

Institute for Energy Economics and Financial Analysis

Briefing Note

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What drives decarbonisation and deindustrialisation?

A project-level analysis of mining, minerals processing and manufacturing facilities in Australia's Safeguard Mechanism

- *Closures and production declines have driven most emissions reductions in Australia's non-fossil mining, minerals processing and manufacturing sectors since the Safeguard Mechanism reforms of 2023.*
- *The Safeguard Mechanism design has incentivised little obvious investment in onsite abatement, with credit-based compliance dominant.*
- *Clean investment is still occurring in industry, but at a relatively slow pace and driven more by voluntary targets, commercial advantages and additional taxpayer assistance.*
- *Fossil fuel-linked inflation has been more a driver of industry competitiveness than decarbonisation regulations. Factors other than emissions regulation and ambitious decarbonisation best explain industry competitiveness challenges.*

Introduction

The Australian government is reviewing its main greenhouse gas emissions reduction tool, the Safeguard Mechanism, during 2026–27. A key objective is determining whether this policy is driving facilities to invest in low-emissions production. As well as meeting national climate goals, the government has presented an effective Safeguard as key to making Australia a "renewable energy superpower" that can benefit economically from cleaner industry.

Critics, however, have long promoted a view of Australian emissions regulation, and often the very concept of clean industry, as inherently promoting deindustrialisation, including driving competitiveness challenges for energy-intensive industry in the past few years.

Improved clarity on the Safeguard's implications for industry, both in terms of emissions and commercial success, could inform decision-making in the review period and beyond. This briefing note investigates the key questions in this debate: Does the Safeguard drive decarbonisation? Does it drive deindustrialisation?

The analysis focuses on the non-fossil fuel production sectors — mining, minerals processing, and manufacturing — which have underexplored Safeguard interactions relative to coal and oil and gas. The 86 facilities in these sectors generated 44.13 million tonnes of Safeguard-covered carbon dioxide equivalent ($MtCO_2e$) in fiscal year (FY) 2024–25 — a third of the total covered. Emissions, production and investment trends for assessed sectors and facilities are assessed over the two monitoring periods of the reformed Safeguard, FY2023–24 and FY2024–25.

Does the Safeguard Mechanism drive decarbonisation?

Reduced industrial output is driving most emissions reductions

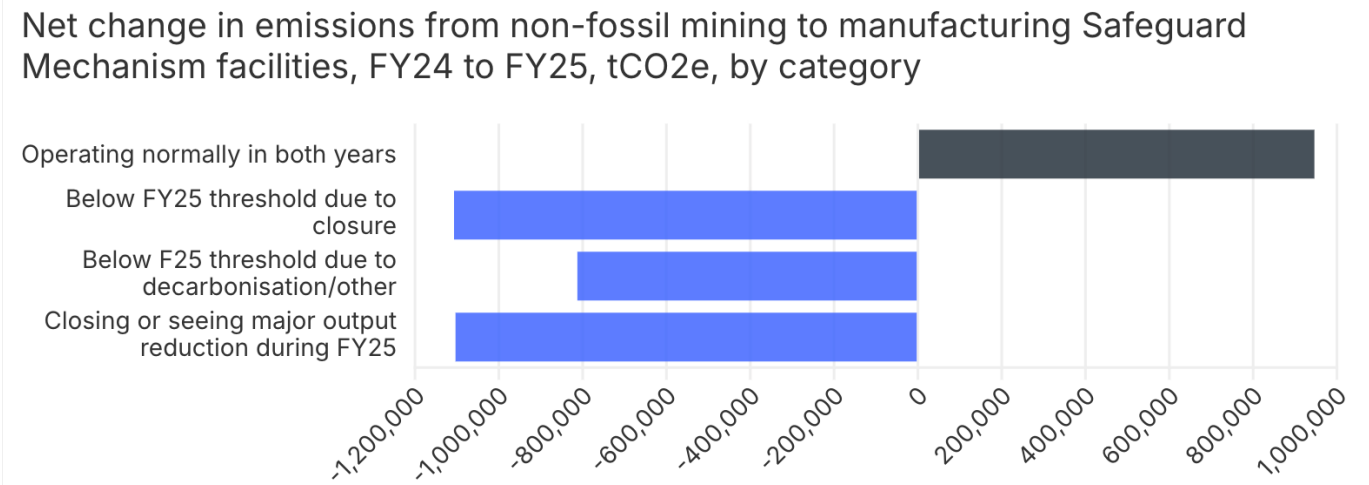
Safeguard-covered facilities (those generating above the 100,000tCO_2e annual threshold) in the assessed sectors generated 5% less covered emissions in FY2024–25 than FY2023–24. However, facilities that reduced output or closed in this period drove most emissions savings.

Twelve facilities below the Safeguard threshold in FY2024-25 removed 1.93$MtCO_2e$ of emissions from the official tally. This included projects that had invested in onsite abatement, such as Orica's Yarwun Nitrates plant (previously at 377,400tCO_2e). But seven sub-threshold facilities, including BHP's three Safeguard-covered Nickel West operations, temporarily or permanently closed at some point in those two years, removing a more substantial 1.1$MtCO_2e$.

