





Australia



Business executives view a transition to renewables as a strong driver of future economic growth, but the Australian government needs to provide greater assurance on the roadmap to transition away from fossil fuels and accelerate renewables deployment.

Australia's ambitious 2030 goals for renewables are a step in the right direction for more than three-quarters (77%) of business executives who want a renewables-based electricity system within ten years. In parallel, a gradual decline in Australia's reliance on fossil fuels in the power sector supports the desire among the majority (57%) of industry leaders for a direct transition from coal to renewables-based electricity, grids, and storage. Among business leaders who want their government to prioritise new investment in renewables, 84% support phasing out coal from electricity generation in Australia within the next decade.

Electricity policy

Business expectations reflect the reality of the fossil-to-renewables power sector transition in Australia. At present, the country's stated intent is for renewable electricity to comprise 82% of its total power mix by 2030; 22 percentage points ahead of the 60% global target envisioned by the International Energy Agency's (IEA) Net Zero Emissions scenario.¹ This broadly aligns with Australia's latest national climate plan submitted in 2022, which commits to an interim 2030 emissions reduction target of 43% (below 2005 levels). It also coincides

Top 3 requested actions that your government should take to accelerate the transition from fossil fuels (% who chose the following)

Provide incentives, education and training programs for workers in adjacent industries (e.g. oil, gas, construction) to reskill for renewable energy jobs		50 %
		50 %
Provide financial incentives for renewable energy projects	-0 45 %	
	0 45/6	
Subsidies to support business demand for on-site renewable energy	42%	
	46/0	







with the rapid penetration of renewablesgenerated electricity over recent years, with solar and wind now comprising 29% of the electricity mix, up from a mere 3% in 2009.² Furthermore, since 2010, seven of the country's 31 coal plants have been decommissioned, while five proposed new projects have been shelved.³ That said, almost half (46%) of the country's electricity still comes from coal.⁴

Three-fifths (60%) of business executives identified the creation of new jobs as a primary benefit of the transition to a renewables-based power system. This correlates with the opinion of many surveyed business executives (50%) who believe that a comprehensive policy to train workers in high-carbon sectors for renewable energy jobs is vital. Were Australia to hit its 2030 transition goals, jobs in the renewables sector would likely double, increasing from their current rate of 33,000 to 66,000.5 Jobs in energy storage alone are projected to overtake domestic coal and fossil gas jobs (not including the coal and gas export sector) in the next couple of years, according to the Australian Energy Market Operator.6 Other benefits include mitigating the risks of climate change, which more than half (52%) of senior executives see as a key benefit of transitioning from a fossil fuels to a renewables-based electricity system, although policies to phase out fossil fuels from the power system lack similar political consensus.

Business 'asks'

Over half (55%) of Australian business executives believe that the biggest challenge organisations will face if the Australian government does not transition to renewable electricity is poor economic growth and an unfavourable investment environment. Stalling the pace of building new renewable energy projects will also create higher energy bills for businesses and consumers, which would further erode confidence in the transition.⁷ As such, the corporate sector is looking to the government for clear timelines and targets on building a renewables-based electricity system. At present, the lack of such clarity is identified by many (41%) businesses as one of the major barriers to the transition. The provision of a firm date for phasing out coal would send a strong signal to the business community of the government's intent. To provide further assurance on the roadmap ahead and help unlock businesssector investment, business executives say the government could also increase financial incentives for renewable projects (45%), and provide subsidies for on-site renewable energy (42%).

- 1 https://www.iea.org/countries/australia
- 2 https://ember-energy.org/countries-and-regions/australia/
- https://www.e3g.org/news/g20-coal-transition-progress-tracker/
- 4 https://ember-energy.org/countries-and-regions/australia/
- https://theconversation.com/our-electricity-workforce-must-double-to-hit-the-2030-renewables-target-energy-storage-jobs-will-soon-overtake-those-in-coal-and-gas-239718
- 6 AEOM Integrated System Plan. https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp#:~:text=AEMO%E2%80%99s%20Integrated%20System%20Plan%20(ISP)%20is%20a%20roadmap,essential%20infrastructure%20that%20will%20meet%20future%20energy%20needs
- 7 https://cleanenergycouncil.org.au/news-resources/the-impact-of-a-delayed-transition-on-electricity-bills#:~:text=The%20report%20shows%20 that%3A,building%20new%20renewable%20energy%20projects https://www.power-technology.com/news/brazil-cuts-hydropower-use-as-droughts-impact-global-generation/