Sarah Samson:

So, John, turning now to a sustainability focused conversation. We're about to hear some insights on the topic of emissions pathway targets and implications. How we manage emission targets as a global issue will shape many of our decisions to come. So this is another topic of critical importance to all participants in the market.

Hosting this session will be David Jenkins, NAB's Global Head of Sustainable Finance. So please, settle back and enjoy what we're sure will be a very informative panel.

Over to you now, David.

David Jenkins:

Thank you, Sarah.

As Sarah mentioned, today we're going to explore emissions pathways and targets, what it means to be a net zero banking alliance signatory, and what that means for our clients here at NAB. I'll start by introducing our panelists. They're all based in Melbourne today. So beginning with Connie Sokaris, our Executive for Corporate Finance. Connie leads our capital markets business and is responsible for meeting capital markets and specialized funding needs of our clients. She's also a board member of the Australian Sustainable Finance Institute, and represents NAB on the Australian Industry Emissions Transitions Initiative, amongst many, many external forums.

Jackie Fox in Melbourne as well is our recently appointed Chief Climate Officer. She's worked extensively on the development of our own NAB sustainability strategy over the past two years, and is very passionate about supporting our customers through this transition to a low carbon economy.

And finally, in Melbourne, Katrina Cuthell is a senior partner at Bain & Company, leading their ESG and sustainability practice in financial services for Asia-Pacific.

If I might kick off then with you, Katrina, Bain have worked extensively with both banks and corporates here in Australia and abroad, to operationalize and establish decarbonization pathways. Would you mind talking us through some of the challenges of those experiences, which sectors have been more challenging, which have been the more advanced, and what you see is best practice emerging from that?

Katrina Cuthell:

Thanks. Well, overall, we are seeing a couple of things and real shifts, I suppose, in how companies in Australia and globally are looking at this. Firstly, a shift from thinking about value preservation and more sort of compliance from a target setting perspective, through to value creation and looking for opportunities and growth through the climate transition.

The other shift that we are seeing now is a shift from having set some high level decarbonization targets, to really thinking about delivery. So having set those targets, how are they embedded in all aspects of our clients' operations, and how do they start to show proof points that they're on the pathway to decarbonize? And as we talk to many companies, they're saying, actually, with the benefit of hindsight, the target setting was perhaps the easier part, and really starting to deliver and embed it in strategy and operations is an even bigger challenge.

As we look across sectors. It's probably no surprise that we saw power generation and utilities companies being the first to move in terms of setting emissions reductions targets, because of the importance in energy transition and unlocking decarbonization in most economies. But we're now really seeing that come through most industries, including industries that have abatement challenges, where emissions are harder to abate such as aviation, for example.

As we then look at the specifics of company plans, we see a few characteristics of the best transition plans. The first is that, the plans have really tangible goals that have both near term targets as well as longer term targets. So they don't just set an ambition for 2050, but rather they translate that into where they might be in the interim steps. Secondly, they're also very clear about how their strategy is resilient through different transition scenarios and where the opportunities for growth are.

Thirdly, they translate their plans and to really clear KPIs, and they then report on those quite rigorously and regularly. And then finally, they're very proactive in engaging stakeholders on their plans, whether that's their customers or their suppliers or other external stakeholders. And we're seeing more and more organizations across industries start to put these sort of best practice steps in place, not just in power generation now.

David Jenkins:

Thank you.

One for you now, Jackie, many of those points would sound familiar, no doubt. NAB became a member of the Net-Zero Banking Alliance back in December of 2021. And as part of that, we have a commitment to bring our operational finance emissions down to net zero by 2050, as well as setting interim targets. But for 2030, for our priority sectors, which were announced back in November of last year, so for NAB, that was power generation, thermo coal, oil and gas, and cement. And then to follow up with our other priority sectors, which we've committed to do by May 2024. The follow up to that is, we then have to report annually on the progress. Can you talk us through some of the challenges, but also the opportunities that arise with that, with this commitment and what we're undertaking?

Jackie Fox:

Yeah, sure. Thanks, David. I think I might start with the first bit, when you think about this as a really significant change. Now NAB's definitely acknowledged the need to transition and very supportive in respect of that, but the change is significant. And so when you sign up to something like NZBA, and I would encourage people to find some bedside time to read the NZBA documents, they will help, I guess, in understanding further. But when you sign up to those sorts of things, you are giving a level of commitment, and it is really important to understand the so what.

