director - Australian Council of Trade Unions	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
	Director - ACTU Building (Canberra) Pty Ltd	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
	Director - ACTU Property Pty Ltd	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
	Director - The Union Education Foundation	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
	Director - ACTU SuperShareholding Pty Ltd	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.

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<i>NZEA Advisory Board Member</i>	<i>Interest</i>	<i>Date interest declared</i>	<i>Date interest ceased (if applicable)</i>	<i>Handling strategy</i>
	Director - ACN 005 454 035 Pty Ltd	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
	Director - ACN 005 461 601 Pty Ltd	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
	Director - ACTU-ACSPA Child Care Centre Limited	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
	Director - Union Innovation Hub Pty Ltd	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
	Director - The Centre For Workers Capital Pty Ltd	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.

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<i>NZEA Advisory Board Member</i>	<i>Interest</i>	<i>Date interest declared</i>	<i>Date interest ceased (if applicable)</i>	<i>Handling strategy</i>
	Director - Australian Super Pty Ltd	1/6/23		Conflict(s), actual or perceived, will be managed by declaring the interest and acting in accordance with procedures for managing conflicts set out by the Net Zero Economy Agency; or by disclosing the interest and excusing myself from discussion and deliberation in relation to matters where there is an actual or perceived conflict.
Kellie Parker	Chief Executive, and Group Executive Committee member - Rio Tinto Group	8/6/23		<p>Rio Tinto has significant mining, materials processing and other activities in Australia, including a portfolio of iron ore assets in the Pilbara including mining operations, rail networks and port operations; bauxite mines, processing facilities, port facilities and power stations in Far North Queensland; and an Alumina refinery in central Queensland and Aluminium smelters in Tasmania and central Queensland.</p> <p>Rio Tinto will therefore potentially be impacted significantly by government policy on climate change and decarbonisation.</p> <p>To manage any such conflict:</p> <ul style="list-style-type: none"> (a) I will not disclose to Rio Tinto any non-public information concerning government policy or planning of which I become aware from my role as a Member of the Net Zero Economy Agency Advisory Board (the Board). (b) Where appropriate and practicable, consultation and input from other major Australian energy users and other entities potentially be impacted significantly by government policy on climate change and decarbonisation (other than Rio Tinto) should be sought by the Board. (c) I would request and propose that, to the extent practicable,

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NZEA Advisory Board Member	Interest	Date interest declared	Date interest ceased (if applicable)	Handling strategy
				<p>matters that are non-public and are potentially of significant commercial sensitivity for Rio Tinto would not be presented to, or the subject of discussion at, the Board.</p> <p>(d) Where I identify that a matter that is non-public and of significant commercial sensitivity for Rio Tinto has, inadvertently or unavoidably, been presented to or is to be the subject of discussion at the Board, I will:</p> <ul style="list-style-type: none"> i. notify the [Secretary] of the Board, where practicable in writing, and request that the [Secretary] notify the other members of the Board of the potential conflict as soon as practicable; ii. request that I no longer receive Board papers or other information which relate in any way to the matter; and iii. not be present for any discussion at the Board in relation to the matter, and request that my absence be minuted or otherwise noted. <p>(e) I will not disclose to the Net Zero Economy Agency Advisory Board or its stakeholders any non-public information concerning the business or operations of the Rio Tinto.</p> <p>(f) I will not publicly communicate any formal policy or guidelines on behalf of the Board or be the officially appointed spokesperson for the Board in any media or public gatherings.</p>

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<i>NZEA Advisory Board Member</i>	<i>Interest</i>	<i>Date interest declared</i>	<i>Date interest ceased (if applicable)</i>	<i>Handling strategy</i>
Robynne Quiggin	Board member - Australian Sustainable Finance Initiative	31/5/23		<p>Manage the risk of any conflict(s) of interest arising, actual or perceived, by applying measures around reviewing agenda / papers and declare any conflict(s) of interest or the perception of any conflict(s) of interest that can be ascertained on the face of the agenda / papers to the Secretariat / Chair, exclude myself as appropriate or directed, and take any further advice on these matters.</p> <p>Application of same methodology in meetings to issues that might arise during the course of discussion.</p>
	Board Director - NAISDA Ltd	31/5/23		<p>Manage the risk of any conflict(s) of interest arising, actual or perceived, by applying measures around reviewing agenda / papers and declare any conflict(s) of interest or the perception of any conflict(s) of interest that can be ascertained on the face of the agenda / papers to the Secretariat / Chair, exclude myself as appropriate or directed, and take any further advice on these matters.</p> <p>Application of same methodology in meetings to issues that might arise during the course of discussion.</p>
Paul Simshauser	CEO - Powerlink Queensland (Qld Govt owned corporation)	7/6/23		<p>It is not immediately obvious that a conflict of interest may arise unless the NZEA drifts into the field of transmission planning and financing of transmission – at which point a clear conflict would arise. At that point: declare the potential for a conflict of interest and remove self from the meeting for the duration of such discussions.</p>
	Professor of Economics, Griffith University - primary research on energy markets	7/6/23		<p>Once again it is not immediately obvious that a conflict of interest may arise, unless 'grant funding for research' is discussed – at which point a clear conflict would arise. It would be appropriate to declare the potential for a conflict of interest and remove self from the meeting for the duration of such discussions.</p>

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<i>NZEA Advisory Board Member</i>	<i>Interest</i>	<i>Date interest declared</i>	<i>Date interest ceased (if applicable)</i>	<i>Handling strategy</i>
Anna Skarbek	CEO of Climateworks Centre, Monash Sustainable Development Institute at Monash University (non-profit)	31/5/23		Disclose interest to other members and to consider whether the content being discussed at each meeting was directly related to operations of organisation, and if so, to disclose the nature of that, and if a risk of conflict exists, to offer to remove self from the discussion of that item.
	Director - Sentient Impact Group	31/5/23		Disclose interest to other members and to consider whether the content being discussed at each meeting was directly related to operations of organisation, and if so, to disclose the nature of that, and if a risk of conflict exists, to offer to remove self from the discussion of that item.
	Director - Green Building Council of Australia	31/5/23		Disclose interest to other members and to consider whether the content being discussed at each meeting was directly related to operations of organisation, and if so, to disclose the nature of that, and if a risk of conflict exists, to offer to remove self from the discussion of that item.
	Director - Centre for New Energy Technologies	31/5/23		Disclose interest to other members and to consider whether the content being discussed at each meeting was directly related to operations of organisation, and if so, to disclose the nature of that, and if a risk of conflict exists, to offer to remove self from the discussion of that item.
	Director - Glasgow Financial Alliance for Net Zero (GFANZ) Asia Pacific Advisory Board	31/5/23		Disclose interest to other members and to consider whether the content being discussed at each meeting was directly related to operations of organisation, and if so, to disclose the nature of that, and if a risk of conflict exists, to offer to remove self from the discussion of that item.
Laura Tyler	Chief Technical Officer - BHP	31/5/23		Recuse from any direct contact and note any discussions that could have economic impact on BHP.



ITEM 4: Role, Operations and Governance of the Advisory Board

20 JULY 2023

PRESENTER: MR COMBET, CHAIR
FOR INFORMATION

KEY OBJECTIVES

That the Advisory Board:

1. Is asked to **note** their role will be to provide advice to the Chair and the Chief Executive Officer (CEO) to support the Net Zero Economy Agency.

KEY POINTS

1. The role of the Net Zero Economy Agency (the Agency), and ultimately the Net Zero Authority (the Authority), will be to promote orderly and positive economic transformation associated with decarbonisation and energy system change. Its work will be to better coordinate the Government's efforts and initiatives, drive timely transformation and ensure that industries and communities can take advantage of the opportunities available.
 - a. The Agency was established on 1 July 2023 to design the Authority and commence the Authority's work prior to it being established by legislation.
2. The Advisory Board is responsible for advising Agency functions, on strategy, performance and development to deliver the government's priorities. Including:
 - a. defining the core value propositions of the Agency
 - b. setting Agency goals, objectives and deliverables
 - c. inputting into business and functional strategies to achieve Agency goals and objectives
 - d. developing measures of performance
 - e. advice on organisational development, including in relation to the evolution of the Agency into a statutory Authority
 - f. input into communications and stakeholder engagement strategies.



