

# WWF-Australia 2022-23 Budget Submission



The World Wide Fund for Nature-Australia (WWF-Australia) welcomes the opportunity to make a submission to the 2022-23 Federal Budget.

WWF-Australia is part of the WWF International Network, the world's largest independent conservation organisation. WWF's global mission is to 'stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature'. WWF-Australia has approximately two million financial and non-financial supporters.

Included within this submission are three budget proposals across three government departments. Each proposal has been drafted by experts, grounded by good science and prioritised due to the value they yield for both people and nature under an agenda to Regenerate Australia. The table below provides a summary of the proposals, the relevant department and the total funding commitment over the forward estimates.

If you require further information, please contact Quinton Clements, Head of Policy and Horizon Scanning, WWF-Australia on [QClements@wwf.org.au](mailto:QClements@wwf.org.au) or 0419 626 268.

## Proposal Catalogue

No.	Proposal	Department/Agency	Funding
1	Illegal Wildlife Trade Hub	Department of Agriculture, Water and the Environment, Department of Home Affairs	\$1.5 million over three years
2	Wildlife Health and Response	Department of Agriculture, Water and the Environment	\$33 million over four years

Joint Submission with *Beyond Zero Emissions* (BZE):

3	Renewable Energy Industrial Precincts	Department of Industry, Science, Energy and Resources	\$3.3 billion over four years
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# Proposal 1: Asia-Pacific Counter-Illegal Wildlife Trade Hub

**Affected Agencies:** Department of Agriculture, Water and the Environment, Department of Home Affairs

**Financial Implications:** \$1.5 million over three years

	2022-23	2023-24	2024-25	2025-26	Total
<b>Cost of Proposal (\$m)</b>	<b>0.57</b>	<b>0.47</b>	<b>0.46</b>	-	<b>1.5</b>
Project costs	0.4	0.3	0.3	-	1.0
Staffing costs	0.17	0.17	0.16	-	0.5

## Outline of proposal:

The illegal wildlife trade (IWT) is destroying wildlife populations around the world, harming local people, corrupting society, and spawning disease outbreaks. Much of it is run by transnational organized crime syndicates. Countering this trade requires attacking it at key points along the trade chains—transport bottlenecks, financial transactions, and online sales—in a targeted and sustained fashion executed through collaborative actions of governments, international bodies, the private sector, and NGOs.

Asia-Pacific is a key biodiversity hotspot and significant source and destination for IWT. In 2019 WWF offices from across the Asia-Pacific region piloted the Asia-Pacific Counter-IWT Hub (IWT Hub). Based in Hong Kong, a global finance and transport hub, the IWT Hub works with partners to disrupt IWT routes and stop the illegal trade. Those partners include government authorities, e-commerce and finance houses, shipping and airline industries, and NGOs.

The IWT Hub has now been validated as a successful model across Asia-Pacific and was formally launched on 3 June 2021. It is working to expand its government and private sector partnerships to scale up its impact.

WWF-Australia is proposing that the Australian Government join with other government and private sector partners to support the IWT Hub, including supporting:

### 1. Secure Supply Chains

The Red Flag Compendium is a resource highlighting red flags and risk indicators for the shipping sector to alert them to possible wildlife trafficking. It forms the basis to develop, deliver, and seek industry endorsement of training packages. Alongside, an efficient mechanism to regularly update and communicate red flags as they evolve is also being developed. This will support work with the International Maritime Organisation (IMO) to develop guidelines to prevent and suppress smuggling in international maritime traffic. The collaboration would build on existing work by the Australian Government in aviation and expand it to shipping.

### 2. Follow the Money

Resourcing the development of financial crime typologies associated with IWT would build on the Association of Certified Anti-Money Laundering Specialists (ACAMS) work in identifying ways of institutionalising systems and responding to illegal financial flows. It

would complement and expand the work of AUSTRAC through its Fintel Alliance initiative in developing a new guide to combat Australian wildlife trafficking.<sup>1</sup>

### 3. *Changing the Online Game*<sup>2</sup>

It is critical to now develop and be part of a coordinated strategy that moves beyond delisting to using artificial intelligence, machine learning, digital deterrence, financial transactions, adaptation tactics, targeting prolific high volume listers and other technology solutions to tackle IWT cybercrime. The collaboration would also include country “twinning” on best practices and joint enforcement actions on IWT cybercrime.

