Renewable Energy Industrial Precincts

ECONOMIC ANALYSIS SUMMARY REPORT

Renewable Energy Industrial Precincts

Economic Analysis of Regional Economic and Employment Benefits

Beyond Zero Emissions has a plan to make Australia a strong manufacturing nation once again through the establishment of Renewable Energy Industrial Precincts in our regions.

Our plan identifies 14 priority locations for establishing dedicated clusters for industry and manufacturing business powered by 100% renewable energy at an internationally competitive price.

This release summarises an independent economic analysis of Renewable Energy Industrial Precincts in Gladstone and the Hunter Valley, as commissioned by Beyond Zero Emissions. The analysis found Renewable Energy Industrial Precincts will have the potential to protect Australia's regional economies and increase their status as export powerhouses, create tens of thousands of good quality regional jobs, and attract billions in new capital investment to regional communities.

Renewable Energy Industrial Precincts

Renewable Energy Industrial Precincts are clusters of manufacturers powered by 100% renewable energy. They connect industrial centres with the abundant and competitive renewable energy provided by Australia's Hydrogen Hubs and Renewable Energy Zones.

The precincts:

- Build on Australia's existing economic strengths in mining, mineral processing and manufacturing
- Create secure and good quality jobs in regional communities
- Support local business innovation and economic diversification
- Connect abundant, low-cost renewable energy with our industrial strength
- Put regions in control of their economic future

Renewable Energy Industrial Precincts in Gladstone and the Hunter have the potential to deliver:

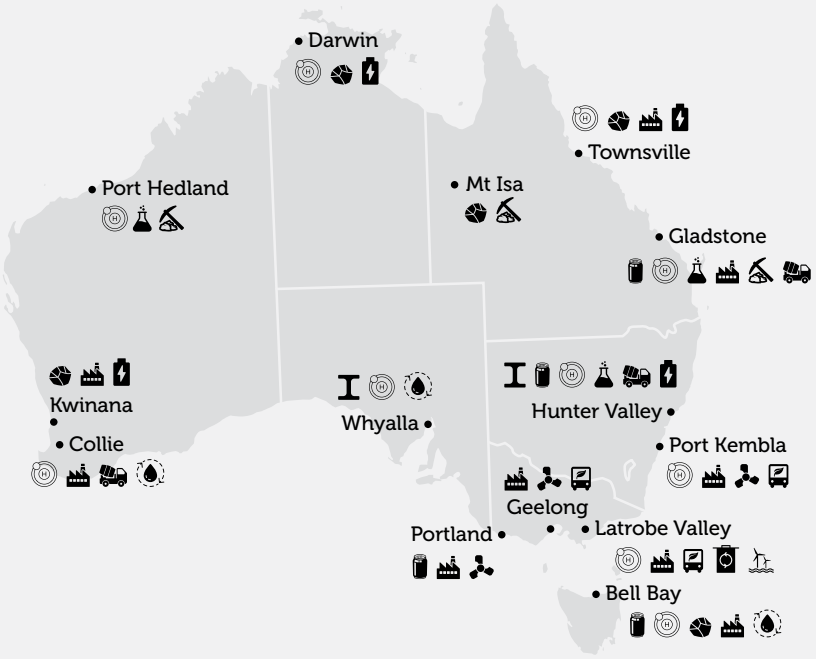
45,000
new ongoing jobs by 2032

$13bn
in annual revenue

$35.8bn
of new capital investment

Priority locations for establishing Renewable Energy Industrial Precincts

- Green steel
- Green aluminium
- Renewable hydrogen
- Green ammonia
- Critical minerals (Li, Mn, RE etc.)
- Electrify industry
- Electrify mining
- Wind turbine manufacturing
- Zero emission buses/EV manufacturing
- Battery manufacturing
- Pumped hydro storage
- Low carbon cement
- Waste to energy
- Offshore wind



A $13 billion business case for regional investment

Beyond Zero Emissions and WWF-Australia have commissioned economic analysis firm ACIL Allen to model the economic and job benefits of establishing Renewable Energy Industrial Precincts in Gladstone and the Hunter Valley, two of the 14 priority regions identified.

