

Welcome Remarks
Presented by NAITO Yasushi, Consul-General of Japan in Perth
On the occasion of the AJBC (WA) August Networking Event
Thursday August 31, 2023

(Acknowledgements)

- The Hon Bill Johnston MLA, Minister for Mines and Petroleum, Energy, Hydrogen Industry and Industrial Relations,
- Mr. Sam Walsh AO, Former CEO of Rio Tinto and External Director of Mitsui & Co.,
- Ms Meg O'Neill, CEO and Managing Director of Woodside Energy,
- Distinguished Japanese business leaders in Energy and Resource sectors,
- Members of Australia Japan Business Council WA,
- Ladies and Gentlemen,

(Welcoming remarks and nature of the session)

Welcome to the AJBC (WA) August Network Event supported by the Consulate-General of Japan in Perth. Tonight, we are honoured to have the Hon. Minister Bill Johnston MLA who has kindly agreed to share his thoughts on energy and resources, including decarbonisation, investment for the future and Carbon Capture, Utilization and Storage.

This is an important topic for all of us and I am glad to have an all-star cast of Japanese business leaders, some from Sydney, gathered here today. We are grateful for the opportunity, especially at this time, after the Cabinet meeting held in Perth this week with Minister Jim Chalmers saying the meeting was recognition of WA's role being "front and centre in all of the considerations of the federal government".

It is also in addition to Prime Minister Albanese's strong pronouncement at a breakfast meeting that "we are a trusted provider, with a reputation built over generations, and a demonstrated sense of responsibility and sustainability that will be vital in future trade relationships." I thank Minister Johnston and the Western Australian government for their influence and for interacting with the Federal Government.

I sincerely appreciate Minister Johnston for giving us this opportunity to interact with Japanese business leaders and AJBC (WA) members, in addition to your already very close interactions with Japanese businesses individually. I wish to present special appreciation to Ms Meg O'Neil, CEO of Woodside for taking time out of your extremely busy schedule to join us at this occasion.

(Introductory thoughts)

Recently Tokyo Gas and Curtin University hosted a presentation session for their joint research on Microbubble CCS technology that enables the injection and storage of some extra 28 % of CO₂ into the geo-storage. The Climate Change Authority has confirmed that CCUS and other forms of sequestration are necessary to achieve decarbonisation and this Microbubble technology can make a huge difference commercially when applied at large scale. Likewise, Japanese companies have been involved in many of the 15 CCS sites in Australia.

CCS is an important proven measure to meet domestic and regional energy demand while abating CO₂ emissions. Japanese business are willing to take part in the investment and a wide range of related business activities including technical cooperation. Both the government and private sectors of Japan are hoping for the Australian Government's support for such efforts and the provision of a stable environment for investment

In line with the Microbubble technology of Tokyo Gas, with the involvement of Japanese companies, innovations are happening in areas such as E-Methane, MCH and Clean Steel, Clean Alumina keenly seeking to minimize production and transportation costs to make energy affordable and sustainable.

(Policy measures by Japanese Government to support fast movers)

The Japanese Government has a series of policy measures to accelerate the energy transition, as Minister Johnston knows well.

Apart from the 21 billion AUD Green Innovation Fund through NEDO, JOGMEC also provide support in feasibility studies, demonstrations and FEED in the form of grants and equity where required. Japanese companies, as well as Joint ventures between Japanese and Australian companies, are eligible to become beneficiaries. In the project development phase where large capital is required, support for investment, loans and guarantees can be provided by JBIC and NEXI.

We are also designing Price Gap Support in order to establish a large-scale supply chain for clean energy to Japan. This targets the "fast movers", including joint ventures, who can be compensated for the price gap with reasonable returns for a period of 15 years. It is similar to the Hydrogen Headstart in Australia. What is notable is the scale and we intend to generate 74 billion AUD over the next 10 years through the Green Transformation Bond. The design of the measures will be finalized in 2024, and we hope it will support hydrogen projects for Japan to become commercially viable.

Japanese trade houses and utility companies involved in the energy sector in Australia bring technological advantages in the hydrogen space across production, transportation and utilization. I wish to reiterate that Joint ventures with Japanese companies are eligible for the support and JBIC,

JOGMEC, NEXI and NEDO, in collaboration with Japanese Mega Banks, can make project financing available.

(Mr. Sam Walsh and Australia Japan business partnership)

Today, what an honour it is to have Mr Sam Walsh, a most respected Australian Business leader to be the moderator.

Two weeks ago, I had the privilege of visiting the West Angelas Mine in Pilbara thanks to Rio Tinto and Mitsui Iron Ore. It was exactly where Mr Sam Walsh took the late Prime Minister Abe Shinzo in 2014. I was deeply moved to see the huge pit and imagine how Prime Minister Abe must have felt when he saw that, and how he would have been elated to see the gigantic driverless Komatsu trucks and driverless Hitachi rail, the heaviest and longest Robot in the Guinness Book of Records that has increased productivity.

The scale of the activity from the mines to the port was beyond my imagination and it is testament to the importance of Australian mineral resources and energy not only contributing to the remarkable development of Australia and of Japan, but to the whole global economy. I am happy to see the Prime Minister Albanese gave support to the industry by visiting Dampier Port.

As Minister Madeleine King said, the world needs more mining, not less (including CCUS and Critical Minerals) as we proceed with the energy transition, whichever technology we use. Further, I believe that mutual trust and all the assets of the longstanding joint ventures between Japan and Australia in energy and the resource sector are useful as we advance to the next phase of this common challenge.

In the light the upcoming Australia-Japan Business Co-operation Committee (AJBCC) and JABCC's 60th joint conference in Melbourne on 8-10 October where JABCC Chairman Mr Hirose of Tokyo Gas is leading 200 plus delegation of Japanese top executives, today's talk by Minister Johnston is so timely and useful to reflect on the 60 year milestone of Australia-Japan business partnerships and as we look to our common challenges ahead.

On that note, I now hand over back to Mr Sam Walsh. Thank you for your attention.

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