### 4. *Pandemic prevention and field actions*

Support research on harnessing IWT intelligence would assist in supporting ASEAN in the deployment of a rapid assessment of wildlife markets in Asia-Pacific for zoonotic disease outbreaks. The risk of zoonotic pandemics emerging from the illegal wildlife trade is not a new concern, yet, as the world becomes ever more globalized, the likelihood of accumulating a disease in the illegal wildlife trade (and subsequent transmissions to humans) increases.

#### **Rationale:**

Combined estimates from the OECD, UNODC, UNEP, and INTERPOL place the monetary value of all global, transnational organized environmental crime to be worth between US\$70bn and \$213bn per year, with Southeast Asia accounting for up to a quarter of global demand for illegal wildlife.

Through public-private partnerships and advocating for policy reform, the IWT Hub’s strategy takes action to link source regions, trade routes, financial flows, public health risks, and consumer behaviour to end the illegal wildlife trade through 4 focussed themes:

1. Secure supply chains – to make the transport of illegal wildlife more difficult and costly by leveraging the transport sector to disrupt wildlife trafficking networks

Wildlife trafficking is a transport-intensive trans-national crime. The rapid expansion of transport networks provides increasingly fluid trade vectors connecting source, transit and end-market countries which are often thousands of miles apart. Traffickers are intimately dependent on these legitimate transportation, logistics services and commercial trade routes to illegally move wildlife and their products from source to consumer countries.

Tracking illegal wildlife products along the complexity of supply chains is a challenging endeavour. But ports (both air and sea) constrict wildlife trade flows, creating ‘bottlenecks’ that can be opportunities for intelligence-led interventions to drive successful detection and interception, as well as follow-up investigations.

2. Follow the Money – to tackle financial crimes by institutionalising systems and responses in addressing illegal financial flows associated with wildlife trafficking

Profit is the most important driver behind the global illegal wildlife trade. The sale of illegal wildlife products generates billions in revenue annually. Meanwhile, the illicit financial flows from illegal wildlife trade transit around the globe through the global financial system and into the hands of criminal networks. Along the way, the proceeds of crime run afoul of laws and international conventions, weaken institutions by fuelling more poaching expeditions and reward corruption.

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<sup>1</sup> [New financial crime guide to combat Australian wildlife trafficking](#). AUSTRAC. 8 Oct 2020.

<sup>2</sup> <https://www.endwildlifetraffickingonline.org/>

3. Changing the online game – to combat wildlife cybercrime in Asia, closing online and physical wildlife markets

Fast-growing digital technology has revolutionized global commercial transactions. This also provides new channels for illicit trade within national boundaries, across borders and between continents, including wildlife trafficking. Online portals, including public websites, social media and e-commerce platforms provide easy and convenient channels. Traders take advantage of well-developed supply chains, with courier/logistics companies often unwittingly completing delivery to buyers. The rapid emergence of wildlife cybercrime means there are institutional capacity gaps to address the issue – in terms of legislative coverage, law enforcement jurisdiction, and awareness of the increasing magnitude of the issues in both the public and private sectors.

4. Pandemic prevention and field actions - to break the chain of transmission through One Health approach and inter-agency field enforcement action

IWT is a criminal practice bringing several ecological and public health consequences, such as threatening food security for local people, the spreading of zoonotic pathogens, and the introduction of exotic species into new geographical areas. As our world becomes increasingly connected, emerging diseases pose a greater threat, requiring coordination at local, regional, and global levels to break the chain of transmission.

#### **Strategic Policy Alignment:**

The Australian Government has acknowledged the environmental risk posed by IWT and has several initiatives focused on combating it and other transnational crime including:

- The financial crime guide - developed by AUSTRAC's public-private partnership the Fintel Alliance with the Department of Agriculture, Water and Environment – draws on intelligence collected from known instances of wildlife trafficking operations.
- Mekong-Australia Program on Transnational Crime \$30m over eight years to tackle trafficking in illicit drugs, human trafficking, child sexual exploitation and financial crimes. However this investment does not include IWT.
- Domestic enforcement activity including a joint investigation by the Department of Agriculture, Water and the Environment, the NSW Police Organised Crime Strike Force Raptor and the NSW Department of Planning, Industry and Environment.<sup>3</sup>

As Australia emerges from the worst of the global pandemic, governments also have a responsibility to do all they can to prevent it occurring again including through tackling the illegal wildlife trade.