3. The Secretariat is undertaking a procurement process to obtain a Probity Advisor to work with the Agency and the Chair on establishing probity risk and establishing guidelines (item 2 refers).
4. The Board will be supported by a Secretariat which arranges meetings, circulates agendas and papers, including arranging board travel arrangements.
5. The Secretariat prepares governance arrangements for Board meetings and board members.

NEXT STEPS

6. The Secretariat circulates finalised governance documents including a guide to payments and process for managing probity and conflicts of interest.

BACKGROUND

7. On 14 June 2023, the Prime Minister announced the Chair of the Net Zero Economy Agency and the Advisory Board members. (**Attachment A**).

MEDIA RELEASE

14 Jun 2023

Prime Minister, Minister for Climate Change and Energy

The Albanese Government has today announced the Chair and Advisory Board of the Net Zero Economy Agency.

The Hon Greg Combet AM has been appointed as Chair of the Net Zero Economy Agency. As Chair, Mr Combet will guide the Agency to ensure that the workers, industries and communities that have powered Australia for generations, can seize the opportunities of the net zero transformation. The Chair will be supported by an Advisory Board to design and establish the legislated Net Zero Authority.

Members appointed to the Advisory Board:

Professor Ross Garnaut AC - Professor Emeritus in Economics at the University of Melbourne and Professor Emeritus, College of Asia & the Pacific at ANU;

Professor Paul Simshauser AM – CEO of Powerlink Queensland and Professor of Economics at Griffith University;

Anthea Harris – CEO of the Australian Energy Regulator;

Nicole Lockwood – Chair of Infrastructure WA, board member of NBN and former Shire President of Roebourne;

Kellie Parker – CEO of Rio Tinto Australia;

Michele O’Neil – President of the Australian Council of Trade Unions;

Professor Robynne Quiggin - Pro-Vice Chancellor of UTS and part of Steering committee for the First Nations Clean Energy Network;

Anna Skarbek – CEO of Climateworks Centre, Director of the Green Building Council of Australia, the Centre for New Energy Technologies, Impact Investment Group, and Sentient Impact Group;

Tony Maher – General President of the Mining and Energy Union;

Laura Tyler – Chief Technical Officer, BHP.

Mr Combet is uniquely qualified to lead the Agency, with expertise in government, investment, climate policy and industrial relations, as well as holding qualifications in coal mining engineering. He will begin the role on 10 July 2023.

Mr Combet is currently the Chair of IFM Investors and Industry Super Australia and formerly served as Minister for Climate Change and Energy Efficiency, Minister for Industry and Innovation, Minister for Defence Personnel, Science and Materiel, and was a leader of the Australian Council of Trade Unions.

Advisory Board members were appointed for their significant expertise across a range of areas including workplace relations, energy markets, regional development, First Nations engagement and economic development.

In addition to the Chair and Advisory Board, stakeholder reference groups will be established to guide the Agency's work with representatives to include regional experts, to engage with workers, industry and communities about the transition to net zero.

Last month the Government committed to legislate a national Net Zero Authority, which will work with state, territory and local governments, existing regional bodies, unions, industry, investors and First Nations groups to help key regions, industries, employers and others proactively manage the transformation to a clean energy economy.

To kickstart the Authority's responsibilities immediately, the Net Zero Economy Agency will start work from July this year.

Australian Crest Logo

PRIME MINISTER OF AUSTRALIA

We acknowledge and pay respect to past and present Elders and Traditional Custodians of Country, and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.



ITEM 5a: Strategic discussion – Catalysing investment

20 JULY 2023

PRESENTER: MR COMBET, CHAIR
FOR DISCUSSION

KEY OBJECTIVES

That the Advisory Board:

1. Discuss initial views on net zero investment opportunities and challenges in the Australian context.
2. Discuss the role of the Agency in facilitating investors and companies to engage with the net zero transformation for regional industries and communities,
3. Provide advice on the proposed service offering for investment at **Attachment A**.

KEY POINTS

1. Consultations undertaken by the Net Zero Taskforce with industry representatives found a broad consensus of support for an authority with a role to coordinate transition support across governments and industry while having a regional focus.
2. The Commonwealth Government has given the Agency responsibility for:
 - a. Developing and coordinating the delivery of key government strategies to support regional communities and workers including:
 - i. Identifying opportunities for new industries and investment to support economic development in the regions where the economic future is strongly linked to decarbonisation.
 - ii. Facilitating these opportunities through support and partnership with the Commonwealth Government.
 - b. Facilitating investors and companies to engage with the net zero transformation for regional industries and communities by:
 - i. Identifying and facilitating new employment and industry opportunities in the regions, including catalysing public and private investment



- ii. Supporting investors and project proponents to explore and pursue regional economic development opportunities consistent with the net zero economy.
3. The Agency is currently developing two products in response to the Government's tasking:
 - a. An investment service offering that would allow the Agency to deliver the Government's request. The Agency proposes that the initial offering focuses on a narrow range of priority services, before expanding over time as the Agency builds capacity. A summary of the Agency's service offering is at **Attachment A**.
 - b. A framework to assist with prioritising assistance and support for industry. The framework will help the Agency to take a strategic and targeted approach to opportunities rather simply reacting to opportunities as they arise.

RISKS AND SENSITIVITIES

4. Substantial work is currently being undertaken by governments at all levels to drive industrial decarbonisation and energy system transformation creating risks of uncoordinated action and duplication. The Agency is well placed to mitigate this risks due to its central coordinating remit. Agency engagement with governments and their departments will help facilitate greater policy consistency and a more coordinated effort to catalyse investment and industry transformation, thereby reducing inefficiency and missed opportunities.

NEXT STEPS

5. The Agency will engage with government and industry stakeholders to understand their needs, identify gaps and test the service offering, subject to the views of the Chair and Advisory Board.
6. The Agency will engage with the financial industry to develop an improved understanding of investment opportunities that support industrial and regional transformation including the conditions that need to be met in order for investors to deploy capital, and how the Agency can assist in catalysing investment.

BACKGROUND

7. On 9 December 2022, Commonwealth, state and territory Energy Ministers have agreed to establish a new National Energy Transformation Partnership to provide a framework for national alignment and cooperative action by governments to support the smooth transformation of Australia's energy sector.
8. Through the 2023-24 Federal Budget, the Government announced several measures to support industry transition, including:



- a. establishment of the Capacity Investment Scheme to underwrite new investment in clean energy, accelerating the development of cheap, clean renewable generation and storage and ensuring the smooth transformation of Australia's energy market.
 - b. establishment of the National Reconstruction Fund with up to \$3 billion available for renewables and low emissions technologies
 - c. \$2.0 billion for the Hydrogen Headstart Program to accelerate development of Australia's hydrogen industry, catalyse clean energy industries, and help Australia connect to new global hydrogen supply chains
 - d. \$14.2 million over 4 years to support its sustainable finance agenda, including \$8.3 million over 4 years from 2023-24 (and \$1.3 million per year ongoing) to establish a sovereign green bond program to raise capital for environmental and climate change related programs.
9. The Safeguard Mechanism is the Government's policy for reducing emissions at Australia's largest industrial facilities, setting legislated limits on the greenhouse gas emissions of the facilities on a trajectory consistent with achieving Australia's emission reduction targets of 43% below 2005 levels by 2030 and net zero by 2050.
 - a. as of the 2021-22 Reporting year, 219 facilities are covered under the Safeguard Mechanism with combined covered emissions of 137.5 million tonnes CO₂-e
 - b. the Powering the Regions Fund – Safeguard Transformation Stream will provide a total of \$600 million over the life of the program to support trade-exposed facilities covered by the Safeguard Mechanism to reduce their emissions.
10. Through industry consultations and research, the Agency notes several common views on the approach to industry decarbonisation:
 - a. there is a need for a proactive and inclusive approach to planning and coordination of stakeholders across industry, governments, finance, communities and the energy sector to manage the scale and complexity of the transition
 - b. governments should take a precinct or cluster approach to supporting regional and industrial development by leveraging multi-user access to transport and energy infrastructure, inputs and labour, cheaper green hydrogen, and circular economy practices; and
 - c. there is a need to accelerate development and deployment of required decarbonisation technologies at scale.
11. **Attachment B** outlines findings from the consultations that inform the Agency's thinking on investment and industry support.