Overall, at least 2.5$MtCO_2e$ of year-on-year emissions reductions came from facilities assessed as closing or significantly scaling back over the two monitoring periods. This included the biggest single facility year-on-year reduction for the assessed facilities, 775,340tCO_2e, from Alcoa's Kwinana alumina refinery, which was curtailed before closing in 2025. The 2.5$MtCO_2e$ total was roughly equivalent to the total net emissions decline for the cohort. Meanwhile, facilities deemed to be operating normally in FY2023–24 and FY2024–25 increased year-on-year emissions (Figure 1).

Data from the assessed Safeguard facilities operating above the officially reported threshold also tells a limited story. Facilities that lowered their individual emissions below 100,000tCO_2e from FY2023–24 to FY2024–25 — for any reason — and still reporting data generated at least 544,000tCO_2e in FY2024–25. In addition, Simcoa's Kemerton silicon smelter operated below the 100,000tCO_2e in FY2023–24 but exceeded it in FY2024–25, highlighting the impermanence of some apparent savings.

Figure 1: Reduced capacity has driven most year-on-year industrial emissions savings



Sources: IEEFA calculations from Clean Energy Regulator (CER), Safeguard Mechanism Baselines and Emissions Table 2024-25 and Safeguard Mechanism Baselines and Emissions Table 2023-24; company statements; media reports.

Onsite abatement provides a small portion of Safeguard compliance

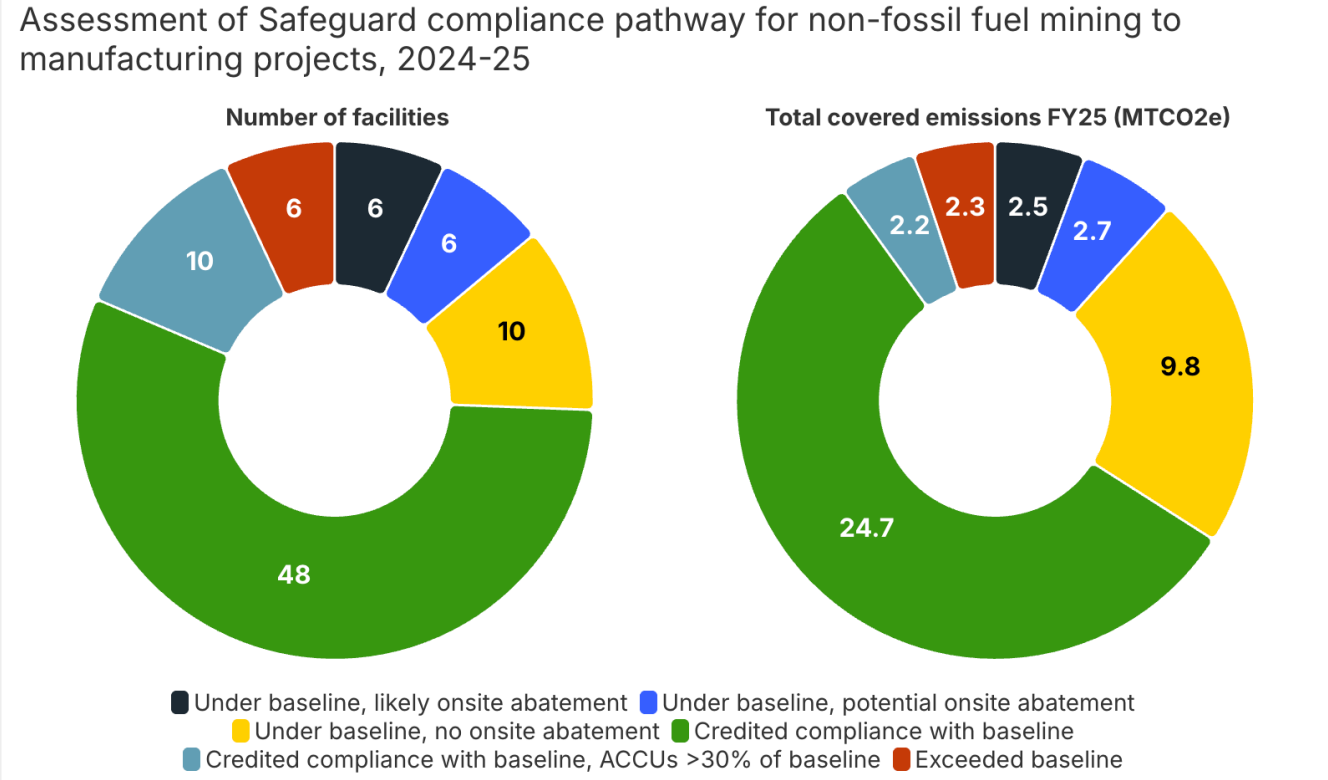
Safeguard data and contemporaneous public records in turn confirm the limited role onsite abatement makes to emissions reductions in covered facilities. During FY2024–25, just 22 of the 86 studied facilities recorded emissions under their required baselines. Only six of these results could be potentially attributed to observable decarbonisation investments.

Of the remaining 16 facilities operating below their baselines in FY2024–25:

- Ten were assessed as not achieving onsite abatement because they had increased emissions from FY2023–24 (leveraging expanded baselines in FY2024–25).
- The causes of emissions reductions for the six others were uncertain due to some combination of having identified output reductions or no identifiable recent decarbonisation investment.

