

An aerial photograph of a hydroelectric dam and power station. The dam is a long, narrow structure with several spillways, extending across a wide river. The water is a deep teal color. The surrounding landscape is rocky and rugged. The sky is not visible, as the image is oriented vertically.

LETA

Low Emission
Technology
Australia

2025 Federal Election Position Statement

Overview

Low Emission
Technology
Australia (LETA)
is a not-for-profit
investment fund
that accelerates
the development
and large-scale
deployment
of technology
solutions to reduce
and remove
greenhouse gas
emissions from
critical industries like
steel, cement and
power generation.

LETA's investment in technology unlocks a faster, cheaper pathway to net zero for hard-to-abate industries that are critical to our economy, provide thousands of Australian jobs and support our households every day.

Our approach to emissions reduction is rooted in bipartisanship, recognising that long-term solutions can only be achieved when our efforts align with shared goals across all political divides.


While there is an ongoing and important debate about the future of Australia's resources exports, LETA's role is to focus on developing technologies that can address our immediate and ongoing need to decarbonise in line with Australia's emissions reduction targets under the Paris Agreement.

By focusing on pragmatic, scalable solutions, LETA aims to advance technologies that enable economic growth while reducing Australia's carbon footprint.

This election position statement outlines a set of strategic priorities that will drive Australia's leadership in low emission technology.

LETA's recommendations are designed to support a seamless transition toward a low-emission economy, paving the way for a stronger, more sustainable future for all Australians.

Through these initiatives, LETA is dedicated to creating a policy landscape that not only supports Australia's emissions reduction goals but also strengthens Australia's global competitiveness in low emission technology. We look forward to working with all sides of government to build an enduring framework that secures Australia's place as a leader in sustainable development.



In this statement, we put forward five key policy recommendations:

1

Implement a national CCUS strategy.

2

Expand the Carbon Capture Technologies Program.

3

Adopt a technology-neutral approach to support for hydrogen production.

4

Support mines to decarbonise by partnering with industry on scope one emissions abatement projects.

5

Include coal mining as an activity qualifying for treatment as a trade-exposed industry under the Safeguard Mechanism.



Implement a national CCUS strategy

Australia needs a cohesive and comprehensive national carbon capture, utilisation and storage (CCUS) strategy to meet its emissions reduction targets and drive the transition to a lower emissions economy.

This strategy would not only establish a clear policy and regulatory framework for CCUS development but also align federal, state and territory governments behind a common set of objectives. By providing a unified roadmap, Australia can accelerate the adoption of CCUS technologies and position itself as a global leader in the emerging low emissions landscape.

A critical first step in shaping this national strategy is to undertake a thorough analysis of CCUS projects and developments, both domestically and internationally. This entails mapping existing initiatives—spanning pilot schemes, demonstration plants and commercial-scale ventures—and closely monitoring global progress to identify best practices and potential challenges. At the same time, an assessment of Australia’s geological resources—both onshore and offshore—will help prioritise high-impact projects in areas best suited for CO₂ storage and close to major emissions-intensive industries.

Building upon this, the strategy should propose a streamlined policy framework that offers certainty for all stakeholders, especially investors and developers. Aligning regulations across federal, state and territory levels can reduce duplication, expedite approvals and ensure transparent decision-making. This in turn will strengthen trust in CCUS projects and safeguard environmental interests. A cohesive framework allows for consistent criteria to be applied across regions, making it more straightforward for industry to plan and invest in CCUS initiatives.

Close coordination among federal, state and territory governments is paramount to ensure that local priorities are fully integrated into the national plan. Additionally, a focus on employment generation and infrastructure development can reinforce the social and economic advantages of CCUS, fostering broader community support for these emerging technologies.

This approach is necessary to attract the private sector investment needed to bring CCUS to scale. Establishing incentives—such as tax credits, grants or similar forms of financial support—can lower the cost barriers associated with large-scale deployment. Similar tax credits have been introduced in both the United Kingdom and the United States to stimulate uptake of CCUS technologies.

For instance, the United Kingdom has committed £22 billion (approximately A\$40 billion) towards the common user infrastructure that will be required to establish two major carbon capture hubs—HyNet and the East Coast Cluster. This funding backs new carbon capture and CCUS-enabled hydrogen projects with a combined capacity to reduce over 8.5Mtpa of CO₂. These projects have the potential to create 4,000 new jobs, bolster key British industries, and attract approximately £8 billion in private investment.