ATTACHMENT A: SERVICE OFFERING



Initial offering



Additional offering through expanded capacity

Service	Delivery methods
Information and advice	
<ul style="list-style-type: none"> Providing information and advice for industry on Australian Government policies, programs and regulations relevant to projects or investments designed to reduce emissions. <p><i>Similar to: AusIndustry, Business.gov.au portal, ASBFEO, ATO virtual assistant, Major Projects Facilitation Agency, Regional Development Australia network</i></p>	<ul style="list-style-type: none"> Develop and maintain a comprehensive database consisting of Commonwealth funding programs, services and opportunities and respective owners that can be used to provide support for companies and industries transitioning to net zero. Self-service portal on the Agency's website with links to Australian [and state] government funding programs that support industry transformation towards net zero Prepare tailored information packages and responses to questions from industry regarding the net zero transition industry, with input from line agencies.
<ul style="list-style-type: none"> Sharing industry and stakeholder information and insights with Australian Government agencies to support improved policy and program design and implementation. <p><i>Similar to: Infrastructure Australia (Market Capacity, Infrastructure Risk), Jobs and Skills Australia (Labour Market Insights), AusIndustry</i></p>	<ul style="list-style-type: none"> Seek feedback from industry and stakeholders on an ongoing basis as part of regular engagement. Document information and insights and feed through to those who need to know across Government
Relationship building and government coordination	
<ul style="list-style-type: none"> Brokering relationships between parties pursuing industry transformation towards net zero, including <ul style="list-style-type: none"> Government-to-government government-to-industry industry-to-industry. 	<ul style="list-style-type: none"> Responding to industry requests for assistance in identifying relevant connections within the Commonwealth. Outreach to industry and state government to build our understanding of current and proposed projects and opportunities to support industry transition to net zero. Identifying opportunities to put people in contact with each other to discuss and develop opportunities.



<ul style="list-style-type: none"> Working across government to ensure a consistent approach to supporting industry through the transition. 	<ul style="list-style-type: none"> Engage across government on net zero-related policies, including <ul style="list-style-type: none"> Energy policy Australian Government framework for responding to market-led request for support and assistance. Industry Net Zero Roadmaps 2035 and 2050 plans. Work with agencies to address policy and regulatory barriers to industry transition to net zero.
<ul style="list-style-type: none"> Building inter-industry communities of practice for knowledge and information sharing to accelerate net-zero learning and development. 	<ul style="list-style-type: none"> Arrange workshops and meetings within and across industries and industrial regions, with industry presentations. Develop a network of relationships with universities to ensure industry is up to date with the latest Australian research and technology.
<i>Analysis, strategy and planning</i>	
<ul style="list-style-type: none"> Providing support and assistance for analysis and strategic planning for industrial transformation and decarbonisation, including through hubs, precincts and shared infrastructure. 	<ul style="list-style-type: none"> Facilitate the development of strategies and plans for industry transformation and decarbonisation, including for the development of new industries. Provide funding to assist the development of strategies and plans.
<i>Facilitating transformational projects</i>	
<ul style="list-style-type: none"> Supporting the development of transformational projects from concept to design. 	<ul style="list-style-type: none"> Work with industry, investors and government stakeholders to identify, scope and develop projects to a point of being investment-ready. Provide leverage funding to support project planning and engineering studies. Commission independent, third-party analysis to examine the merits of a project, particularly for market-led proposals.
<ul style="list-style-type: none"> Identify and support pilot projects in industrial areas/ facilities using the latest Australian research 	<ul style="list-style-type: none"> Work with industry and universities to identify and scope out pilot projects that could be referred to ARENA and the CEFC for funding.
<i>Coordination of assistance and support</i>	



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| <ul style="list-style-type: none">• Development and coordination of packages of assistance and support to support industry transformation. | <ul style="list-style-type: none">• Work with Commonwealth agencies to develop packages of financial and non-financial assistance and support to enable the development of transformational projects.• Non-financial assistance could include, policy, legislative and regulatory changes as well as assistance to access funding and navigate approval processes. |
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ATTACHMENT B: KEY STAKEHOLDER INSIGHTS ON INDUSTRY SUPPORT AND INVESTMENT

1. On 14 March 2023, Net Zero Economy Taskforce (the Taskforce) convened a roundtable involving Business Council of Australia and its members. Common themes raised include:
 - a. a need for a coordinated transition and a framework which can ensure opportunities are being identified;
 - b. a need to address regulatory and planning issues to encourage new projects; and
 - c. implementation of a front door operating across the levels of government to provide information on opportunities for small and medium businesses, and assist with coordination of transition-related projects across government portfolios for larger businesses.
2. On 17 March 2023, the Taskforce convened a roundtable with the Australian Council of Trade Unions and affiliated unions. Common themes raised include:
 - a. making investments in new quality jobs is a critical part of this work and there is a real need for urgency about getting started;
 - b. Having an authority which is a central function in the planning for industry transition and is empowered to inform and advise governments of all levels. The authority should have oversight of elements of facility closures and the 'teeth' to require organisations to develop meaningful transition plans for workers and the community;
 - c. the authority should have the ability to use its oversight powers to reduce infrastructure duplication across industry and work with industry to remove barriers to being the first mover; and
 - d. undertaking a place-based approach in supporting local planning by helping to ensure minimum standards for planning, including governance and reporting, are in place across the nation.
3. On 13 April 2023, the Taskforce convened an Industry and Investor Roundtable. Participants broadly supported an authority focused on coordinating programs and services already underway across government departments/levels of government, while taking a place-based approach that allows for regional advantages to be accounted for and empowers communities. Possible functions that the Authority could lead or assist in performing, include:
 - a. developing a consistent narrative that accounts for the Australian industry context,
 - b. investing in shared infrastructure and guiding private investment in locations and sectors where we have a comparative advantage,
 - c. investing in skills and training,
 - d. providing incentives to attract investment in new industries and providing early investment to de-risk projects that could later scale up,
 - e. streamlining regulatory approvals for projects that are aligned with the transition,
 - f. helping ensure NEM states are working cooperatively,



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- g. developing science-based industry pathways and taxonomies that account for the Australian context, and;
 - h. supporting the financial sector with creating transparency around climate related risk disclosure.
- 4. The Taskforce visited regions around Australia to speak with stakeholders, including local government, industry, unions and community groups. Noting the uniqueness of each region's transition readiness, common challenges raised include:
 - a. catalysing new industries and de-risking private investment in a timely way;
 - b. new industries unable to come online at sufficient scale to replace exits due to regulatory, commercial, R&D, infrastructure, supply chain, and skills constraints;
 - c. piecemeal planning not sufficient to galvanise stakeholders towards transformational actions; and
 - d. regions lacking coordinated leadership and urgency struggling to attract and retain investors and developers.



ITEM 5b: Strategic Discussion – Regional engagement

20 JULY 2023

PRESENTER: MR COMBET, CHAIR
FOR INFORMATION/DISCUSSION

KEY OBJECTIVES

That the Advisory Board:

1. Discuss an approach to regional engagement for the Net Zero Economy Agency.

KEY POINTS

1. The Government has given the Agency responsibility for “developing and coordinating the delivery of key government strategies to support regional communities and workers” with successful net zero transformation.
2. To this end, the Government has asked that the Agency engage with central Queensland (including Gladstone), the Hunter, Latrobe Valley and Collie, “to identify priority actions needed to plan for regional and industrial transformation, including facilitation of economic diversification and retraining and support for employees in emissions-intensive industries.”
3. These regions were identified based on work we did earlier this year to assess the exposure of different regions to decarbonisation-related changes, transformation opportunities, and adaptive capacity.
4. The Taskforce consulted over 200 stakeholder groups across Australia. We heard there is a need for greater Commonwealth coordination to support an orderly and positive transition, but also that communities should lead their own futures. A place-based approach to this transition is important to Australian communities.
5. The Taskforce also heard it is often difficult for communities and businesses to engage with government, particularly across multiple levels of government. In working across governments to coordinate support for transition, the Authority will focus on alignment, impact and effectiveness.
6. The Agency can play a valuable role in helping to secure enduring community support for the Government’s net zero and renewable energy commitments. The Regional Transformation team will work hand in hand with other functions across the Agency to



identify and promote support for net zero industry and investment opportunities in the regions, including better targeting and alignment of existing programs.

7. For the four regions the Government has asked the Agency to focus on, the team will build comprehensive profiles of opportunities and risks to help inform future government action (for example, opportunities for projects, hubs or industry diversification). The future workforce needs of regions including opportunities for skills and training will also be an important consideration.