For the remaining 64 studied facilities operating above Safeguard baselines in FY2024–25, 58 obtained credited compliance, surrendering either Australian Carbon Credit Units (ACCUs) or Safeguard Mechanism Credits (SCMs). The remaining six did not achieve compliance by the end of the monitoring period (ongoing financial challenges were mostly to blame). See Figure 2.

Figure 2: Onsite abatement plays a limited role in Safeguard compliance



Sources: IEEFA calculations from CER Safeguard Mechanism Baselines and Emissions Table 2024-25; company statements; media reports.

Ten of 58 facilities with credited compliance — all mining operations — used ACCUs to meet more than 30% of compliance with their baselines, requiring formal explanation. Nine of 10 operators of 30% ACCU-dependent facilities noted rising diesel use from operational changes as the main cause. All nine claimed electrified mining equipment was not technologically mature.

Iron ore major BHP made similar claims about electrified and decarbonised production in 2026, in defence of walking back previously strong commitments in the Pilbara — home to four of BHP's assessed facilities. But, as IEEFA noted at the time, deployment of clean mining technologies is growing, both in Australia and globally, where corporate and/or policy ambition is high.

As the operator of Western Australia's Gruyere gold mine explained in response to its 30% ACCU dependence, industry members can face challenges integrating even mature technology in existing operations, particularly with respect to investment recovery times. But there are potential solutions to these challenges. For example, in FY2021–22, Carosue Dam gold mine installed a solar array that is redeployable upon mine closure and assessed as providing 40% cheaper power. Such gains might only be widely pursued if the compliance environment compels innovation.

BlueScope Steel has also downplayed the maturity of clean technology options for the Port Kembla steelworks, easily the highest emissions generating, non-fossil fuel producing Safeguard-covered facility. But BlueScope went further than most in describing the 2023 Safeguard reforms as providing certainty for investment at Port Kembla that was likely to sustain its high emissions status. In this case, the company committed AU$1.15 billion to reline and upgrade the No. 6 blast furnace at the start of FY2023–24, which is due for completion in late 2026.

BlueScope is in turn among 17 of the assessed facilities benefitting from a trade-exposed baseline adjustment (TEBA), allowing annual emissions declines as low as 1% (compared with 4.9% for others). These 17 sites all operate downstream from mining, and represent three-quarters of TEBA facilities covered by the Safeguard. Alongside multi-year monitoring plans, and virtually uncapped use of ACCUs and banked SCMs, TEBAs are a key flexible compliance tool designed to protect competitiveness. There is, however, a strong suggestion they tip the balance too far towards protecting business-as-usual, emissions-intensive activity.

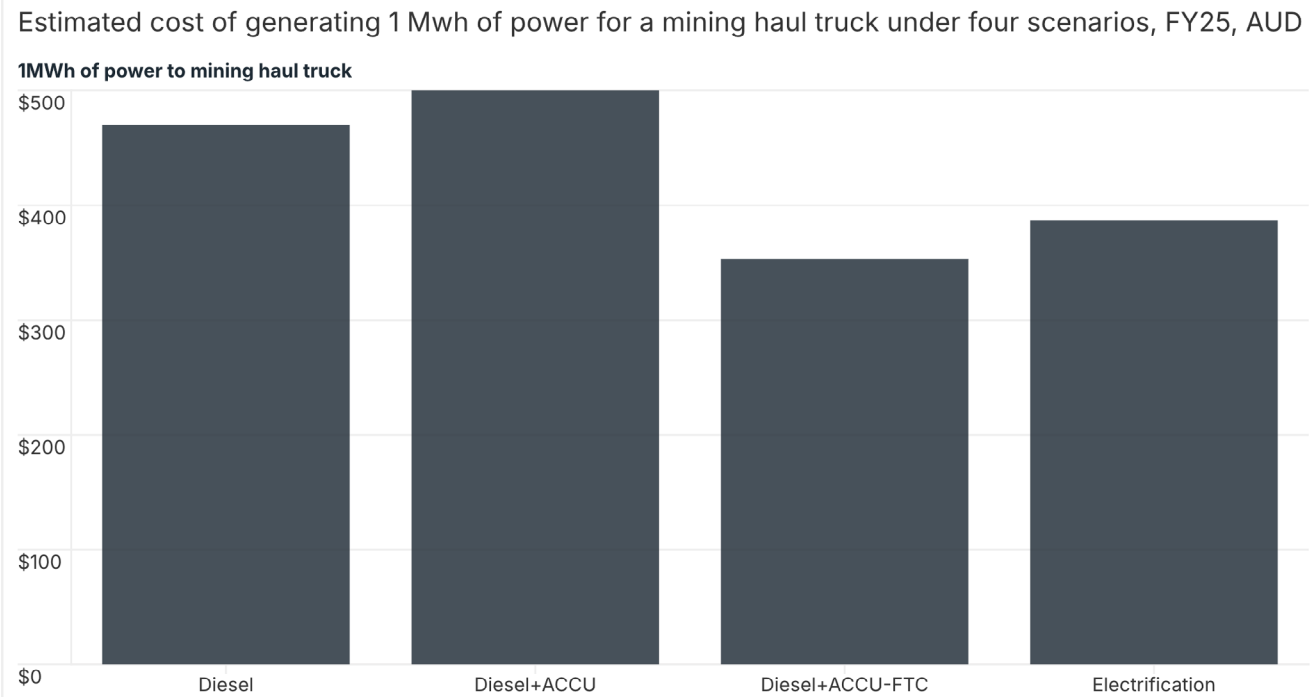
Other government action counters the Safeguard investment signal

At the same time as imposing Safeguard obligations on industry, Australia continues to provide considerable fiscal and regulatory support to sustained industrial use of fossil fuels. Evidence from the assessed cohort shows this support can further weaken the onsite abatement signal.