#### **Value for Money:**

The IWT Hub is seeking USD \$4.65m (~AUD\$6 million) over 3 years to support delivery of its key themes. It is currently working with more than 20+ external partner organizations and networks globally including government agencies such as USAID, US State Department, and the UK Foreign, Commonwealth and Development Office; multilateral institutions such as ASEAN, Asian Development Bank and Global Environment Facility; and private sector partners such as HSBC, ANZ Bank and Deloitte.

The IWT Hub is working to secure funds across Asia-Pacific governments committed to providing leadership on this critical issue to bolster capacity. This is an opportunity for the Australian Government to join with other governments in the region and globally to make a significant impact on an issue so prevalent in our region.

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<sup>3</sup> [You poach or post it, you will get caught](#). 11 December 2020.

## Proposal 2: Wildlife Health and Response

**Affected Agency:** Department of Agriculture, Water and the Environment  
State agencies

**Financial Implications:** \$33 million over four years

	2022-23	2023-24	2024-25	2025-26	Total
<b>Cost of Proposal (\$m)</b>	<b>9.5</b>	<b>9.5</b>	<b>6.5</b>	<b>5.5</b>	<b>33</b>
Wildlife Health Services	5	5	4	3	17
Veterinary emergency response	4	4	2	2	12
Disease innovation initiative	1	1	1	1	4

### Outline of proposal:

Saving Australian native wildlife from extinction and increasing the survival rate of wildlife that require professional health care is a national priority. This package will allocate \$33 million to help support trained and authorised wildlife response teams and veterinary professionals.

- *Wildlife Health Services:* \$17 million to support tax deductions for the cost of medication and hospitalisation of wildlife in veterinary facilities by private veterinarians who are limited by competing priorities and commercial realities. Of this, \$3 million would fund the establishment of a platform/database to store and analyse information on the number of wildlife that enter veterinary care using standardised data collection methods aligned with and complementary to information captured from wildlife rehabilitation facilities through state government environment agencies.
- *Veterinary Emergency Response:* \$12 million in environmental stewardship payments to incorporate veterinary professional services in emergency response units across all states and territories and improve the ability of veterinarians to respond to wildlife emergencies through the provision of resources and training in emergency wildlife management, national standards for triage and treatment, and coordinated communication pathways.
- *Disease Innovation initiative:* \$4 million to underpin emerging disease investigation with research and innovation through targeted surveillance projects, development of wildlife specific diagnostics, new treatment pathways and population management strategies.

### Strategic Policy Alignment:

This policy aligns with:

- Implementation of a national koala recovery plan and the Pillar 3 and 4 of the NSW Koala Recovery Strategy.
- Wildlife rescue and care is identified as a priority action by the Wildlife and Threatened Species Bushfire Recovery Expert Panel.
- Iconic species have been upgraded to 'endangered' ('spectacled flying fox) on the Australian Threatened Species List following the 19/20 bushfires and the Australian Threatened Species Scientific Committee review to consider upgrade of koalas from 'vulnerable' to 'endangered.'

- Interim Report of the Parliamentary Inquiry into Australia’s skilled migration program: Committee recommendation to expand Priority Migration Skilled Occupation List to urgently include veterinarians due to the severe veterinary workforce shortage within Australia<sup>4</sup>
- The National Significant Disease Investigation (NSDI) national program funded by Australian livestock industries and government, which aids investigation of significant disease events in livestock and wildlife, then later administered by Wildlife Health Australia<sup>5</sup>.
- Emergency Animal Disease Response Agreement (EADRA), a unique contractual arrangement between Australia’s governments and industry groups to collectively reduce the risk of disease incursions and manage a response if an outbreak occurs.
- National Environment Biosecurity Response Agreement (NEBRA) for notifiable disease reporting and response.
- The National Priority List of Exotic Environmental Pests, Weeds and Diseases.
- World Organisation for Animal Health’s [Wildlife Health Framework](#) “Protecting wildlife health to achieve One Health”
- ‘One Health Investigation fund’ and World Organisation for Animal Health (OIE) Collaborating Centre initiative to be administered by Wildlife Health Australia aimed at bolstering Australia’s wildlife health and early warning capabilities.