The independent analysis has shown that if the expected projects eventuate, there is the potential to transform the manufacturing base and support a total of **45,000 new ongoing jobs by 2032 and $13 billion in annual revenue by establishing Renewable Energy Industrial Precincts in these two regions alone.**

These sites have been identified as ideal precincts due to local attributes including:

- skilled workforces
- existing industrial bases
- deep water ports
- transport networks
- close access to rich renewable energy resources

Gladstone and the Hunter have long and proud histories as regional industrial centres.

The Gladstone region of Queensland has long been a local powerhouse with an export industry based on coal, aluminium and alumina, fossil gas, sulfuric acid, and meat products, enabled by a world-class, deep water port.

A local precinct will sustain Gladstone's industrial heritage and help retain existing industries, such as the aluminium smelter, as well as attract new industries including renewable hydrogen production. This will create 11,000 local jobs and generate an additional $2 billion in revenue by 2032.

Further south, the Hunter region of New South Wales has been a renowned centre for mining and energy exports for 200 years. The region is also well known for manufacturing, and energy-intensive industries such as aluminium and steel making.

A Renewable Energy Industrial Precinct will build on the region's existing mining, energy, and manufacturing expertise and support the emergence of future-focused industries such as battery manufacture and green steel. This will create 34,000 new local jobs in new industries and $11 billion in revenue by 2032. It will retain jobs in existing industries and enable the Hunter to thrive in the post-carbon era.

The independent economic analysis has shown how Renewable Energy Industrial Precincts can build on what each region already does well and build a strong economic future with new industries, more jobs, and more dollars flowing to the regions in capital investment and new revenue.

The benefits of a nationwide program will be even larger. A nationwide Renewable Energy Industrial Precincts rollout strategy will potentially **bring high quality jobs back onshore, support sovereign manufacturing capability, attract tens of billions of investment into regional areas and futureproof Australia's export economy**. Establishing a nationwide program to re-industrialise our regions and power them with Australia's world-class, globally competitive renewable energy must be a national economic priority.

Attracting new industries and retaining existing ones in the regions

Central Queensland is strongly positioned to attract new manufacturing industries through the establishment of a Renewable Energy Industrial Precinct in Gladstone that is powered by the Central Renewable Energy Zone.

Establishing a dedicated precinct in Gladstone will enable the region to retain energy intensive businesses such as aluminium and chemical production and the jobs in these businesses. A precinct will also bring in new industries, including **renewable hydrogen and ammonia production, high purity alumina, wind turbine manufacturing and resource recovery industries.**

These new manufacturing activities will attract capital investment of **$7.8 billion to the region**, including $1.7 billion in for key infrastructure such as storage/firming facilities. An additional **$2 billion in revenue per annum** will flow into the region by 2032.

The gains for the Hunter region are even greater. A Renewable Energy Industrial Precinct there could unlock new **capital investment of $28 billion in the region**, including $8.6 billion for storage/firming capacity, transmission lines, freight networks and renewable hydrogen infrastructure and export facilities. The balance will be investment in new industries attracted to the competitive advantages of the region, including **battery manufacturing, renewable hydrogen, renewable steel, resource recovery and low carbon building materials.**

An extra $11 billion in revenue will be generated per year by 2032. Critically, it will also back efforts by existing energy intensive businesses such as aluminium, chemical production and steel manufacturing to maintain production in the region.