In addition to its accommodating Safeguard conditions, BlueScope Steel, again, received an AU$136.8 million government subsidy for its Port Kembla Steelworks upgrades. This was larger than any post-FY2023–24 government grant to legitimate decarbonisation investments in the assessed facilities. With blast furnace reinvestment decisions able to serve as a pivot towards cleaner investment, it has likely had a considerable impact on Australia's emissions and industrial future.

The Australia government's Fuel Tax Credits (FTC) system is another decarbonisation barrier. It rebated about a third of the cost of diesel use in mining in FY2024–25. FTCs would have brought the cost of generating equivalent energy for a mining haul truck with diesel below electricity that year, representing a material difference in investment valuation (Figure 3).

Figure 3: Diesel tax fuel credits erode the competitive advantages of electrification



Sources: Calculations from FY2024-25 energy, ACCU and FTC prices, Australian emissions factors, and equipment energy use

Voluntary targets and commercial benefits outrank Safeguard impact

Where the assessed projects have pursued some form of clean investment – not necessarily a sufficient level for compliance purposes – it remains difficult to directly attribute the actions to Safeguard obligations. Voluntary corporate targets, commercial benefits and alternative policies have exerted more obvious influence.

Few companies publicly credit the Safeguard with directly driving decarbonisation investment. One notable exception, Orica, celebrated the 2023 Safeguard reforms as providing greater certainty for the low carbon investments at its Yarwun and Koorarang Island facilities. However, these projects had roots in existing corporate targets, while investment at Koorarang Island subsequently benefited from up to $432 million in hydrogen production credits.

Meanwhile, iron ore miner Fortescue has noted how its decarbonisation commitments, which are motivated by corporate targets and long-term operational cost savings, are disincentivised by the Safeguard's offset allowances, as well as diesel FTCs for offroad consumption.

Table 1 breaks down all major identifiable decarbonisation investments taken and/or impacting emissions of the assessed cohort of projects since the start of FY2023–24, with main stated reasons for pursuing them. Corporate targets and already recognised commercial benefits are more important drivers than any signal from the Safeguard itself. The list includes displacement of fossil fuel-generated power with renewables for grid-connected facilities. As the Safeguard applies only to Scope 1 (direct) emissions, it has no impact on decision-making here.

Table 1: Safeguard obligations play little role in decarbonisation investment

Identified investments with significant emissions abatement potential for Safeguard Mechanism-covered mining, minerals processing, and manufacturing facilities, FY24 to present

			Emissions coverage		Major stated motivation			
Operator	**Facility**	**Investment**	**Scope 1**	**Scope 2**	**Corporate targets**	**Commercial Benefit**	**Government support**	**Safeguard obligations**
Adbri	Birkenhead cement plant	Alternative fuels	X		X		X	
Adbri	Cockburn cement plant	Plant upgrades	X		X		X	
AngloGold Ashanti	Tropicana gold mine	Renewables	X		X	X		
Boral	Berrima cement plant	Alternative fuels	X		X		X	X
Boyer	Boyer paper mill	Electric boilers, energy efficiency	X			X	X	
Cement Australia	Fisherman's Landing cement and clinker plant	Alternative fuels	X		X			
Cement Australia	Railton cement plant	Alternative fuels	X		X		X	
CSBP	CSBP Kwinana chemicals plant	Nitrous oxide abatement, energy efficiency	X		X		X	X
Dyno Nobel	Moranbah ammonium nitrate plant	Nitrous oxide abatement	X		X		X	
Dyno Nobel	Phosphate Hill fertiliser plant	Renewables		X	X	X	X	
Fortescue	Pilbara iron ore mines (multiple facilities)	Renewables, electrification	X		X	X	X	
Grange Resources	Port Latta pelletising plant	Coal displacement, energy efficiency	X		X		X	
Grange Resources	Savage River iron ore plant	Electrification, operational changes	X		X	X	X	
Gold Fields Australia	Granny Smith gold mine	Renewables	X			X		
InfraBuild	Laverton steel mill	Renewables		X	X	X		
Northern Star	Fimiston gold mine	Renewables		X	X	X		
Newmont	Tanami gold mine	Renewables	X		X	X		
Northern Star	Jundee gold mine	Renewables	X		X	X		
Orica	Kooragang Island chemicals plant	Gas to hydrogen, nitrous oxide abatement	X		X		X	X
Orora	Gawler glass plant	Oxyfuel glass furnace	X			X	X	
PLS	Pilgangoora lithium mine	Renewables	X		X	X		
Rio Tinto	Gladstone alumina and aluminium plants (multiple facilities)	Renewables, bio pellet supply, double digestion	X	X		X	X	
Rio Tinto	Bell Bay alumina smelter	Carbon bake furnace	X			X	X	
Rio Tinto	Gove bauxite and alumina refinery	Renewables		X	X			
Rio Tinto	Weipa bauxite mine	Renewables			X	X		
Rio Tinto	Tomago aluminium melter	Renewables		X		X	X	
Tronox	Kwinana pigment plant	Thermal energy storage	X			X	X	

Source: Safeguard Mechanism Baselines and Emissions Table 2024-25 and Safeguard Mechanism Baselines and Emissions Table 2023-24; company statements, media reports.