NEXT STEPS

8. The Agency will begin building a strong regional presence through visits to the four early focus regions and establish working relationships with the state and territories.
9. We will also build relationships with other Commonwealth departments with programs relevant to regional planning and place-based approaches to support coordinated Commonwealth engagement activities, particularly in the early focus regions.

BACKGROUND

10. The Net Zero Economy Taskforce met with a range of groups and organisations across Australia to gauge perspectives of what is needed as Australia transitions to the net zero future. This included representatives from state and local government, industry and local business interests, unions, NGOs, First Nations groups, education providers, community advocacy groups and engaging with the experiences of international counterparts.
11. The Taskforce also hosted several roundtable engagements to better understand national perspectives with the Business Council of Australia members, unions, local governments, and industry and investor peak bodies.



ITEM 5c: Strategic Discussion – Supporting Worker Transition

20 JULY 2023

PRESENTER: MR COMBET, CHAIR
FOR INFORMATION/DISCUSSION

KEY OBJECTIVES

That the Advisory Board:

1. Discuss the Agency/Authority's proposed approach to supporting workers in carbon-intensive industries through the economic transformation.
2. Note the next steps.

KEY POINTS

1. Supporting workers in emissions-intensive sectors to access new employment, skills and support as the net zero transformation continues is one of the key expectations of stakeholders and a primary aim of the new Net Zero Economy Agency (the Agency) as well as the Net Zero Authority (the Authority). Worker transition is likely to be most effective if done in the context of a broader regional and industrial strategy, rather than by individual employers in the context of an intended closure.
2. To support workers to access new opportunities and meet stakeholder expectations of a coordinated response, the Agency is commencing consultation on a 'worker transition plan' approach. The proposed approach would bring together stakeholders including governments, unions, employers and communities to develop, jointly agree and deliver arrangements for coal-fired power stations with scheduled closures and other transition sites. These arrangements would proactively bring together stakeholders to set out and agree the supports available to workers.
3. Supports will need to come from both governments and employers, and potentially other parties, and would be in addition to any existing obligations and entitlements within the workplace relations system. Supports may include education and training to reskill or upskill; career and financial advice; relocation assistance; and pooled redeployment schemes.
4. Once established, the Authority will work collaboratively with all stakeholders on a consensus basis to develop and deliver these arrangements. Stakeholders have so far shown strong enthusiasm for supporting workers through these processes, and we expect that all parties will continue to participate actively and enthusiastically.



5. The Agency is working closely with officials from the Department of Employment and Workplace Relations (DEWR), who deliver many of the Government's supports for transitioning workers. Additionally, DEWR will shortly undertake regional consultation on how best to target existing government supports. Where possible, the Agency will leverage DEWR's engagement activities to inform our work.

RISKS AND SENSITIVITIES

6. The impact of the net zero transformation on workers and communities will significantly influence the public's perception of the Agency and its work. It is critical that the Agency and Authority's worker transition function is successful so that Australia can seize the opportunities of the future.
7. Each region and community is unique. The Agency's worker transition function will need to be flexible enough to respond to different communities' needs. Consultation processes will inform design of this approach, including how to embed flexibility and ensure participation from all relevant parties.

NEXT STEPS

8. We will conduct targeted consultation with key stakeholders, including unions and employers, to explore our approach to worker support in more detail.
9. Additionally, the Agency will undertake regional visits alongside DEWR to Collie, the Latrobe Valley, the Hunter, and Gladstone, to understand communities' needs and expectations of communities in relation to support for workers.
10. Consultation will inform the Agency's advice to Government on the Authority's design and functions.

BACKGROUND

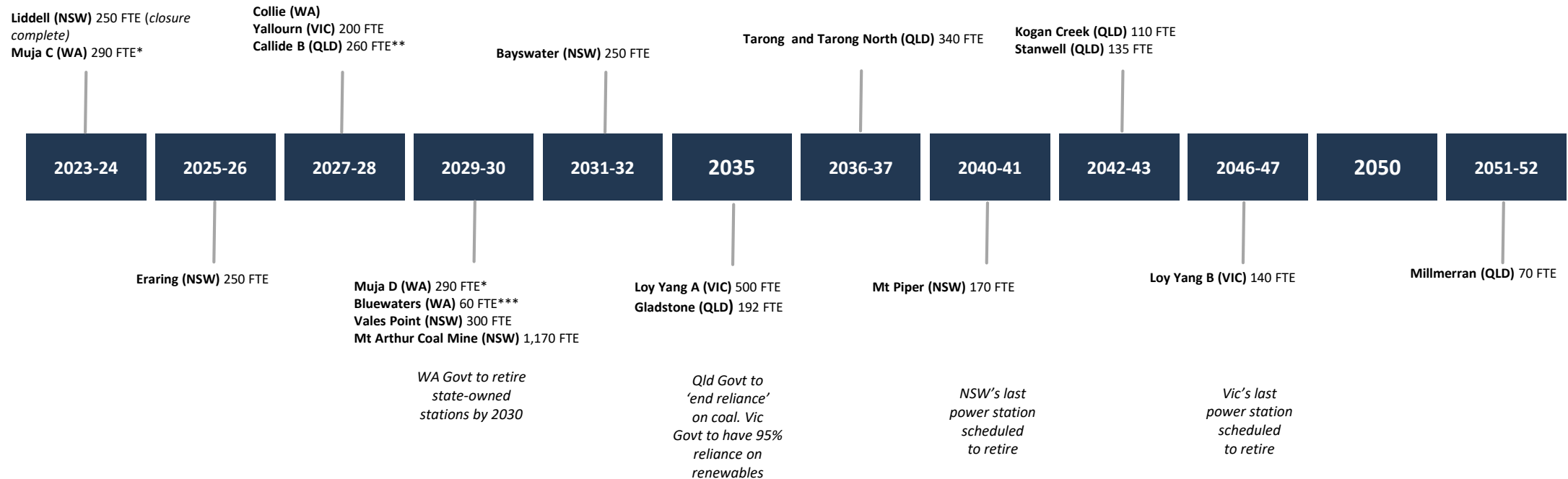
Attachment A: Transition to Net Zero: Coal-fired Power Station and Mine Closures



Transition to Net Zero: Coal-fired Power Station and Mine Closures

**Federal Govt commitment
to reduce emissions by 43%
by 2030**

**Federal Govt commitment
to Net Zero by 2050**



Number of workers (FTE) obtained from DEWR and are subject to change as testing for accuracy continues.

Callide C (QLD) closure date unknown

Some closure dates expected to be brought forward

* 290 FTE across Muja C & D

** 260 FTE across Callide B & C

*** Bluewaters (WA) closure date assumed by AEMO

20 July 2023 - NZEA Advisory Board Meeting

Record of Meeting

Item 1 – Welcome and Introductions

- The Chair and Advisory Board members provided an introduction and share their backgrounds and expertise.

Item 2 – Declaration and Management of Interests

The Chair:

- Provided an overview of manner in which probity considerations, including conflicts of interest and confidential information, will be managed, emphasising the responsibilities of all members in this regard.
- Advised that representatives from Centium were online as observers to the meeting.
 - Centium have been appointed Probity Advisers for the Agency and will work the Board and the Agency to support the identification and management of probity matters.
- Asked if members had any changes to their declarations, or needed to identify any interests that may (actually or be perceived to) conflict with the items intended for discussion at this meeting.
 - No issues or changes to declarations were raised.

Item 3 – Context of the Agency and the Governments Expectations

- The Chair provided an overview of the intended role of the Agency, including that the Prime Minister has described its role as encompassing:
 - facilitating investors and companies to engage with the net zero transformation for regional industries and communities;
 - supporting the workers in emissions-intensive sectors to access new employment, skills and other opportunities; and
 - developing and coordinating the delivery of key government strategies to support regional communities and workers
 - help communicate a cohesive and positive transition narrative
- The Chair noted that it will be important for the Authority to focus on:
 - a whole of government view of all the measures implemented and being implemented to achieve net zero in Australia.
 - overall policy, finding gaps, suggesting changes
 - helping the Government to communicate how it all fits together.
- Advisory Board Members welcomed the advice from the Chair. A number of members flagged the need to bring state governments along, while noting the different timelines that states currently have in their transformation process could add additional complexities for the Agency.