#### **Rationale:**

Environmental extremes such as the 2019/20 Australian Bushfires are estimated to have impacted nearly 3 billion native animals contributing to a rate of Australian mammal extinction over the last 200 years that is unparalleled.<sup>6</sup> With environmental disasters forecasted to be more frequent, investment to ensure disaster preparedness and future response capabilities is needed. Over the past decade the total economic cost of natural disasters in Australia averaged \$18.2 billion a year and is projected to reach \$39 billion a year by 2050, a growth rate of 3.4 per cent a year.<sup>7</sup>

General practitioner veterinarians and private veterinary hospitals provide first line care for wildlife in alignment with the relevant state code of practice. The majority (90%) of veterinary practices never or rarely received reimbursement for their wildlife work.<sup>8</sup> In addition, during environmental extreme events, the number of injured animals that require care have overwhelmed the capacity of wildlife rehabilitation organisations and veterinary professionals that face existing and ongoing challenges such as a lack of funding and knowledge regarding wildlife care.<sup>9</sup>

This has contributed to poor veterinary mental health, increased suicide rates (4x the adult average in Australia),<sup>10</sup> prolonged animal suffering and a poor survival rate of wildlife estimated at (10-30%).<sup>11</sup> Attempts at improving this statistic are heavily reliant on supporting professional health care for wildlife.

<sup>4</sup> [Interim Report of the Inquiry into Australia’s Skilled Migration Program](#). Joint Standing Committee on Migration. 39-56.

<sup>5</sup> <https://www.wildlifehealthaustralia.com.au/ProgramsProjects/NSDIProgram-Funding.aspx>, accessed 10 December 2021.

<sup>6</sup> Department of Agriculture, Water and the Environment. 2021. Amendments to the EPBC Act list of threatened species: *Environment Protection and Biodiversity Conservation Act 1999*.

<sup>7</sup> <https://naturaldisaster.royalcommission.gov.au/system/files/submission/NND.600.00192.pdf>

<sup>8</sup> Orr, B. and Tribe, A. (2018), Animal welfare implications of treating wildlife in Australian veterinary practices. *Aust Vet J*, 96: 475-480.

<sup>9</sup> Haering R, Wilson V, Zhuo A, Stathis P. 2021. A survey of veterinary professionals about their interactions with free-living native animals and the volunteer wildlife rehabilitation sector in New South Wales, Australia. *Australian Zoologist* 41 (2): 254–282.

<sup>10</sup> Jones-Fairnie H, Ferroni P, Silburn S, Lawrence D. Suicide in Australian veterinarians. *Aust Vet J*. 2008 Apr;86(4):114-6

<sup>11</sup> Englefield, Bruce, Simone A. Blackman, Melissa Starling, and Paul D. McGreevy 2019. "A Review of Australian Animal Welfare Legislation, Regulation, Codes of Practice, and Policy, and Their Influence on Stakeholders Caring for Wildlife and the Animals for Whom They Care" *Animals* 9, no. 6: 335; Woinarski JCZ, Burbidge AA, Harrison PA. 2015. Mammal loss in Australia. *Proceedings of the National Academy of Sciences* 112 (15) 4531-4540.

An estimated 60% of known infectious human diseases and up to 75% of new or *emerging infectious diseases* have a zoonotic (animal) origin; many originating from wildlife such as Ebola, HIV, avian flu, and SARS.<sup>12</sup> This is estimated to rise due to the increased interface between domestic animals, humans and wildlife.<sup>13</sup> Australia's national wildlife health surveillance system coordinated by Wildlife Health Australia, is informed and supported by wildlife health investigations by veterinary clinics and wildlife hospitals, university, government and non-government diagnostic laboratories, biosecurity and environment government agencies and other key organisations.<sup>14</sup> Funding available through the National Significant Disease Investigation program and Wildlife Health Australia (WHA) Wildlife Disease Investigation Fund and One Health Investigation Fund are important resources that support elements of these diagnostic investigations. These help identify the underlying causes of wildlife health events, determine their relevance to human, animal and/or environmental health and inform action. However, expansion of funds available to support these, often complex, investigations is necessary. Funds to support early monitoring systems via targeted surveillance projects, wildlife specific diagnostics, and treatment pathways, is necessary to prevent further decline of wildlife populations and minimise biosecurity risks.

### **Implementation:**

The package will be administered through the Department of Agriculture, Water and the Environment. This will enable the Department to take a lead role, in coordination with governments in all states and territories.

Veterinary training through organisations like Taronga Conservation Society Australia can be upscaled from subsidised koala range states to support the number of veterinarians being trained in wildlife health across Australia. Coordination of trained professionals during all hazard emergencies affecting wildlife will require a national network of interchangeable resources that provide swift support through clear communication pathways while adhering to national standards of wildlife care.