Taxpayers are doing most heavy lifting supporting industry abatement

Table 1 also shows that most observable industrial decarbonisation progress is advancing with the aid of taxpayer carrots over regulatory sticks. Considerable public finance has been devoted to this purpose. This includes two Safeguard-specific additions to the Powering the Regions Fund with the 2023 reforms: the AU$600m Safeguard Transformation Stream and the Australian Renewable Energy Agency (ARENA)-led AU$400m Industrial Transformation Stream.

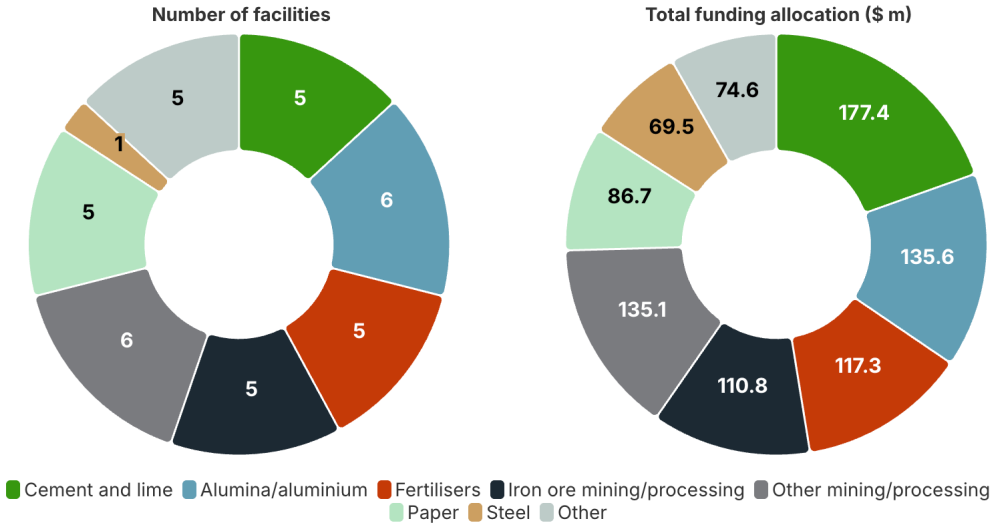
Public financing of industrial decarbonisation has been most prominent downstream from mining, which acknowledges that emissions elimination is more difficult and expensive for companies in minerals processing and manufacturing. Of 36 minerals processing to manufacturing facilities within the assessed cohort, 26 were identified as pursuing or having already pursued significant clean technology integration since FY2023–24. All 26 received public grants to do so, mostly federal but some state.

Figure 4 shows identified federal and state government grants to all assessed facilities since the start of FY2023–24. The AU$900m total is sizeable, particularly as much decarbonisation activity could justify private investment on competitiveness grounds. Governments covering remaining financing gaps for decarbonised industry is commonplace and necessary, even in jurisdictions with comprehensive carbon pricing. Still, low incentives for industry-covered abatement raise the quantum of investment that taxpayers must cover.

Policy design can also help limit taxpayer exposure in other ways. In Europe, most additional fiscal support for decarbonisation comes from the EU Innovation Fund, which is mostly funded by auctions of Emissions Trading Scheme (ETS) allowances. The EU also has more comprehensive systems for directing private capital to close green investment gaps, including stronger rules for corporate disclosure of climate and emissions risk (both on and by the company), and well-developed sustainable finance taxonomies.

Many jurisdictions also provide more considerable non-fiscal support than Australia to the twin goals of industry decarbonisation and enhanced competitiveness – through information provision, capability building, and voluntary targets. Rising international support for leveraging the cost- and emissions-saving benefits of industrial co-location is one example.

Figure 4: Safeguard facility decarbonisation grants by sector since FY2023–24



Sources: GrantConnect, ARENA, media reports. Note: Excludes funding such as Future Made in Australia-linked production credits for hydrogen, which are open-ended, and multi-user projects, which cannot be easily attributed to assessed facilities. Also excludes $136.8 million Port Kembla subsidy, which we consider as mostly driving an emissions increase, even as the government argued it would "reduce emissions, and support pathways to producing even lower-emissions steel".

Does the Safeguard drive deindustrialisation?

Mechanism design imposes comparatively low, and flexibly managed, costs

The available evidence also counters the "decarbonisation equals deindustrialisation" thesis, which holds that emissions regulation not only benefits from industry competitive challenges, but directly causes them. There is no apparent link between the reduced output and project closures that drove the emissions reductions from FY2023–24 to FY2024–25 and the Safeguard's impact.

As already shown, the Safeguard itself exerts little actual influence on decarbonisation investment. This is particularly relative to voluntary targets and — in direct opposition to the deindustrialisation line of criticism — pursuit of recognised commercial benefits.

Safeguard-imposed costs are mostly linked to the purchase and surrender of ACCUs or SCMs. These are relatively affordable compared with global carbon prices. The 2026 average ACCU price, for example, has hovered close to AU$35/$CO_2$e, compared with about AU$145/t in the EU ETS. Safeguard settings such as TEBAs can also significantly reduce exposure to these costs.