Figure 1 Real economic output impacts in the Gladstone region by industries, 2022-2032

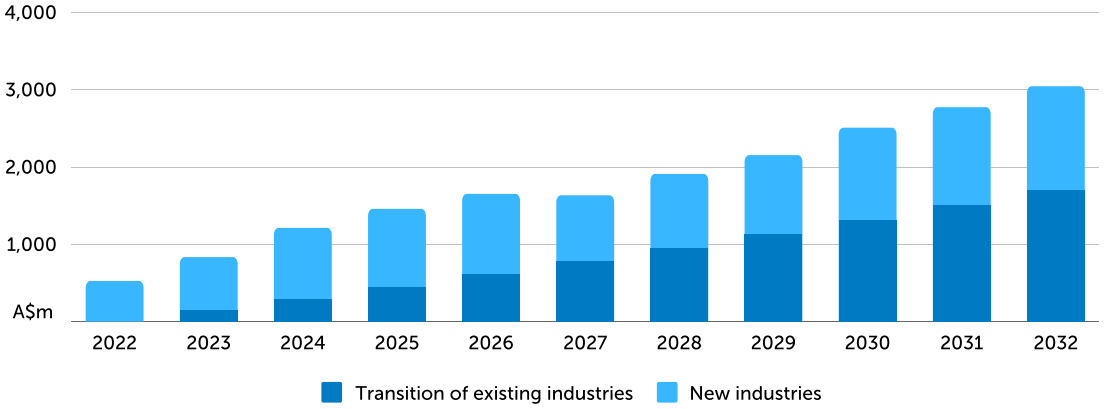
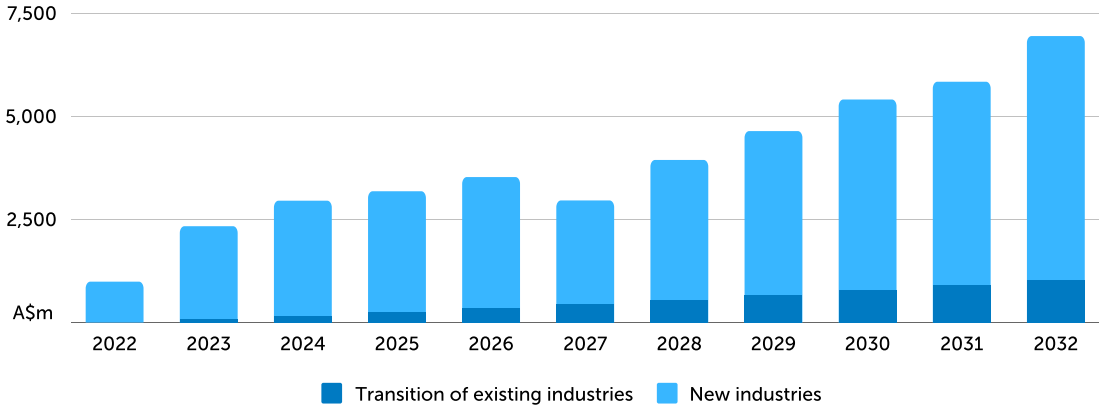


Figure 2 Real economic output impacts in the Hunter Valley region by industries, 2022-2032



Note: All dollars are in 2020 prices.

Source: ACIL Allen modelling based on BZE data and assumptions.

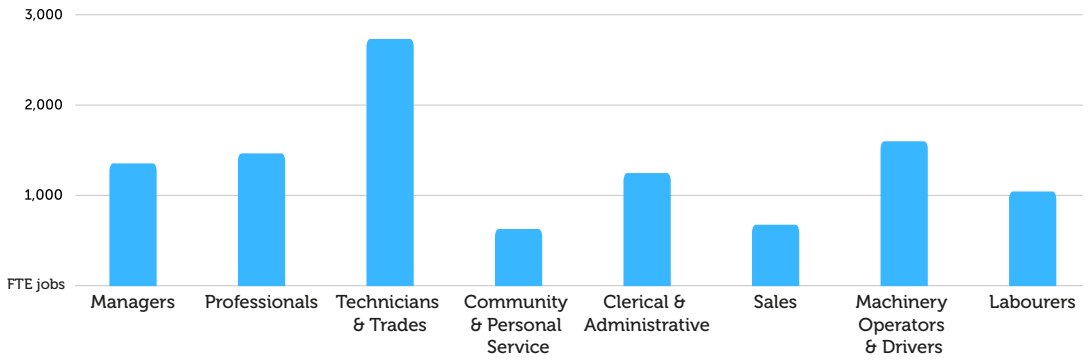
45,000 good quality jobs for Gladstone and the Hunter

Establishing Australia's first Renewable Energy Industrial Precinct in Gladstone could create an **additional 10,719 jobs in Gladstone by 2032** and reduce the unemployment rate in the region.

