



**26 September 2024**

**Committee Secretary  
Senate Standing Committees on Environment and  
Communications  
PO Box 6100  
Parliament House  
Canberra ACT 2600**

Dear Committee Secretary,

**Future Made in Australia (Guarantee of Origin) Bill 2024 Environment and Communications  
Legislation Committee consultation**

A proudly Australian company with balance sheet strength, Fortescue is a global leader in large-scale, ultra-efficient and highly complex developments with a proven track record in developing and operating assets in remote and isolated locations. Fortescue has a strong focus on decarbonisation, evidenced by its industry leading target to achieve real-zero carbon emissions across our terrestrial mining operations by 2030. Fortescue is establishing a global portfolio of renewable energy, green hydrogen and derivatives, green iron, battery system and green technology projects and operations that are at the forefront of the global energy transition.

Fortescue welcomes the opportunity to provide comment on the Future Made in Australia (Guarantee of Origin) Bill 2024 Environment and Communications Legislation Committee consultation. The Guarantee of Origin (GO) scheme is an integral feature of the hydrogen and hydrogen derivatives industry in Australia providing a key source of transparency to consumers regarding the emissions that may be associated with the production of hydrogen and its products. Fortescue supports the proposed design of the legislation and its ability to unlock decarbonisation in Australia and economic activity in sectors such as hydrogen, renewable fuel production and green iron production.

The GO scheme aims to work seamlessly with both global emissions accounting standards for low-carbon products and existing Australian frameworks like the National Greenhouse and Energy Reporting (NGER) scheme. This allows industries and local certification programs to utilise GO scheme data for their own purposes, while also supporting businesses in navigating international schemes, especially for exports. It is vital these legislative frameworks are established quickly so that the Renewable Energy Guarantee of Origin (ReGO) and Product Guarantee of Origin (PGO) schemes can be further extended into downstream products that aim to use renewable energy and green hydrogen to produce products like green iron that are critical to the future of Australia's economy.



Australia has a significant opportunity to move quickly to establish a green iron industry through processing our significant iron ore reserves onshore before shipping it to overseas steel customers. We are well-positioned as both a producer of ore and green hydrogen, in addition to our proximity to the rapidly growing economies in Southeast Asia. However, other jurisdictions have the potential to outpace Australia in developing competitive green iron industries. Africa and Brazil could provide both high grade ore and renewable energy to support green iron industries. Ore could also be moved to parts of the world where there is, or will be, low-cost green hydrogen.

Key to this growth opportunity is the ability to demonstrate to our potential customers the emissions intensity of green iron produced in Australia through the PGO scheme extension into downstream products. Green iron has been previously identified as a key product extension of the PGO scheme along with other priority sectors identified by the Government such as aluminium and other renewable fuels. **It is very important that the development of the green iron PGO scheme is prioritised to ensure that Australia can capture the value opportunity in green iron and build upon one of Australia's strongest economic sectors. Fortescue is confident that the green iron opportunity is the strongest green metals industry opportunity for the Nation in terms of value to the economy, establishing viable and sustainable value-added industry and the creation of a new generation of skilled employment opportunities.**

Fortescue considers that the Bill strikes the right balance between enshrining elements of the GO scheme in legislation such as registration, public information and transparency, auditing and compliance and review of the scheme and leaving the detailed rules and regulations that will govern the operation of the GO scheme to be developed in subordinate legislation. It is important that the development of these rules is prioritised and occurs in a timely manner to ensure the scheme can commence as soon as possible but it is equally important that they are available for public consultation before implementation so that industry can provide feedback on the scheme's detailed operational elements.

Fortescue supports the approach taken in the PGO scheme to not allow the trading of PGO certificates, and thus ensuring that certificates flow with product through to end consumers. This is an important step to providing end consumers with confidence that the certificate they have received is a credible verification of the embodied emissions of the product purchased. Further, it will increase the credibility and transferability of the certificates as Australia begins to supply green products into overseas markets with strict carbon policies in place. This is important for markets such as green ammonia that Fortescue may seek to export to European countries with end consumers hoping to make use of policy incentives available by purchasing a Renewable Fuel of Non-Biological Origin (RFNBO) qualified product.

Fortescue notes that DCCEE had previously proposed in its December 2022 Policy Position Paper for the cost-recovery of the scheme to be delayed until the industry had matured and becomes competitive with existing energy sources. This is a proposal Fortescue supported and which we view as an important point of principle in the context that as a voluntary, opt-in framework, the GO scheme is much more likely to be used by the more innovative, greener/cleaner product producers, who will wish to verify their



environmental claims. This will also allow time for the economic value of the products to be fully assessed and incorporated into the global market.

Green hydrogen and downstream products such as ammonia and green iron are facing tough commercial conditions with persistent high-power prices in Australia, requiring substantial Government support to make final investment decisions on projects. It would be counterproductive to the intent of these supporting policies to abolish the delayed cost-recovery elements of the GO scheme.

We look forward to working with Government on the establishment of the supporting rules and regulations that facilitate the efficient operation of the GO scheme. Thank you for the opportunity to comment on this consultation. If you would like to discuss any of the issues raised in this submission please contact

Yours sincerely

Bronwyn Grieve  
**Director of Global Sustainability & External Affairs**