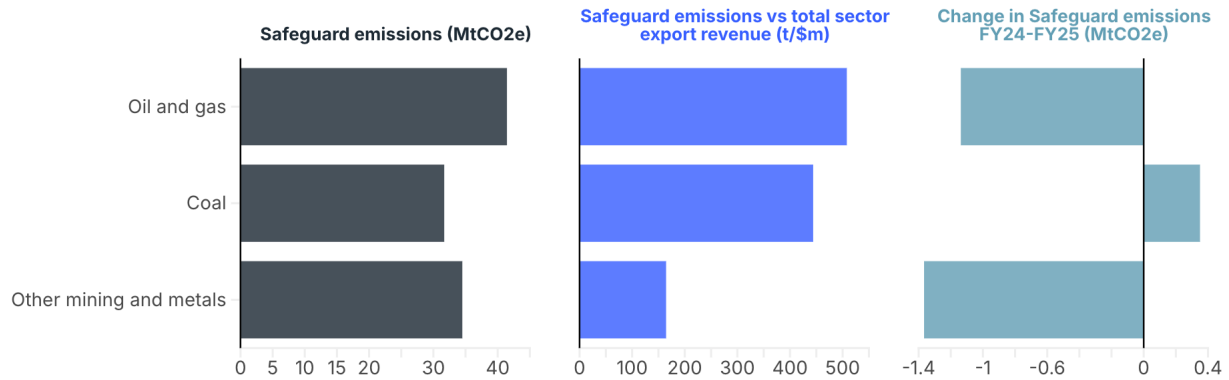
No clear link between emissions exposure and output challenges

If a definitive link existed between Safeguard coverage and output challenges, the effect would logically be most observable in projects with the highest exposure to the additional costs it levies on emissions. However, this also does not appear to be the case.

Coal and oil and gas extracting projects generate more Safeguard-covered emissions than the assessed non-fossil fuel facilities relative to total sector (including non-Safeguard facilities) export revenue. But coal and oil and gas facilities had lower aggregate emissions reductions between FY2023–24 and FY2024–25 than the assessed cohort. Emissions from coal even increased between FY2023–24 and FY2024–25 (Figure 5). Coal and oil and gas also saw minimal annual production change between these two years, while nickel and alumina, which drove most emissions savings in the non-fossil cohort, fell by 6% and about 50% respectively.

Figure 5: Less emissions-intensive industries achieving greater abatement

Safeguard emissions, emissions vs export revenue, and year-on-year emissions reduction by sector



Sources: IEEFA calculations from CER Safeguard Mechanism Baselines and Emissions Table 2024-25 and Safeguard Mechanism Baselines and Emissions Table 2023-24; Department of Industry and Resources, Resources and Energy Quarterly, September 2026 – historical data. Note: emissions figures are for Safeguard facilities only, while revenue figures are sector-wide, so comparisons are indicative only.

There is a most clearly observable link between levels of Australian production of certain industrial goods and levels of Safeguard-covered emissions tied to these goods. The lack of impact from differing levels of emissions pricing exposure suggests the drivers of fluctuations in output lie elsewhere.

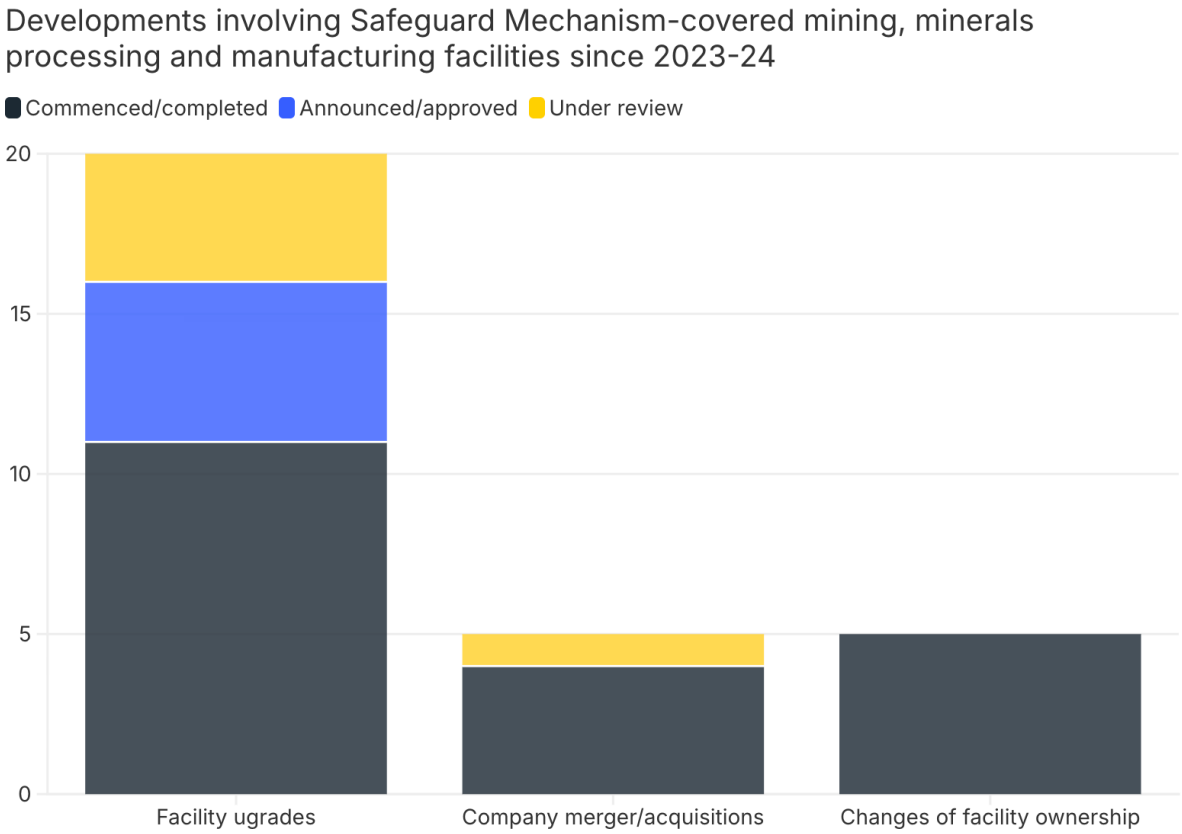
Further discrediting the deindustrialisation narrative is the fact many industrial facilities have encountered competitiveness challenges despite operating wholly outside Safeguard coverage. In the lithium sector, for example, Albermarle shuttered its Kemerton refinery in early 2026, while Tianqi cancelled a planned Kwinana plant expansion in 2025.