Similarly, the United States has made significant strides through the Inflation Reduction Act, which includes expanded tax incentives ranging from US\$55 to US\$85 per tonne of captured CO₂. These incentives apply to a broad range of industries, including hydrogen production, steel manufacturing, and cement, demonstrating a substantial federal commitment to CCUS technologies.

Clear and consistent regulations, along with defined milestones and compliance requirements, provide businesses with the confidence to invest in long-term CCUS projects. Crucially, a stable environment for research and development will encourage Australian companies to advance innovations in carbon capture, transportation and storage, potentially yielding global export opportunities.

Australia's scientific institutions, including Geoscience Australia and the CSIRO, should be integral to this strategy. Their expertise in resource assessment, geological mapping and technology evaluation can guide site selection and ensure the ongoing safety and efficacy of CCUS operations. Publishing research findings and developing national standards for site selection, injection, monitoring and decommissioning will promote community understanding and help maintain high environmental benchmarks. Such transparency and rigour further legitimise CCUS as a key component of Australia's decarbonisation toolkit.

Alongside these technical and regulatory elements, the strategy should set out consistent project development guidelines and outline incentives to encourage uptake. Clear requirements for environmental impact assessments, community consultation and compliance obligations will drive best-practice emissions abatement. Likewise, well-structured financial measures—such as carbon credits or matched funding—can encourage industries to adopt CCUS as a viable means of reducing emissions, particularly in hard-to-abate sectors like steel, cement and chemicals.

Finally, a robust national CCUS strategy must integrate seamlessly with Australia's broader climate, economic and trade ambitions. Demonstrating how CCUS supports the country's commitments to international climate agreements will highlight its role in meeting short-term emissions milestones and achieving a net zero future. By embedding CCUS within the wider suite of decarbonisation efforts, Australia can continue to strengthen its industrial base while reducing emissions in sectors critical to both domestic prosperity and global supply chains.

Bringing these elements together under a cohesive national framework will help Australia sharpen its competitive edge in the global race to develop low carbon technologies. This will not only help to reduce emissions in hard-to-abate sectors but also create new economic opportunities—ranging from skilled jobs in regional areas to commercialising domestic CCUS expertise on the international stage. Through a well-supported and comprehensive national CCUS strategy, Australia can merge its environmental responsibilities with industrial progress and forge a leadership role in the worldwide shift towards a more sustainable future.





Expand the Carbon Capture Technologies Program

The Carbon Capture Technologies Program provided grants of up to \$15 million for companies to reduce Australia's emissions.

The program sought to support the advancement of CO₂ capture and CO₂ utilisation technologies through research and development of novel or emerging technologies to broaden CCUS applications to address wider industrial emissions, including hard-to-abate sectors, and to develop low-carbon products. Introduced in the 2023–2024 Federal Budget, the program was allocated \$65 million and will run over eight years until 2030–2031.

While LETA welcomed this funding, Australia has significantly reduced its overall funding for CCUS research and development projects in the most recent federal budget. Renewing this program will be pivotal for Australia to balance its energy security and emissions reduction goals. The program would enable greater support for technological innovation and fast-track the deployment of large-scale, impactful projects across key industries.

An expanded program will not only drive the development of new CCS technologies but also bridge the gap between research and commercialisation, creating pathways for promising innovations to reach widespread adoption. The program's expansion will encourage long-term private investment by signalling that the government is fully committed to the future of CCS, fostering partnerships with industry to build an ecosystem of innovation and collaboration.

Additionally, the Carbon Capture Technologies Program will generate high-skilled jobs in engineering, manufacturing, and operations, supporting a sustainable low-emissions economy while ensuring energy stability. Through strategic investment, Australia can reinforce its position as a global leader in CCS, turning innovation into scalable, commercially viable solutions that reduce emissions across industries.

Without investment and support from the Australian government, Australia will be left behind when it comes to the development of CCUS technologies which will be vital to our ability to reach net zero. Australia's natural advantage in CO₂ storage locations means that we are well placed to capitalise on the benefits that could be realised both economically and environmentally if we are able to stimulate private sector investment in this critical area.

Adopt a technology-neutral approach to support for hydrogen production

To build a robust and competitive hydrogen industry, Australia must adopt a technology-neutral approach to its support for both hydrogen production, through initiatives such as the Hydrogen Production Tax Incentive (HPTI) and the Hydrogen Headstart program.