Wildlife investigations into potential emerging infectious disease and treatment pathways through universities, veterinary and wildlife hospitals, government and non-government diagnostic laboratories and organisations requires increased funding urgently to mitigate rapid species decline and possible extinction seen currently in amphibians and reptiles across Australia.

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<sup>12</sup> Taylor LH, Latham SM, Woolhouse ME. 2001. Risk factors for disease emergence. *Philos Trans R Soc Lond B Biol Sci* 356: 983–989.

<sup>13</sup> Aguirre AA and Tabor GM. 2008. Global Factors Driving Emerging Infectious Diseases. *Ann. N. Y. Acad. Sci.* 2008;1149:1–3; Daszak P, Cunningham AA, Hyatt AD. 2000. Emerging infectious diseases of wildlife--threats to biodiversity and human health. *Science* 287:443–449.

<sup>14</sup> <https://www.wildlifehealthaustralia.com.au/ProgramsProjects/NSDIProgram-Funding.aspx>, accessed 10 December 2021.



# Proposal 3: Setting up Renewable Energy Industrial Precincts

A joint proposal from WWF-Australia and Beyond Zero Emissions



**Affected Agency:** Department of Industry, Science, Energy and Resources

**Financial Implications:** \$3.3 billion over four years and \$6.3 billion over ten years

	2022-23	2023-24	2024-25	2025-26	Total
<b>Cost of proposal (\$m)</b>	<b>600</b>	<b>725</b>	<b>975</b>	<b>1,000</b>	<b>3,300</b>
Stream 1: Infrastructure and coordination funding (\$m)	100	175	250	275	800
Stream 2: Renewable manufacturing precinct upgrade funding (\$m)	250	600	800	850	2,500

### Outline of proposal:

Renewable Energy Industrial Precincts support clusters of industry and manufacturers powered by 100% renewable energy. These precincts are either located within Renewable Energy Zones or connected to renewable energy generation through high-voltage transmission lines. They also have access to clean heat and renewable hydrogen production, skills development, and export infrastructure, including good transport links. Businesses within these precincts are eligible for dedicated government support including funding.

The Renewable Energy Industrial Precinct program aims are to:

- Establish seven Renewable Energy Industrial Precincts across Australia (one in every state plus the Northern Territory);
- Create and secure thousands of ongoing, good quality jobs in regional industries;
- Ensure Australia capitalises on growing global demand for zero-carbon products;
- Position Australia as a global leader in zero-carbon sustainable manufacturing.

Modelling commissioned by Beyond Zero Emissions and WWF-Australia has found that two potential REIP locations (Gladstone and the Hunter Valley) have the potential to create 45,000 new ongoing jobs by 2032.<sup>15</sup>

The Renewable Energy Industrial Precinct program would provide \$3.3 billion in total funding between 2022-23 and 2025-26, and \$6.3 billion over the next decade for two grant streams designed to leverage private sector investment:

- \$800 million for infrastructure and coordination funding;
- \$2.5 billion for renewable manufacturing precinct implementation funding.

<sup>15</sup> [Renewable Energy Industrial Precincts: Economic Analysis Summary Report](#). Beyond Zero Emissions. July 2021.