Output growth and general investment confidence remain high

There is also strong evidence that competitive challenges facing members of the assessed cohort are not universal and again not easily linked to Safeguard obligations. Of 82 assessed facilities covered in both the FY2023–24 and FY2024–25 Safeguard periods, 21 gained increased baselines in the latter period. This suggests they increased production levels (19 instances were verified via other sources). In addition, 15 of the 21 facilities exceeded their enhanced baselines in FY2024–25. These findings suggest emissions exposure does not significantly affect commercial operations.

In addition to year-on-year production growth, 30 significant business developments affecting assessed facilities or their operators have been identified since FY2023–24 (Figure 6). All were assessed as likely to expand future levels of production and onsite emissions (within corporate boundaries if not individual facilities). These had a direct impact on about a quarter of the cohort's emissions. These developments once more suggest any loss of industrial confidence was limited.

Figure 6: Industry activity remains strong despite emissions concerns



Sources: IEEFA calculations from CER Safeguard Mechanism Baselines and Emissions Table 2024-25; company statements; media reports.

One of the 30 developments — Alcoa's July 2026 agreement to acquire South32's Safeguard-covered global aluminium value chain, including Western Australia's Worsley alumina refinery — particularly discredits any link between compliance costs and investment choices. IEEFA has found the South32 acquisition will massively expand Alcoa's energy and emissions footprint. Yet Alcoa's CEO did not reference this in celebrating the acquisition. Instead, he highlighted Worsley's profitability advantage over Alcoa's shuttered Kwinana refinery, even at lower aluminium prices. This suggested a negligible emissions-linked impact on total production costs and profitability.

Factors unrelated to emissions better explain deindustrialisation

Ultimately, there are much more compelling explanations than Safeguard coverage itself, or progress on decarbonisation, for the competitiveness challenges facing Safeguard-covered facilities. This can be determined by official or expert commentary on the causes of decreased output or closures that have most contributed to emissions reductions in the assessed cohort.

Table 2 lists the 15 Safeguard facilities (17 if including all Nickel West entries independently) in the cohort that both reduced emissions and had identified output challenges between FY2023–24 and FY2024–25. Emissions regulation or otherwise motivated decarbonisation do not feature.

Table 2: Emissions regulation has played no obvious role in reduced industrial output

Production outcomes and causes cited for major sources of Safeguard Mechanism emissions reductions in non-fossil fuel mining to manufacturing, 2023-24 to 2024-25

FY 24 FY 25

Operator	Facility	Sector	Emissions	Major production outcome	Reason cited for production outcome
Alcoa	Kwinana	Alumina refining		Production curtailed then closure	Aged facility, lack of scale, high operating costs, poor market conditions, bauxite grade challenges, shortage of natural gas supply
BHP	Nickel West - Mt Keith, Kwinana, Kalgoorlie	Nickel mining and refining		Operations suspended	Global nickel oversupply and low prices
CITIC Pacific	Sino Iron	Iron ore mining		Output cut by 30%	Mine pit reached approved limits
CSPB	Kwinana	Chemicals/fertilisers manufacturing		Superphosphate plant entered care and maintenance, switched to import model	Rising costs of imported acid, decreased demand for superphosphtates
First Quantum	Ravensthorpe	Nickel mining		Placed in care and maintenance	Low nickel price environment, high operating costs, difficulty establishing a sustainable financial model
GHG Alliance	SIMEC Middleback Range	Iron ore mining		Hematite mining wound down, Iron Knob magnetite operations entered care and maintenance	Hematite reserves nearing depletion, magnetite mining paused pending technical assessment, owner of mine and linked Whyalla steelworks entered administration
GHG Alliance	Liberty Bell Bay	Ferroalloy and manganese smelting		Closed	Loss of primary ore supplier, deteriorating global markets, rising costs
Glencore	Mount Isa	Copper and zinc mining and smelting		Copper mines closed, smelter scaled back, considered closure before rescue package	Mines reached end of life, low ore grades, challenging geology, ageing infrastructure, Chinese companies outcompeting smelter