By supporting a range of hydrogen production methods—including renewable hydrogen and low-carbon hydrogen produced from coal or natural gas with carbon capture and storage—Australia can encourage innovation, attract investment, and optimise resource use while working toward emissions reduction goals.

A technology-neutral approach the HPTI would incentivise the development of diverse hydrogen technologies without prematurely favouring one production pathway over another. This would allow the most efficient, scalable, and cost-effective technologies to emerge, fostering a competitive hydrogen sector that can leverage Australia's unique natural resources and existing infrastructure.

Extending this approach to the Hydrogen Headstart program would create a level playing field for all low-emission hydrogen technologies, accelerating the deployment of commercially viable projects across various production methods. With equitable support under Hydrogen Headstart, Australia can maximise its potential to become a global leader in hydrogen production by tapping into both its renewable energy resources and its carbon capture capabilities.

However, Australia must also recognise that major hydrogen-importing nations such as Japan and South Korea are already demanding reliable hydrogen supplies today to meet their decarbonisation targets. While green hydrogen is widely considered the long-term goal, the economics of large-scale production and export remain uncertain, requiring further cost reductions in electrolysers, renewable energy, and transport infrastructure before it can be truly competitive. In the interim, low-carbon hydrogen produced with CCS could offer a scalable, cost-effective solution that could meet customer demand in the short term, cementing Australia's role as a dependable hydrogen supplier to key trade partners.

A pragmatic, technology-neutral approach ensures that Australia does not miss this window of opportunity. If Australia prioritises only one hydrogen production pathway while waiting for green hydrogen costs to decline, other nations—particularly those in the Middle East and North America—could step in to supply Japan and Korea with the low-carbon hydrogen they need. By supporting multiple production pathways, Australia can position itself as a first-mover in the global hydrogen trade, securing early export contracts, establishing supply chains, and ensuring long-term energy partnerships with key trading partners.

This flexible and market-driven approach would allow Australia to scale up hydrogen production capacity now whilst smoothing the transition to increasing volumes of green hydrogen as it becomes commercially viable. By developing hydrogen infrastructure, expanding export capacity, and establishing trade agreements today, Australia can strengthen its competitive edge and avoid losing ground to international competitors in this emerging market.

A technology-neutral approach—applied consistently across all hydrogen support mechanisms—will not only drive innovation and investment but also ensure a resilient and responsive hydrogen industry. By allowing various technologies to compete and coexist, Australia can enhance its energy security, meet emissions reduction targets, and provide stable, cost-competitive hydrogen exports to nations actively seeking supply.

Through these policies, Australia can attract both domestic and international investment, create long-term job opportunities, and solidify its position as a global leader in the hydrogen economy.

Support mines to decarbonise by partnering with industry on scope one emissions abatement projects

Methane emissions from coal mines represent around 6 per cent of national emissions in 2023–2024. Tackling these emissions through scope one abatement projects, such as ventilation air methane (VAM) abatement, will see the industry continue to make a significant contribution to achieving national emissions reduction targets.



Coal mining operations, particularly underground mines, release methane as a by-product of coal extraction. This methane is typically diluted with air and expelled through ventilation shafts as ventilation air methane. While the concentration of methane in VAM is low (generally less than 1%), the sheer volume of air exhausted from mines means that VAM is one of the largest sources of fugitive methane emissions in the resources sector.

VAM abatement technology captures and destroys methane in ventilation air before it is released into the atmosphere. This is achieved through technologies such as thermal oxidation units, or catalysts which oxidise methane into CO₂ and water vapour, significantly reducing its global warming potential. Given that methane is over 80 times more potent than CO₂ in warming the atmosphere over a 20-year period, even modest reductions can have a large climate impact.

By deploying VAM abatement technology, Australia can drastically cut methane emissions from the mining sector while ensuring that operations remain viable and productive. This also allows the sector to participate in carbon credit markets, generating additional revenue streams that support ongoing investment in emissions reduction initiatives.

A commitment to methane abatement projects not only helps the mining sector reduce its environmental footprint but also supports regional job creation and economic growth. The deployment and maintenance of VAM abatement infrastructure require a highly skilled workforce, including engineers, environmental scientists, electricians, technicians, and project managers. These jobs are typically long-term and well-paid, offering career pathways in clean energy and emissions reduction.