Item 4 – The Role, Operations and Governance of the Advisory Board

- The Chair provided an overview of the intended role of the Advisory Board, including the following points:
 - It is a source of strategic insight and advice for the chair, CEO and Agency staff
 - It is not a decision-making body. It's a forum for bringing in a diversity of perspectives how the Agency can best promote orderly and positive economic transformation.
 - Like the Agency, the Advisory Board is set up as a transitional arrangement. It will help guide the path to a legislated Authority (which may or may not have an advisory (or governing) board).
 - It's likely to meet 4-5 times depending on when the legislated Authority starts
 - the next meeting is likely to be in September/October to discuss next steps in the establishment of a Net Zero Economy Authority.
- The Chair also advised there will be a Net Zero Committee of Cabinet that the Chair will attend to provide updates on the work of the Agency.

Advisory Board Members had the following comments/questions:

- Will there be capacity to engage at a subcommittee level, similar to that of the taskforce?
 - The Chair advised that there would not be subcommittees but the Agency would facilitate engagement where required.
- Will the Agency feed into National Cabinet?
 - The CEO advised that National Cabinet would be used where there was agreement needed at a National level.

Item 5a –Catalysing Investment

Board members had a general discussion about:

- Investor appetite net zero related investment
- Barriers to increased investment
- The roles the Authority can potentially play to help increase the pace and scale of investment in net zero transformation

Item 5b –Transforming Key Regions and Industries

Board members had a general discussion about:

- the identification of regions that may warrant particular focus
- the extent to which the Agency/Authority should apply a regional focus in its work, and how this can sit alongside an industry and whole of economy lens
- the ways in which the Agency/Authority can best engage with and support key regions
-

Item 5c –Supporting Workers Transition

Board members had a general discussion about:

- the need to support workers in carbon-intensive industries through economic transformation

- Previous and current practices to support worker transition
- the roles the Agency/Authority might play in supporting worker transition.

Item 5d –Communicating a cohesive and positive narrative

Board members had a general discussion about:

- The value of a strong and cohesive narrative, and communications about, net zero economic transformation
- communications needs, channels and opportunities
- the potential role of the Agency/Authority in supporting improved net zero communications
- Discussed communicating the messaging of the Net Zero Agency and its role.

Item 5e –Design and establishment of the legislated Authority

- This item was not discussed due to time constraints.

Item 6 –DCCEEW Update - Jo Evans PSM

- Ms Jo Evans PSM, Deputy Secretary, DCCEEW, provided an overview of the Government’s emissions reduction policies and programs.
-

Item 7 – Other Business

- The Chair advised that the Advisory Board is expected to meet approximately every 3 months.



NET ZERO ECONOMY AGENCY ADVISORY BOARD

AGENDA

20 September 2023, 9am-1pm AEST

Senger/Wilson Room
Level 7, Tower 3, International Towers
300 Barangaroo Avenue, Sydney

Agenda item	Presenter
1. Welcome and Acknowledgement of Country (5 minutes)	Chair
2. Declarations, Management of Interests and Probity (10 minutes)	Chair Centium
3. Energy Transition State of Play from DCCEEW (30 minutes)	Mr Simon Duggan
4. Supporting the orderly and positive transition of key regions (30 minutes)	Ms Emily Martin
5. Decarbonising existing industry and catalysing investment in new projects (30 minutes)	Mr Trevor Power
6. Ensuring First Nations benefit from net zero economic transformation (30 minutes)	Ms Emily Martin
Break (20 minutes)	
7. Transition for workers in coal communities (30 minutes)	Chair
8. Future Authority purpose and functions (30 minutes)	Mr Travis Bover
9. Other Business / Meeting close (10 minutes)	All



ITEM 1: Welcome and Acknowledgement of Country

20 SEPTEMBER 2023

No Paper



ITEM 2: Management of Interests and Probity

20 SEPTEMBER 2023

KEY QUESTION FOR ADVICE

- Do any members have any interests that may present actual or perceived conflicts with the matters covered by the agenda?

KEY POINTS

1. The NZEA maintains a register of Advisory Board member interests ([Attachment A](#)).
2. The Agency has reviewed those interests for any actual or potential conflicts, or other probity issues, that might arise in the content of the meeting agenda and papers. We do not believe there are, given the generalised nature of the issues for discussion, and fact the Advisory Board is not a decision-making forum. It is also noted that, while papers explore potential policy directions, policy is ultimately a matter for the Government.
3. Members are also asked to turn their minds to this issue, and disclose whether they have any relevant interests:
 - a. that have not been disclosed and captured on the register
 - b. that may actually, or be perceived to, conflict with items under discussion.
4. Members are reminded:
 - a. of their obligation to maintain confidentiality in relation to information shared in the context of Advisory Board membership
 - b. that they have been appointed on the basis of their expertise and experience, and not on the basis of representing any particular organisation(s).

RISKS AND SENSITIVITIES

5. All Advisory Board members are in roles that directly relate to net zero economic transition. While this provides experience and expertise to support the Agency, it also brings potential actual and perceived probity risks. It is important that the Advisory Board actively manages probity in this context.

NEXT STEPS

6. Should any members identify a potential actual or perceived conflict, the Chair will determine an appropriate management strategy.

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Register of Interests – Net Zero Economy Agency Chair and Advisory Board

NZEA Advisory Board Member	Interest	Date interest declared	Date interest ceased (if applicable)
Greg Combet (Chair)	Director - IFM Group companies: IFM Investors Pty Ltd, IFM Holdings Pty Ltd, IFM Fiduciary Pty Ltd, IFM Fiduciary No 2 Pty Ltd, IFM Investors (Nominees) Ltd	24/5/23	30/6/23
	Director - Industry Super Holdings Pty Ltd	24/5/23	30/6/23
	Director - Industry Super Australia Pty Ltd	24/5/23	30/6/23
	Director - Greg Combet Pty Ltd	24/5/23	30/6/23
Ross Garnaut	Director - ZEN Energy	25/5/23	
	As Director of ZEN Energy, travel to China to meet with ZEN Energy suppliers of engineering goods and services, in Shanghai, Hefei and Beijing, and with companies interested in purchasing zero emissions goods from Australia. One of the firms currently has an application before FIRB for an investment in Australia in relation to renewables-related goods and services. The other half of the visit relates to catching up with leading economists, most of whom were students or junior staff members of mine at ANU a long time ago.	9/08/2023	21/08/2023
	Director - Renergi Pty Ltd	25/5/23	
	Director - Superpower Institute	25/5/23	
	Director - Maccullochella Pty Ltd (Trustee of Garnaut Family Trust and Garnaut Superannuation Fund)	25/5/23	
Anthea Harris	Currently employed by the Commonwealth as the CEO of the Australian Energy Regulator.	8/6/23	
Nicole Lockwood	Chair - Airbridge	24/5/23	
	Chair - Malka Foundation	24/5/23	
	Chair - Infrastructure WA	24/5/23	
	Board Member - NBN Co.	24/5/23	
	Deputy Chair - Green Building Council of Australia	24/5/23	
	Director - Lazy Days (WA) Pty Ltd (SMSF)	24/5/23	
	Director - Lockwood Advisory	24/5/23	
Tony Maher	General President of the Mining and Energy Union	25/5/23	
	Director - Mine Super	25/5/23	
	Director - Mining and Automotive Skills Alliance Limited	25/5/23	
Michele O'Neil	Director - Australian Council of Trade Unions	1/6/23	
	Director - ACTU Building (Canberra) Pty Ltd	1/6/23	

OFFICIAL: Sensitive

OFFICIAL: Sensitive

NZEA Advisory Board Member	Interest	Date interest declared	Date interest ceased (if applicable)
	Director - ACTU Property Pty Ltd	1/6/23	
	Director - The Union Education Foundation	1/6/23	
	Director - ACTU SuperShareholding Pty Ltd	1/6/23	
	Director - ACN 005 454 035 Pty Ltd	1/6/23	
	Director - ACN 005 461 601 Pty Ltd	1/6/23	
	Director - ACTU-ACSPA Child Care Centre Limited	1/6/23	
	Director - Union Innovation Hub Pty Ltd	1/6/23	
	Director - The Centre For Workers Capital Pty Ltd	1/6/23	
	Director - Australian Super Pty Ltd	1/6/23	
Kellie Parker	Chief Executive, and Group Executive Committee member - Rio Tinto Group	8/6/23	
Robynne Quiggin	Board member - Australian Sustainable Finance Initiative	31/5/23	
	Board Director - NAISDA Ltd	31/5/23	
Paul Simshauser	CEO - Powerlink Queensland (Qld Govt owned corporation)	7/6/23	
	Professor of Economics, Griffith University - primary research on energy markets	7/6/23	
Anna Skarbek	CEO of Climateworks Centre, Monash Sustainable Development Institute at Monash University (non-profit)	31/5/23	
	Director - Sentient Impact Group	31/5/23	
	Director - Green Building Council of Australia	31/5/23	
	Director - Centre for New Energy Technologies	31/5/23	
	Director - Glasgow Financial Alliance for Net Zero (GFANZ) Asia Pacific Advisory Board	31/5/23	
Laura Tyler	Chief Technical Officer - BHP	31/5/23	



ITEM 3: Energy transition state of play from DCCEEW

20 SEPTEMBER 2023

No Paper



ITEM 4: Supporting the orderly and positive transition of key regions

20 SEPTEMBER 2023

KEY QUESTION FOR ADVICE

- How do we ensure that regional perspectives are part of the investment planning role proposed in Item 5?
- What policy levers would work best to encourage industry to seek greater local content within its supply chains or work force, or to provide broader benefit sharing approaches with regional communities? What have you seen work well?

