

27 January 2022

The Australian Government
The Department of Foreign Affairs and Trade
Via email: AustSingGEA@dfat.gov.au

Consultation — Singapore-Australia Green Economy Agreement

The Business Council of Australia (BCA) welcomes the opportunity to comment on negotiations for a Green Economy Agreement (GEA) between Singapore and Australia.

The BCA is very supportive of the longstanding economic, strategic, and people-to-people ties between Australia and Singapore and leveraging this to shape a sustainable future for our nations through a bilateral GEA.

The BCA supports achieving a net zero emissions economy by 2050. We believe that:

- the momentum for moving towards net zero by 2050 is unstoppable and that the pace and scale of change is accelerating globally
- Australia must embrace decarbonisation and seize a competitive advantage in developing new technologies and export industries
- to achieve a net zero economy by 2050, the nation needs an unprecedented level of coordination across levels of government and with industry to align and accelerate investment signals, enhance regulation and provide much needed policy certainty for business and communities
- new low and zero emissions technologies must be developed and deployed at scale for many industries to have the ability to decarbonise and Australia is in the box seat to capitalise on this opportunity.

International partnerships are a key part of being able to accelerate the development and deployment of zero and low emission technologies to the point where they are at commercial parity with existing technologies and approaches. In this respect the GEA builds on the existing MoU between Australia and Singapore to advance low-emissions solutions, including new and emerging low-emissions technologies.

The GEA can further deepen and deliver on our nations' climate and economic goals by incorporating the following.

- Making emission reductions and a commitment to a net-zero emissions economy by 2050 the driving force underpinning the agreement, with priority efforts directed to how Singapore and Australia can cooperate to develop the necessary regulatory environment for deployment of transformational technologies (clean hydrogen, low emissions steel and aluminium, energy storage, carbon capture and storage and soil carbon measurement).
- A commitment by Australia and Singapore to lead the development of international emissions trading frameworks under the Paris Agreement (Article 6) which would usher in new cooperative

approaches to reducing emissions internationally and leverage Australia's market potential as an exporter of offsets in the future.

- In the interim of the full development of a global Article 6 mechanism under the Paris Agreement, develop a linked carbon offset market with Singapore with the close participation of financial regulators and stakeholders. Such a mechanism can intersect and support the establishment of the Indo-Pacific Carbon Offsets Scheme.
- Explore options to establish a bilateral working commission to research and develop a renewable energy grid interconnection, including measures to advance a potential undersea cable linking Australia and Singapore.
 - Such a commission could be regionalised to address a broader Indo-Pacific regional interconnected grid framework.
- Better align frameworks for climate risk disclosure for businesses and support development of global standards on transparency, developed in collaboration with industry, investors and standard setters. Common approaches should ensure
 - disclosures and reporting meet the appropriate standards in line with global capital market expectations
 - disclosures and reporting accurately reflect the risk environment in which the business operates
 - consistency, cooperation, and integration across regulatory agencies
 - international consistency of certification and standards.
- Agree government procurement commitments to facilitate positive environmental outcomes, including the acquisition of low and zero emission fleet vehicles.
- Develop shared approaches and exchange policy ideas on methods to achieve net-zero emissions, including support for the introduction of national 10-year carbon budgets. Work collaboratively to develop standards and accounting practices for national carbon budgets and their calibration based on technology readiness and economic impacts.
- Agree on the desirability of carbon investment signals, and acceptance that such signals can take many forms — whether implicit or explicit, broad or narrow, or created using a range of different policy mechanisms.
- Commit to calibrate government-led technology investment frameworks with a detailed assessment of key technology gaps and supply chain opportunities.
- Recognise that co-investment from government is essential to encourage private sector investment and participation in high-risk development and deployment activities.
- Recognising that digital technologies are crucial to achieving a net zero emission economy, examine commitments that would enable greater mobility of skilled talent where this supports the transfer of skills and talent to local employees, upskilling, training and the sharing of knowledge and experience, both within businesses and between industry and our research institutions. The Global Talent Visa Program is a critical tool in this respect, and it should be leveraged in support of the GEA and its priorities.

We look forward to the further development and refinement of the GEA going forward.

Please don't hesitate to contact the BCA's Director, Climate Change and Energy, Steven Wright, at steven.wright@bca.com.au should you wish to discuss our submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'JW', followed by a horizontal line and a period.

Jess Wilson
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Business Council of Australia