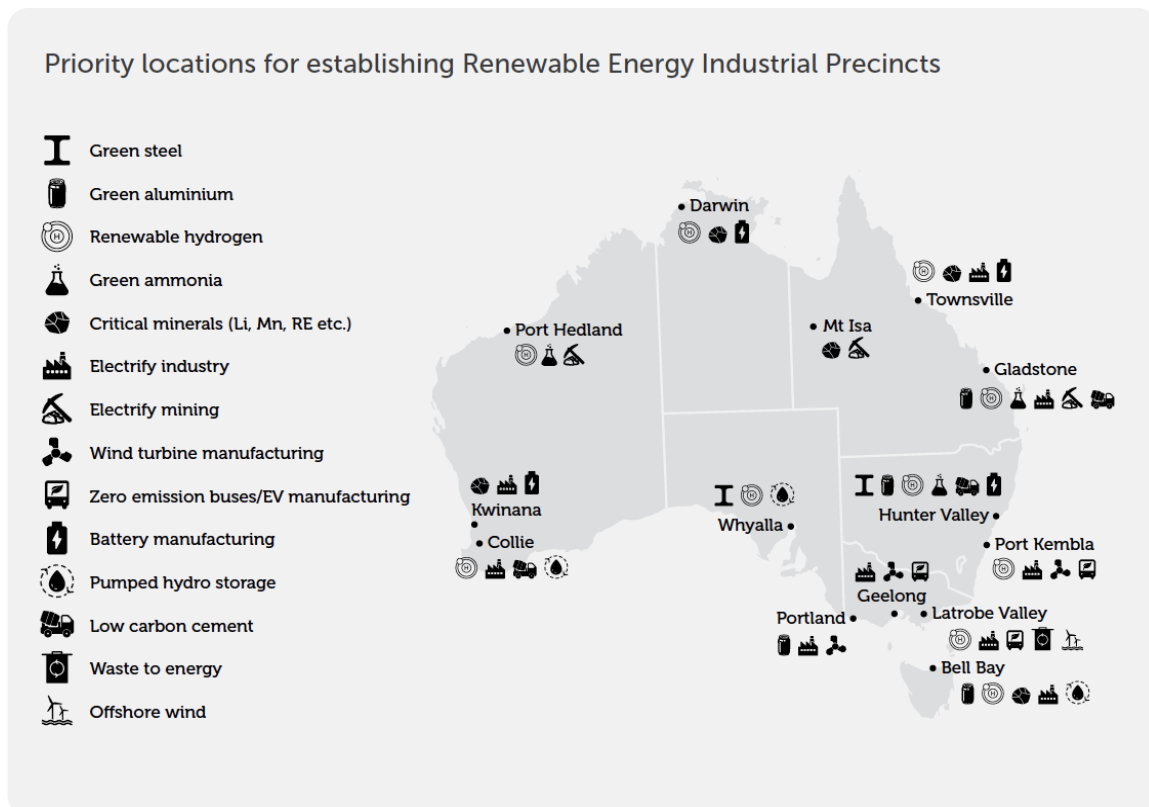


### Where could Renewable Energy Industrial Precincts be located?

Renewable Energy Industrial Precincts will be located in regional Australia in existing industrial areas with supporting infrastructure such as transport connections (port, rail and road), brownfield land and technically skilled workforce.

With Tasmania now powered by net-100% renewable electricity, Bell Bay is on its way to becoming Australia's first Renewable Energy Industrial Precinct, although greater infrastructure investment, including continued support for the production and use of renewable hydrogen and other zero-emissions heat solutions are required for this potential to be fulfilled.

Priority locations for REIPs are outlined below. Fourteen potential locations across every state and the Northern Territory.



### Rationale:

Australia has always relied on a competitive advantage of affordable and reliable energy but today our intensive manufacturers are at a global disadvantage due to high energy prices and high emissions intensity of our electricity production.

Today renewable energy can provide low-cost, zero-emissions energy. Australia has some of the best and most abundant renewable resources in the world, and this can give Australia's manufacturers a global edge. We need to capture the benefits of cheaper renewable power and to capitalise on the opportunity to produce low-carbon products that are increasingly in demand in Australia and internationally.

Hundreds of corporations have pledged to tackle emissions related to their supply chains. This includes global car makers such as Toyota, Volkswagen, and Mercedes that have committed to carbon-neutral production and are already prioritising suppliers with low emissions. Major

Australian employers, like [Fortescue Metals](#) and [GFG Alliance](#), have seen the opportunity and are aggressively positioning themselves to seize it.

Australian manufacturers will need support to prepare for these developing markets and identify reasons to locate production in Australia rather than overseas. Other countries are already providing such support. As a percentage of GDP, Australia ranks well behind many comparable countries for projected government on-budget investment in renewable recovery and clean energy stimulus measures. While countries like the US (2.84%) and UK (2.10%) are investing more than 2% of GDP in renewable recovery, Australia is well behind at only (0.16%). Within Europe, France (1.74%) and Germany (1.06%) are investing more than 1% of GDP and in our region South Korea is investing 2.41% of GDP.

The EU, for example, is helping its manufacturers to decarbonise through its Industrial Strategy, an integral part of Europe's Green Deal, and the UK is subsidising zero-carbon industrial clusters. While Australia's extensive land and high-quality renewable resources mean we have the ability to produce some of the lowest cost zero-emissions electricity and hydrogen in the world, we are at risk of being outspent by other countries, squandering our comparative advantage.