KEY POINTS

1. Existing local governance structures in regional communities are best placed to undertake transition planning. They have the existing relationships and understanding of the social, economic and environmental context. Through recent consultations we have identified that the Authority can add value through coordinating effort, working with all levels of government and regional communities.
2. Through the Authority's investment function as outlined in Item 5, investment can be catalysed to provide the future economic base and jobs for Australia's current and emerging industrial regions.
3. An early focus of the Net Zero Economy Agency (NZEA) has been on regions that are undergoing transformation now, or imminently, driven by changes such as scheduled coal-fired power station closures and major new investments.
4. Each of these regions have done planning and there are a number of worthy projects that have been identified. We propose the NZEA draw from the planning and work that has been undertaken in the regions. In line with the above, our role would be to coordinate effort across government and, through the investment function, catalyse investment to provide the future economic base and jobs for the region.
5. While NZEA's initial focus has been on four priority regions, this has not been exclusive and NZEA has met with and been approached by other regions across Australia that want to engage with and take advantage of the net zero transformation. Other regions are likely to undergo change as Australia decarbonises and the energy system evolves.
 - a. For example, other places like Dubbo and South Gippsland are rising renewable energy and industrial powerhouses seeking coordinated support from all levels of government to manage their growth sustainably without compromising social licence for these emerging industries within regions unused to heavy industry, or unprepared for the coming pressures on local infrastructure and housing.
6. NZEA will use this coordination role and spatial approach to build agile and nimble approaches across the three levels of government. This will allow NZEA to manage



unintended impacts and ensure that our emerging industrial regions are resilient, diverse and sustainable.

7. There are a range of existing regional development levers that NZEA can influence to ensure regional communities benefits from the industry within their cities, such as:
 - a. payments to communities (community benefit funds or sponsorship)
 - b. community co-investment or co-ownership
 - c. local employment and procurement requirements
 - d. infrastructure upgrades
 - e. training and development programs.
8. NZEA will ensure the use of these levers are available by partnering with all levels of Government and other Commonwealth departments that have existing regional policy responsibilities and funding sources.

RISKS AND SENSITIVITIES

9. NZEA is responsible for ensuring the positive and orderly transition of Australian regional communities and workers. Currently, some people in these regions are uncertain about the future and aren't confident that new industries will materialise to provide jobs. Nor is there clarity around what those jobs will be or what skills will be required.
 - a. NZEA will maintain regular engagement with key regional stakeholders to feedback updates on industry and investment changes in their regions.
10. There is a risk that policy, programs or investment deals will have unintended adverse social impacts if the quantitative and qualitative findings from regional communities' local planning/consultation processes are not included/reflected in advice to government or factored into policy or program design.
11. NZEA risks losing social license for the transition if regional communities do not see their views reflected in policies, programs or investment deals implemented. This will be heightened if NZEA's decisions or coordination of other Commonwealth funding mechanisms contradicts the feedback heard from regional stakeholders.

NEXT STEPS

12. NZEA will seek authority and resourcing for the proposed regional policy role as part of its proposal to Government.
13. NZEA will continue to build a strong evidence base to inform advice to government on opportunities to catalyse the Authority's investment function to benefit Australia's current and emerging industrial regions. This includes ongoing engagement with key regional stakeholders, state and local government, findings from regional modelling being undertaken by Treasury; and social license research being undertaken by CSIRO and ANU.

BACKGROUND

14. Engagement has been undertaken in the four early focus regions – Hunter, NSW; Latrobe Valley, Victoria; Gladstone and Central QLD; and Collie, WA. The Chair and NZEA



staff have visited the Hunter, Latrobe Valley and Gladstone. A regional visit to Collie is planned for 9–11 October 2023.

15. NZEA has also engaged with over 100 stakeholder groups across government, industry and community. These engagements have influenced the proposed Regional Transformation functions.



ITEM 5: Decarbonising industry and catalysing new investment

20 SEPTEMBER 2023

KEY QUESTION FOR ADVICE

- What is the most effective model for the industry and investment function of the Net Zero Economy Agency (NZEA) to accelerate the decarbonisation of the economy?
- Does the NZEA require dedicated funding or can it achieve its objectives by influencing existing sources of funding?
- What scale of activity should NZEA target, and how can we upscale over time?

KEY POINTS

1. The scale of the investment required to meet Australia's net zero ambitions is formidable. Global competition for capital has intensified following the Inflation Reduction Act (IRA) in the US. Australia will need to remain an attractive destination if it is to capture the capital and resources required for its transition.
2. Against this backdrop, the objective of the industry and investment function is to accelerate the decarbonisation of industry in a way that pulls in the same direction as the Government's industry policy agenda, works with (not against) the energy sector transition, and actively supports the transition of regions and workers.
3. We will pursue two outcomes. First, we will understand sectoral decarbonisation plans and support existing heavy industry facilities to decarbonise. Second, we will seek to catalyse investment in new industries growing in the new economy, including in regions that are facing transition due to the closure of emission intensive facilities.
4. We are proposing a proactive stance by identifying locations where heavy industry and clean energy infrastructure could be co-located - with a goal of facilitating decarbonisation at scale. We will then focus on how the Commonwealth can stimulate decarbonisation. This could include supporting common user infrastructure, renewable transmission, or aggregating industrial electricity demand to remove project risk.
5. The NZEA would seek to partner with State and local Governments, Commonwealth investment vehicles (CEFC, ARENA, EFA, NAIF), institutional capital, and business proponents to identify the best role for the Australian Government and co-ordinate work across the Commonwealth to help overcome barriers.
 - a. The NZEA would coordinate existing policy levers and funding sources, structure arrangements to enable the participation of institutional capital, and advise Government if additional capital is required, and if so, the form it should take.



6. Our initial focus would be on one or two locations of industrial significance ('precincts' which would include key regions attached to the industrial centre) to demonstrate the value that NZEA can bring to the table. Following demonstration of the model we would then look to expand over time.
 - a. Precincts could have narrow or broad bounds. Each would be assessed on its merits, including against decarbonisation, economic and regional net benefits.
7. The NZEA would also provide a concierge service for entities or facilities seeking to reduce emissions in their business. In this role, the NZEA would receive requests for support, and direct them to the right program, or entity in the Commonwealth.
8. The NZEA has established an Investment Committee across the Australian Government consisting of key Departments and investment vehicles. The Committee will organise the Australian Government approach to precincts of interest, as well as assess and triage proposals brought to the NZEA as part of the concierge function. The committee will be chaired by the Chair of the NZEA.
9. **Attachment A** sets out how the function could work.