FY 24 FY 25

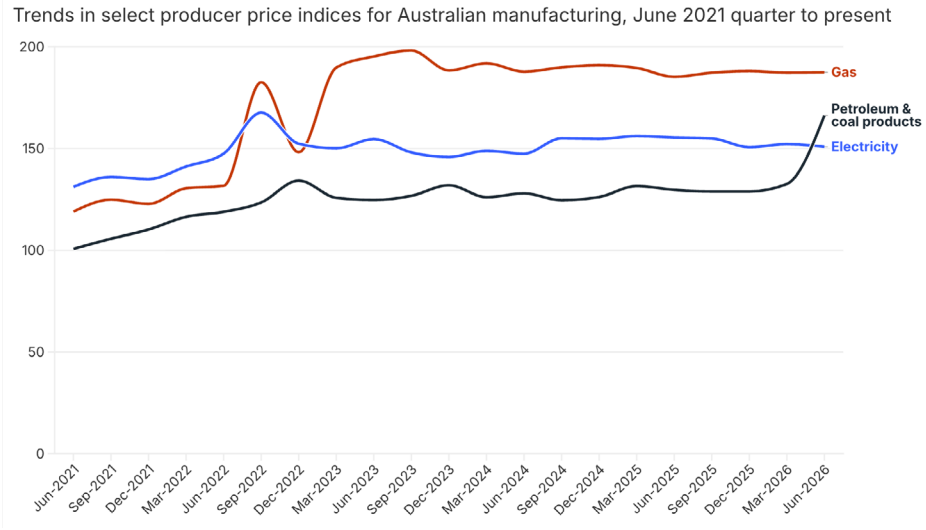
Operator	Facility	Sector	Emissions	Major production outcome	Reason cited for production outcome
Glencore	Murrin Murrin	Nickel and copper mining and refining		Production scaled back	Global nickel oversupply and low prices
Nyrstar	Port Pirie	Multi-metals smelter		Production scaled back, closure considered before rescue package	Global smelting overcapacity, loss of treatment charges
Oceania Glass	Dandenong	Glass manufacturing		Closed	Difficulty competing with cheap Chinese imports, high gas costs
Orora	Gawler	Glass manufacturing		One of three production lines closed	Soft commercial wine and beer volumes, rising energy and labour costs
Qenos	Altona	Chemicals manufacturing		Closed	Lack of available ethane feedstock, cash liquidity crunch, high gas prices
Rio Tinto	Tomago	Aluminium smelting		Production scaled back, closure considered before rescue package	Rising energy costs forced consideration of closure
Rio Tinto	Bell Bay	Aluminium smelting		Production scaled back, closure considered before rescue package	Rising energy costs forced consideration of closure

Sources: IEEFA calculations from CER Safeguard Mechanism Baselines and Emissions Table 2024-25; company statements; media reports.

Five of these listed facilities have also received notable government rescue packages since FY2023–24. A further four not listed received similar support. The most consistent problems facing these facilities were high energy costs and the pending need to renegotiate supply terms. These rising costs were, by and large, associated with fossil fuels over clean energy.

The non-Safeguard-linked challenges that have affected output in the assessed cohort are also clearly identifiable in independent data. The impact of fossil fuel-linked energy inflation on industrial cost structures is easily observable. Since the June 2021 quarter, gas as an input cost to manufacturing increased by 58%, according to the Australian Bureau of Statistics (ABS) producer price index (PPI), including a large spike that followed Russia's full-scale invasion of Ukraine in 2022. The PPI for electricity has also increased since 2021, but by a much smaller 15%, with increased fossil fuel-linked input costs also the major factor here. The PPI for petroleum and coal products spiked in the last two quarters of data, linked to the Iran fuel crisis (Figure 7).

Figure 7: Fossil fuel inputs to industry have driven up costs significantly



Source: ABS Producer Price Indexes Australia, June 2026, Table 13.

Conclusion

Policy should prioritise aiding reindustrialisation over avoiding deindustrialisation

This briefing note has examined the extent to which the Safeguard Mechanism and Australia's broader policy landscape invite decarbonisation and/or deindustrialisation. The firm conclusion is they do neither convincingly. Reduced output and project closures have driven most emissions reductions in assessed sectors. But the Safeguard itself puts a price on emissions that is too low to have driven these output changes, which are due to other factors.

The reality that one of the main identified drivers of deindustrialisation has been fossil fuel-linked inflation raises another question: whether companies that were further advanced in their energy transitions might have had more resilience. If this were true, it would imply the Safeguard and broader policy reforms should seek to better compel companies to invest in onsite abatement, which could deliver longer term competitiveness benefits.

It is beyond the scope of this briefing note to fully investigate the interaction between clean energy and competitiveness in the assessed facilities, which have widely differing techno-economic concerns. Evidence has nonetheless been presented of companies already pursuing decarbonised production on competitiveness grounds.

This does not discount the ongoing need for government support to help industry eliminate emissions where it remains overly costly or technically challenging. However, stronger emissions regulation, less fossil fuel support and a broader decarbonisation-enabling environment has potential to increase — not decrease — the competitiveness and sustainability of industry while reducing pressures on taxpayers.

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