For regional communities that rely on mining, emissions abatement initiatives could provide a pathway for economic diversification, ensuring that local economies remain resilient as industries transition to cleaner operations. By investing in methane capture and abatement, the resources sector can continue providing high-wage, secure employment opportunities in towns and regions where mining plays a central economic role.

Additionally, the growth of VAM abatement projects could help to foster local manufacturing and service industries, creating supply chain opportunities for equipment manufacturers, engineering firms, and technology providers. This would strengthen Australia's industrial base and position the country as a leader in methane reduction technologies, opening up export potential for Australian-developed solutions.

This technology-driven approach would allow Australia to lead the world in sustainable resource management and carbon stewardship, demonstrating how the resources sector can actively contribute to emissions reduction while maintaining economic prosperity. As global demand for low-carbon resources grows, Australian mining companies that implement advanced methane abatement strategies will be better positioned to secure investment and maintain strong international partnerships.

By supporting innovation in methane reduction, Australia can reinforce its reputation as a leader in responsible and sustainable mining, ensuring that its resources sector remains a critical pillar of the economy while delivering tangible climate benefits.

Include coal mining as an activity qualifying for equitable treatment as a trade-exposed industry under the Safeguard Mechanism

Coal mining stands as one of Australia's most trade-exposed industries. Well over 90 per cent of Australia's coal production is exported to Australia's key trading partners, such as Japan, Korea, China, India and Taiwan.

These exports, which were worth over \$91 billion to Australia in 2023–2024, are exported into extremely competitive global markets, where Australia competes with countries such as Indonesia and South Africa for market share.

Coal mining is also relatively emissions-intensive, with emissions representing around 6 per cent of Australia's national emissions in 2023–2024. A relatively small number of emissions intensive mines account for a large share of total emissions.

One of the biggest risks associated with poorly calibrated emissions reduction policies is carbon leakage—where emissions-intensive production is simply shifted to other countries with weaker environmental regulations, rather than being genuinely reduced.

If Australian coal mines are subjected to declining emissions baselines that outpace the availability of abatement technologies, the cost of production could rise, making Australian coal less competitive in global markets. This, in turn, could lead to increased reliance by our customers on coal from other nations such as Indonesia, Russia or South Africa where emissions reduction policies are less stringent. An increased reliance on these sources for domestic coal supply could therefore lead to higher overall global emissions as more carbon-intensive mining operations replace Australian supply without any abatement measures in place.

To sustain the contribution of coal exports to the Australian economy and safeguard Australian jobs, it is essential to maintain the sector's competitiveness while reducing emissions. This can be best achieved within the existing Safeguard Mechanism framework by removing the artificial distinction between 'manufacturing' and 'non-manufacturing' activities and including all activities—including coal mining—in the list of emissions-intensive, trade-exposed facilities (EITEs). This approach would allow these activities to qualify for treatment as 'manufacturing' trade-exposed, baseline-adjusted (TEBA) facilities, with a baseline

decline rate lower than the default 4.9 per cent rate that currently applies to the industry.

Unlike many industrial sectors where emissions reductions are more readily achieved through fuel switching or energy efficiency, coal mining emissions—particularly from fugitive methane—require long-term investment in abatement technologies. A lower baseline decline rate would allow Australian coal producers to implement methane capture, VAM abatement, and other emissions-reducing technologies at a realistic pace without eroding cost competitiveness or causing 'carbon leakage'.

This would allow the industry to maintain its international competitiveness as it invests, both directly and with LETA support, in the low emission technologies required to see the industry reduce emissions and make a sustainable and ongoing contribution to Australia's emissions reduction targets.

Coal remains an essential part of Australia's export economy, and its ongoing viability depends on balancing emissions reduction efforts with maintaining global competitiveness. A measured and technology-driven approach—one that recognises the unique challenges and trade exposure of the industry—will ensure that Australian coal mining continues to provide high-paying jobs, regional economic stability, and significant national revenue while meeting emissions targets in a pragmatic and sustainable manner.

By implementing TEBA adjustments under the Safeguard Mechanism, the government can create a stable policy environment that supports responsible, low-emission coal production, attracts continued investment in emissions reduction technologies, and ensures that Australian coal remains a preferred, reliable supplier to global markets—without causing carbon leakage that undermines broader climate goals.

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