RISKS AND SENSITIVITIES

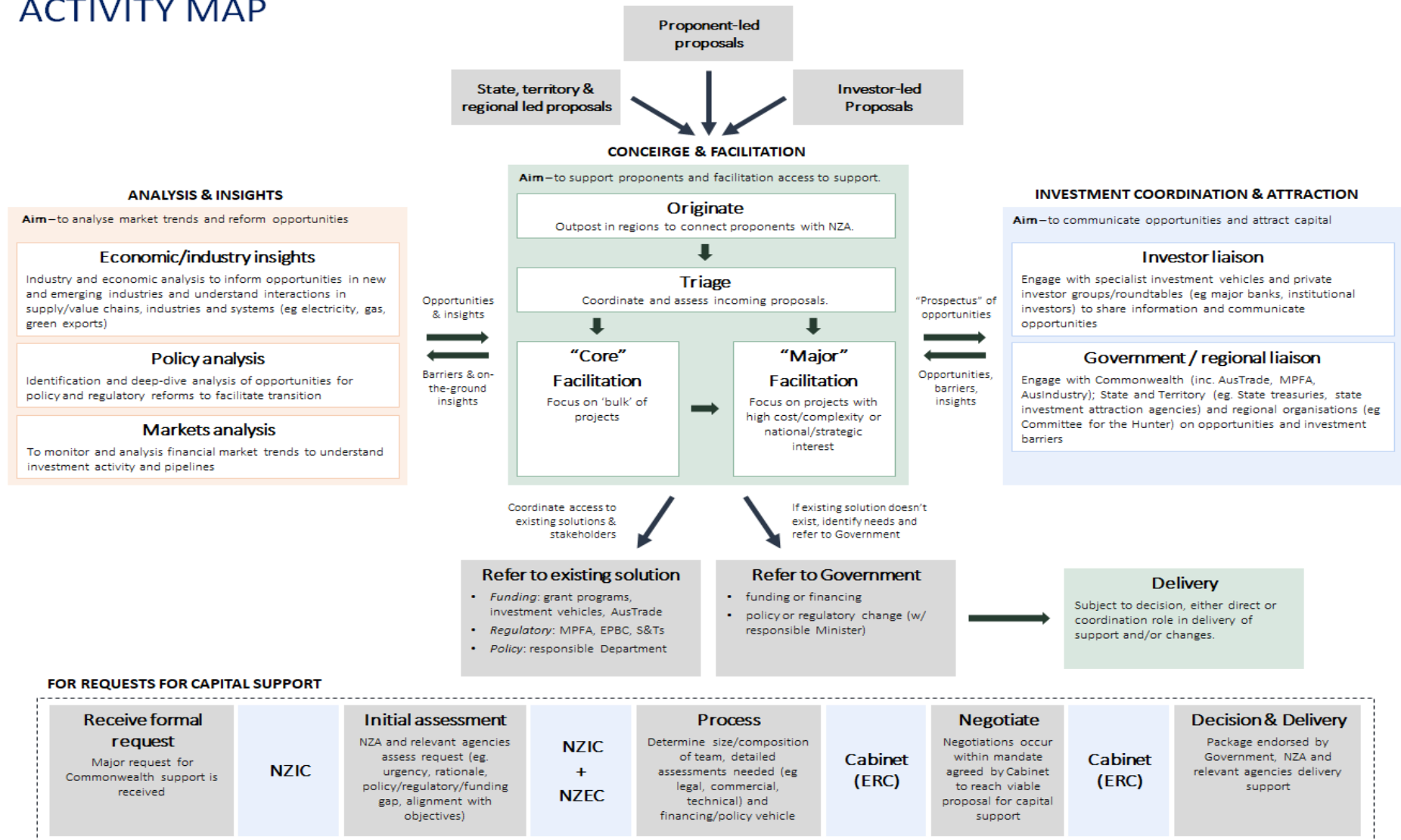
10. The focus on precincts, as opposed to entities, may raise questions about why a more targeted approach is not used.
 - a. The NZEA has been established to have an economy-wide role. A precinct would capture greater public benefits, recognise the links between energy and industrial systems, and enable broader economic transformation.
11. The small number of precincts and selection criteria used will require a sound framework and evidence base to ensure probity and fairness in project choice.
 - a. A cross-government set of investment principles is under development, led by Treasury with input from the Investment Committee. The NZEA is developing a probity framework to support the process of assessing proposals.
12. NZEA's involvement in select precincts will raise expectations of new financial support from the Commonwealth and require bespoke expertise depending on solutions, which could be costly to source.
 - a. The proposed model is to leverage existing funding sources across government, with a possible option of a small funding envelope to support feasibility studies to help projects to reach financing stage.
 - b. There is a risk the NZEA is inundated with proposals from states/regions. Clear signalling of focus areas will be important to manage this.



NEXT STEPS

13. Ongoing consultations will occur to test the proposed function, which will then be set out as part of the NZEA's proposal to Government to establish the legislated authority. Funding will be sought as part of this.

INDUSTRY & INVESTMENT FACILITATION ACTIVITY MAP





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ITEM 6: Ensuring First Nations benefit from net zero economic transformation

20 SEPTEMBER 2023

KEY QUESTION FOR ADVICE

- How can the Net Zero Economy Agency (NZEA) add value to existing strategies and policies to drive outcomes for First Nations groups? Are there any early interventions the NZEA could pursue to show benefits?
- How can the NZEA improve engagement with First Nations groups in the longer term?

KEY POINTS

1. The new economy is an opportunity to ensure that Australia's First Nations Peoples have opportunities to benefit more equitably from the real energy and industrial economy as land rights owners, workers, business owners and residents in industrial cities.
2. All energy and climate ministers have agreed to the development of a First Nations Clean Energy Strategy led by DCCEEW, with guidance and oversight from a First Nations advisory committee.
3. *Empowering and comprehensively engaging with Australia's regions and remote communities, including First Nations, on the pathway to decarbonisation and Australia becoming a renewable energy superpower* is one of the strategic priorities agreed to by the Energy and Climate Change Ministerial Council at their February 2023 meeting.
4. In designing the Net Zero Authority, the NZEA has an opportunity now to leverage and complement existing engagement processes and policies to drive outcomes for First Nations Peoples throughout its functions, for example, through:
 - a. Using its networks and future funding opportunities to encourage industry to build partnerships with First Nations land rights owners and Indigenous businesses to overcome asymmetrical informational, financial and human resources between them, enabling greater economic empowerment;
 - b. Highlighting examples of better practice in procurement and employment processes to create economic opportunities for First Nations business owners and workers across industry, Commonwealth, state and local governments;
 - c. Working with Indigenous Business Australia and ARENA to de-risk First Nations investments by providing government-backed security for loans, or inviting First Nations groups to profit share at later stages of investments.¹

¹ Suggestion only at this point, will require further exploration on how it would work in practice.

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5. In the medium term, the NZEA could seek to improve engagement processes with First Peoples as land rights owners, workers, business owners and community members by:
 - a. Providing an authoritative voice on behalf of the Commonwealth on Net Zero;
 - b. Engaging in deeper discussions with individual First Nations groups in focus regions to explore and address issues raised in broad-based consultations.
 - c. Amplifying the First Peoples' views in, and connecting them with, broader regional economic planning conversations as needed.

NEXT STEPS

6. The NZEA will seek authority and resourcing for First Nations policies as part of its proposal to Government.

BACKGROUND

7. The NZEA extended invitations to First Nations Prescribed Bodies Corporates (PBCs) on the Chair's regional visits to Central QLD, Hunter, and Latrobe regions.
8. Nationwide engagements (in the form of roundtables) are being undertaken in every jurisdiction to inform the First Nations Clean Energy Strategy (the Strategy) led by DCCEEW. The NZEA participated in the roundtables in Canberra and Cairns in August. We expect the recommendations and outcomes will be wide ranging for policy-makers.
9. There are a number of existing direct Commonwealth investments supporting First Nations groups to participate in the net zero economy:
 - a. Indigenous Business Australia has a number of ongoing initiatives, providing \$280m in business finance over 5 years, to over 1000 Aboriginal and Torres Strait Islander customers (2021-22 Annual Report). Examples of initiatives include Indigenous Business Australia's Business Support grant, Invoice Finance, Performance Bonds, Business Loan Package and Start-Up Finance Package.
 - b. On 25 August 2023, the Australian Renewable Energy Agency announced the \$75 million First Nations Community Microgrids Program which aims to provide cleaner, more affordable and reliable energy to First Nations communities, and empower them to participate in their electricity supply arrangements and the development of energy infrastructure.
 - c. DCCEEW committed \$15.9 million over 4 years from 2022-23 to engage with First Nations people on climate adaptation and mitigation, including establishing the Torres Strait Climate Centre of Excellence, which will build the capability and capacity of Torres Strait Islander people to respond to climate change.



ITEM 7: TRANSITION FOR WORKERS IN COAL COMMUNITIES

20 SEPTEMBER 2023

KEY QUESTION FOR ADVICE

- How can the Net Zero Authority (Authority) best support workers impacted by decarbonisation and energy system change?