REIPs are the mechanism through which Australian industry can capitalise on our exceptional potential to generate renewable energy. These precincts will help Australian manufacturers capitalise on the growing global demand for low-emissions products. They will also be popular with the electorate, with 89% of Australians believing Australia should be manufacturing more products domestically following the COVID-19 pandemic.<sup>16</sup>

REIPs will help secure the presence of existing manufacturers and attract new ones. They will be attractive locations for energy-intensive businesses such as aluminium smelting, steel and other metals processing; hydrogen production; chemicals production including pharmaceutical supply chains; recycling, advanced manufacturing and data centres. They could also provide a home for companies making clean technologies such as wind turbines; batteries; electric vehicle chargers; electric buses and mining equipment.

REIPs will:

- Attract businesses and investors, support local industries, secure existing jobs and create new jobs.
- Provide access to cheaper infrastructure and energy (electricity and heat) shared across multiple large energy users that will lower energy bills and production costs, making Australian manufacturing competitive in a global economy that is increasingly committed to net-zero emissions by 2050.
- Provide access to a skilled workforce that is trained in the development and operation of efficient, zero-emissions industrial processes.
- Provide an opportunity to commercialise new technologies and solutions onshore, by attracting start-ups to co-locate with established industry players.
- Increase the likelihood that energy-intensive manufacturers will remain in Australia.
- Become hubs for the development of innovative zero-emissions and circular-economy technologies and solutions that Australia can sell to the world.

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<sup>16</sup> Roy Morgan survey. September 2020.

### **Strategic Policy Alignment:**

The Prime Minister recently said in his address to the UN General Assembly, “We know the world is transitioning to a new energy economy. It’s no longer about if, or even when for that matter. It’s about how.”<sup>17</sup> Following his meeting with Quad partnership leaders, the Prime Minister also foreshadowed a Clean Energy Export Plan which is critical to Australia’s entire economy transitioning.<sup>18</sup> Critical to achieving this plan will be REIP to support the transition of regional economies to a clean energy future.

In addition, the REIP Program will align with the establishment of Renewable Energy Zones (REZs) by state and federal governments, as identified in the AEMO Integrated System Plan. It is assumed the establishment of REZs occurs through programs such as Bilateral Agreements rather than this program, although they are complementary and transmission connecting Precincts to the nearest REZ is essential.

### **Implementation:**

The REIP Program will be a new \$3.3 billion program from 2022-23 to 2025-26, \$6.3 billion over ten years, to deliver, in collaboration with state governments, at least seven REIPs around Australia.<sup>19</sup> The fund is proposed to be split into two funding streams.

#### *Stream 1: Infrastructure and Coordination - \$800 million*

This funding would be tendered for and matched by state and territory governments to support them to deliver the necessary strategic land use and infrastructure planning and coordination of precinct development in line with local social, economic and environmental needs including the development of decarbonisation plans. State governments could also use this funding to pay for early works of the critical infrastructure required for successful precincts, including:

- Transmission connections to sufficient renewable energy generation most likely through nearby Renewable Energy Zones;
- Hydrogen production and pipelines and a shared industrial heating network, where relevant
- Water, waste and recycling;
- Connections to port, rail and road logistics;
- Skilled labour and training programs tailored to the needs of the precinct;
- Innovation programs including incubator, accelerator, and/or R&D processes to help fill industry ecosystem gaps, create more jobs and establish new businesses.

It would also include developing programs that grow market demand for zero- and low-emissions products. State governments would work with Austrade to ensure this includes access to export markets.

#### *Stream 2: Renewable Manufacturing Precinct Implementation - \$2.5 billion*

This funding, administered by the states in collaboration with the Federal Government would be tendered for by geographical clusters of manufacturing and industry players, backed by investors and research partners. The funding would be available to one precinct per participating state. Applicants would use the funds to achieve the timetable of reaching 100% renewable energy use according to the principles outlined below. For example, this could cover:

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<sup>17</sup> [Virtual Remarks to the United Nations General Assembly](#). Prime Minister. 24 September 2021.

<sup>18</sup> [Quad Leaders’ Summit Communiqué](#). 24 September 2021. Shanhan, Dennis and Joe Kelly, [Prime Minister Scott Morrison’s clean energy export plan](#). The Australian. 27 September 2021.

<sup>19</sup> Note the program could be expanded to support at least one precinct in each state.