The majority of jobs created will be for technicians and trades followed by machinery operators and drivers, with a further 2,588 jobs created in the rest of Queensland.

The average annual incomes for residents in the Gladstone region could be $20,000 higher by 2032 if the precinct is built.

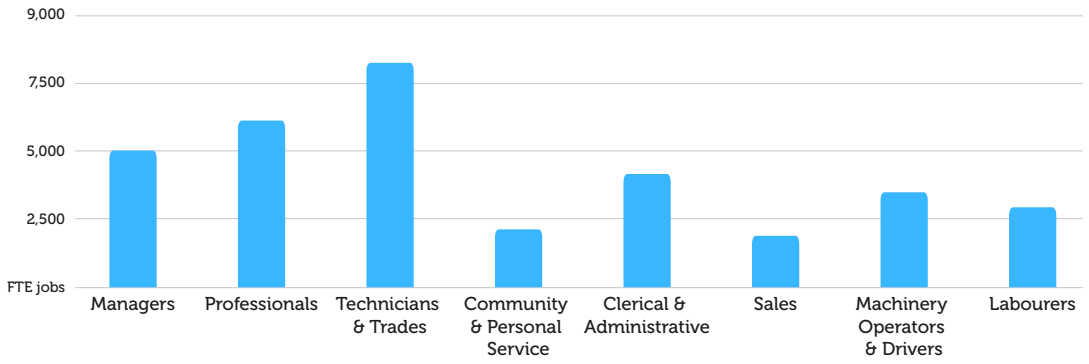
Figure 3 Impact on occupations in Gladstone in 2032



In the Hunter a Renewable Energy Industrial Precinct is forecast to create **an additional 33,958 jobs by 2032**. Jobs will be created for technicians and trades, professionals and machinery operators. A precinct will also keep jobs in aluminium, steel, and chemical production and support the Hunter to diversify its economic base using its core strengths – energy, manufacturing, and mining equipment.

The average Hunter resident could be $4,133 better off per year by 2032 if the precinct is built.

Figure 4 Impact on occupations in Hunter Valley in 2032



Next steps

Through Renewable Energy Industrial Precincts, the Australian Government has an opportunity to re-energise and expand manufacturing and industry. The next steps are:

- Make a binding commitment at COP26 in Glasgow to fast track the establishment of Renewable Energy Industrial Precincts in Australia to reduce domestic and global emissions
- Undertake capital investment in key infrastructure including transmission upgrades, renewable hydrogen infrastructure and export facilities through the Clean Energy Finance Corporation

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Recognition of traditional custodians

We recognise that the sovereignty of Aboriginal and Torres Strait Islander peoples over their land was never ceded and the impact of this ongoing dispossession continues to this day. Beyond Zero Emissions stands in solidarity with First Nations people in calling for the establishment of a First Nations Voice in the Constitution, as described in the Uluru Statement from the Heart. We further support calls for the establishment of a Makarrata Commission on agreement-making and truth-telling between Aboriginal and Torres Strait Islander peoples and governments.

Beyond Zero Emissions maintains an office in Melbourne on the traditional lands of the Wurundjeri-willam people of the Kulin Nation, and in Newcastle on the lands of the Awabakal and Worimi peoples. We pay our respects to all First Nations Elders past, present and future.

Beyond Zero Emissions Inc. is a registered charity, based in Victoria with a national outlook.

Beyond Zero Emissions is listed on the Commonwealth's Register of Environmental Organisations ('Beyond Zero Emissions Fund'), which allows organisations to be endorsed as Deductible Gift Recipients by the Australian Taxation Office.

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