KEY POINTS

1. The Net Zero Economy Agency (NZEa) is working on ways the Authority, once established, can support workers in emissions-intensive sectors to access new employment, skills and other opportunities.
2. The progressive closure of coal-fired power stations will result in concentrated job losses and flow-on impacts on families and communities in affected regions.
 - a. Seven privately owned coal-fired power stations are scheduled to close by 2035. These stations engage over 2,500 permanent employees and additional contractors and labour hire workers.
3. Given the historic contribution of workers in coal-fired power stations and coal mines to our national prosperity, where Government policy is driving transition from these industries, Government has a responsibility to support the workers.
4. Pooled redeployment schemes could be established to facilitate transfers of workers affected by the closure of coal-fired power stations and coal mines to new jobs.
 - a. These schemes would reduce the need for forced redundancies and help workers most at risk of financial disadvantage to transition to new jobs
5. The Department of Employment and Workplace Relations (DEWR) offers a number of supports for workers affected by transition events, including large business closures,
 - a. DEWR is consulting stakeholders to ensure employment supports are well targeted for the energy transition. NZEA is engaged in these consultations.
 - b. Once established, the Authority could work with employers and workers in regions affected by the transition to help them identify and access skills and employment supports to transition to new jobs.

RISKS AND SENSITIVITIES

6. Existing transition supports are not targeted to workers affected by energy system change, and may not have the scale required to support these workers to transition to new jobs.



7. Stakeholders and affected communities have high expectations workers impacted by energy system change will be supported, by Government and employers.
 - a. Inadequate support will diminish perceptions of the Authority and social licence for the energy transition and employers' ongoing presence in a region.
8. Legal advice is required to inform the development of any legislative options to support worker transitions, which could include pooled redeployment schemes.

NEXT STEPS

9. NZEA will consult further with stakeholders on options to support worker transitions, including pooled redeployment schemes, and seek legal advice where necessary.
10. NZEA will participate in regional consultations on worker supports to be hosted by DEWR in Collie, the Upper and Lower Hunter, Gladstone and Latrobe Valley over the next two months.



ITEM 8: AUTHORITY PURPOSE AND FUNCTIONS

20 SEPTEMBER 2023

KEY QUESTION FOR ADVICE

- What are the core value propositions that the Net Zero Economy Agency/legislated Authority should focus on?

KEY POINTS

1. The terms of reference for the Advisory Board identify that its role includes advising on the core value propositions and functions of the Agency/Authority.
2. There is a significant breadth of work required, and underway, to support net zero transformation across the federal government, levels of government, and by the private sector and civil society. It is important that the Authority focuses on areas where it can best add value, and not duplicate the roles of others.
3. In this context, the suggested areas for focus by the legislated Authority are outlined in Attachment A.

NEXT STEPS

4. The Advisory Board's feedback will inform advice to government on the detailed design of the to-be-legislated Authority.

BACKGROUND

5. On 5 May 2023, the Prime Minister announced that the Government will establish a Net Zero Authority to ensure the workers, industries and communities that have powered Australia can seize the opportunities of Australia's net zero transformation. The Prime Minister identified that the Authority will:
 - Support workers in emissions-intensive sectors to access new employment, skills and support as the net zero transformation continues.
 - Coordinate programs and policies across government to support regions and communities to attract and take advantage of new clean energy industries and set those industries up for success.
 - Help investors and companies to engage with net zero transformation opportunities.



Attachment A – potential purpose and functions for the Agency/Authority

Purpose

1. To promote orderly and positive economic transformation and adjustment as the world decarbonises, to ensure Australia, its regions and workers realise and share the benefits of the net zero economy.

Functions

2. Facilitating increased public and private investment in decarbonisation and net zero economic transformation – as discussed in [agenda item 5](#).
3. Supporting workers in emissions-intensive sectors access new employment, skills and opportunities – as discussed in [agenda item 7](#).
4. Engaging with regions, communities and industries that are expected to go through significant changes to understand risks and opportunities, and help mobilise investment and supports in response – discussed in [agenda item 4](#).
5. Working across government to ensure First Nations people are effectively engaged, and benefit from, net zero economic transformation – discussed in [agenda item 6](#)
6. Helping to build and maintain community understanding, confidence and engagement with net zero economic transformation, by developing and delivering communications and engagement strategies, nationally and regionally.
7. Supporting improved coordination and coherence across policies and programs directed at net zero economic transformation, including by:
 - working with relevant departments and agencies to provide ‘whole-of-transition’ and real economy insights into the design and delivery of government policies and programs
 - reporting regularly to Government, providing insights and advice on progress, opportunities and challenges with net zero economic transformation.



ITEM 9: Other business & Meeting Close

20 SEPTEMBER 2023

No Paper

20 September 2023 - NZEA Advisory Board Meeting

Record of Meeting

Item 1 – Welcome and Acknowledgement of Country

The Chair opened the meeting with an acknowledgement of country, noting that the Advisory Board was meeting on the lands of the Gadigal people.

The Chair noted an apology from Laura Tyler, who is overseas on leave.

The Chair provided a short update on activities since the last meeting, including:

- visits to Gladstone, the Hunter Valley and Latrobe Valley
- work underway across government on the detailed design of the Authority
- senior staffing appointments – the chair introduced Emily Martin and Trevor Power

Item 2 – Declaration, Management of Interests and Probity

The Chair:

- asked if members had any changes to their declarations
 - Nil changes were advised.
- confirmed that no members had any interests that may present actual or perceived conflicts with the matters proposed for discussion at the meeting.
- advised that Centium were on the line as an observer to the Advisory Board meeting, to support the management of any probity issues that may arise.

Item 3 – Energy Transition State of Play from DCCEEW

Simon Duggan, Deputy Secretary, Energy Group, DCCEEW provided an overview of the state of play on Australia's energy transformation, including the Government's policies and programs.

Item 4 – Supporting the orderly and positive transition of key regions

The Advisory Board discussed the potential role of the Authority in supporting regions with net zero economic transformation, including:

- the importance of bringing a regional and 'place-informed' perspective to the work of the Authority
- the key themes and messages collected from regional visits on how the transition can be rolled out to ensure regions prosper.
- the value of coordination across all levels of government, at a regional level
- the value of supporting local governments
- the potential role of the Authority in helping to broker improved collaboration at regional scale, and in catalysing investment in projects that can help to transform regions.
- Advised the Authority could identify investment-focused themes and their significance

Item 5 – Decarbonising existing industry and catalysing investment in new projects

The Advisory Board discussed the potential ways in which the Authority can help to catalyse investment, including:

- the needs and opportunities to increase investment,
- potential models for how the Authority operates,
- whether there is value in the Authority having a source of funds to support investment

Item 6 – Ensuring First Nations benefit from net zero economic transformation

The Advisory Board discussed ways in which the Authority can work to ensure First Nations people are effectively engaged in, and benefit from, net zero economic transformation, including:

- coordinating with other agencies and First Nations groups to identify where the Authority can add value and take an outcomes approach.
- exploring options drawing on the expertise of Advisory Board members.

Item 7 – Transition for workers in coal communities

The Advisory Board discussed how the Authority can best support workers impacted by decarbonisation and energy system change, including:

- objectives for the Authority and Government's work in this area
- approaches taken to previous and current transition events, such as the closure of Hazelwood power-station
- existing supports on offer from governments and employers
- the potential use of new supports and mechanisms such as pooled redeployment schemes

Item 8 – Future Authority purpose and functions

The Chair provided an overview of thinking on the functions of the Authority, and importance of the Authority focusing effort in areas that add value to the work of others. Members, in broad terms, supported the proposed functions, and noted that the detailed strategies for progressing the functions will be important to come back to.

Item 9 – Other Business / Meeting Close

The Chair advised that the next meeting is expected to be in November.

As a follow on from Mr Duggan's presentation, members noted an interest in receiving an update on gas transition at the next meeting.



NET ZERO ECONOMY AGENCY ADVISORY BOARD

AGENDA

23 November 2023

10.30am - 12.30pm (AEDT)

MSTeams

Agenda item	Presenter
1. Welcome and Acknowledgement of Country (5 minutes)	Chair
2. Declarations, Management of Interests and Probity (15 minutes)	Chair (Centium)
3. Outcomes of Government consideration of the purpose, functions and mandate of the Agency/Authority (60 minutes)	Chair and Division Heads
4. Catalyzing Investment – priority opportunities (30 minutes)	Chair and Trevor Power
5. Other Business / Meeting close (10 minutes)	All