- Process and equipment upgrades to support existing manufacturers to adapt to the use of renewable electricity and renewable heat.
- The establishment of new businesses and manufacturing processes, including but not limited to renewable hydrogen production, green steel and material recycling facilities.
- Ensuring reliable power supply through the establishment of firming capacity such as storage and flexible demand programs and technologies.
- Procurement of low-cost renewable energy supported by government underwriting, for example through contracts for difference.

The renewable manufacturing precinct implementation funding would be matched by state governments and the consortiums of companies applying. It could also be supported by additional financing through the Clean Energy Finance Corporation and the Modern Manufacturing Fund. We recommend that the oversight process be administered by state governments and that the process have an EOI stage, with some funding made available to consortiums who pass this stage to develop their full tender.

#### *Governance*

We propose establishing the Renewable Energy Industrial Precincts Authority (REIPA) to design the REIP Program. The proposed program design is similar to the National Water Infrastructure Development Fund, in that funding is provided by the Commonwealth to state governments to progress priority infrastructure projects. It is administered through the National Water Grid Authority. Funding for this new authority is estimated to be \$10 million per annum drawn from the Stream 1 allocation.

The funding could then be governed through the REIPA in partnership with the states and territory through a National Partnership Agreement. We recommend that state governments be empowered to deliver the competitive tender process and select successful bids, in line with the agreed program goals and funding agreement.

We also recommend that the REIP Program work closely with the Clean Energy Finance Corporation to help unlock low-cost finance for these precincts. A delivery model that leverages CEFC finance and government direct funding in one process similar to both the NSW Empowering Homes Program and the ARENA Large Scale Solar Program could be developed.

#### *Principles of Renewable Energy Industrial Precincts*

REIPs will be established according to sustainable principles. The overarching principle is that eligible participants use renewable energy. This means:

- New projects must use 100% renewable energy (electricity plus heat energy) at the outset;
- Existing businesses must commit to 100% renewable electricity within five years;
- Existing businesses must commit to 100% renewable energy (electricity plus heat) within 10 years.

REIPs should be developed in line with the United Nations' Sustainable Development Goals (SDG). The nine as listed below are relevant to the REIP program. Adhering to these SDG principles and embedding them in the program design and assessment would set clear and globally recognised parameters for REIPs. Companies and investors value such parameters as these signals they are meeting market demands for sustainability.

### Value for Money:

Alongside Commonwealth support, State governments and participating businesses will be required to contribute funds. The table below shows the potential contributions from each funding source and that this program could catalyse \$37.8 billion in private investment, based on a proposed program design where the private sector is required to contribute 60% of the cost towards establishing a REIP. This equates to a leveraging of \$6 for each dollar of federal funding.

Funding source	Total amount (over 10 years)
Australian Government (on budget)	\$6.3 billion
State and Territory governments (on budget)	\$3.15 billion
Public sector finance	\$15.75 billion
Private sector investment	\$37.8 billion

Detailed modelling undertaken for just two of the potential locations of REIPs demonstrates the significant potential economic impact.<sup>20</sup> The modelling of Gladstone, Qld and the Hunter Valley, NSW shows that creating precincts in those two locations has the potential to create 45,000 new ongoing jobs by 2032 and an annual revenue of \$13 billion.

Modelling for Gladstone and the Hunter Valley:

Region	New Local Jobs	Annual Revenue
Hunter Valley, NSW	34,000	\$11 billion
Gladstone, QLD	11,000	\$2 billion

There are similar opportunities across the fourteen regions proposed across every state and the Northern Territory. It will build on existing skills and infrastructure and assist in securing existing jobs in this region with the largest need for jobs in technicians and trades. It will also support jobs and investment across the wider region and secure the future for regional communities.

### For More Information:

[Renewable Energy Industrial Precincts Briefing Paper](#) (including Hunter Valley Case Study), Beyond Zero Emissions & WWF-Australia, September 2020.

[Renewable Energy Industrial Precincts: Economic Analysis Summary Report](#), Beyond Zero Emissions, July 2021.

[Regional economic impact analysis of Renewable Energy Industrial Precincts: Central Queensland REIP](#), ACIL Allen, March 2021.

[Regional economic impact analysis of Renewable Energy Industrial Precincts: Hunter Valley REIP](#), ACIL Allen, March 2021.

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<sup>20</sup> [Renewable Energy Industrial Precincts: Economic Analysis Summary Report](#), Beyond Zero Emissions, July 2021.