So I think, for organizations and for banks, that is probably the first big challenge to consider, because the so what is really touching on new ways of portfolio management, and what are the implications associated with that for customers within sectors, for bankers in the way they engage with customers, for how we make decisions. There's a lot of rewiring that has to occur as you operationalize. So to your point, there's one thing doing some baseline analysis, but you really have to integrate that baseline analysis with the so what, and do that in a way that your bankers feel educated, that the tools that you have within your institution, so for us, that's NAB are able to assist you in that. You need to have the right controls in place.

And of course, there's a huge education piece along the way, education both internally but also education with our customers as well. And you touched on the fact that we did release some sectors in November '24... Sorry, November '22, but we have more to release on or before May '24. And that work is not overnight work. There is a lot of work that goes into that. So the challenge in that as well is the effort and manpower and considerations, and really thoughtful considerations that need to go into that.

Our approach is, we're looking at the sector. We are thinking about, really carefully, what's in and what's out within a sector, because there are some nuances in that. We're thinking about the different types of scenarios and measurements, and thinking also, as we are moving through that, how do we operationalize this. Because one of the challenges in doing this work is data. And so I'll just touch on the data piece for a moment.

We definitely have some sectors that are more advanced, if you like, in the way they report carbon emissions. But then as we move into what I would say more mass market type sectors, if you're thinking about the residential home and transport in terms of passenger vehicles, let alone if you're starting to think about the agricultural sector and what does that really mean, how are farmers gathering this information, and thinking also about who is approaching the agri sector for use of information, because it's not just the banking sector, but there's the supply chain as well in terms of other consumers of this information. And what is the level of sophistication of the data. What's the integrity of the data? And there are different stages of that, across sectors, but also within sectors. And I think it's important to really recognize that as a challenge.

I would also say though that the NZBA frameworks, they do allow for the recognition that this is a journey, and that the level of data that you would expect perhaps in another 10 years is not where it needs to be today. And so, there is some allowance for assumptions to be made and I think that's important to recognize. However, it also does hold you to account that, as there are improvements over time, there is an expectation in your annual review process that you are looking to adopt those improvements. So I just wanted to call out the two big challenges, let alone the actual challenges, at a customer level as they're facing into the transition as well, which is real, is how we think about it from a top of house down and embedded across our business. And the other piece is around data integrity. So there, I would say, availability of data and data integrity, I think, is the word phrase there.

The opportunity of course is significant. And NAB commissioned Deloitte Access Economics last year to actually provide some insight to that, and I think it's $20 trillion out to 2050 in terms of investment. And I think it's something on a global basis around a hundred trillion. So clearly, there is a quite significant commercial opportunity for those that are able to engage well in the transition, and position themselves to benefit from those outcomes. And I think, for a bank like NAB, there is also that lens where you are looking at it from a strategy perspective and thinking about, well, how is this influencing sectors of our business, be it in corporate and institutional bank, be it in our business and private bank or our personal bank, and what do we need to be doing in order, one, to support customers in that transition?

Do we have the right financing tools, products and insights, that we can actually help finance customers as they need to spend the capital that they do need in order to transition? Are there things that we can be doing in terms of investments that we make, in order to provide some additional insights for their benefit as well? So there are definitely challenges, and there are definitely opportunities. I'd like to talk about the banker who stands in front of a customer, who's also wanting to engage in discussion in terms of how they can add value, that is both a significant challenge and a significant opportunity. So there's lots of side by side challenges and opportunities.

David Jenkins:

Thanks, Jackie.

And one for Connie now. Connie, as one of the four majors in Australia, we bank the entire economy of the country, and our role as a relationship banker is to help our customers and support them through the climate transition. Now, no doubt, there'll be many challenges with this and challenging conversations along the way. Could you talk us through some of the challenges for the harder to abate sectors, and how NAB's looking to work with customers to overcome these?

Connie Sokaris:

Thanks very much, David, and good morning, everyone. I think we talk about challenges a lot, but actually, we know that our customers are doing a lot of the heavy lifting already. And we've interviewed 82 of our top 100 emitters, and what we found is that, 80% of them have mature transition plans already in place. And so when we talk about transitioning and what is our commitment to net-zero banking, it's that, we will work with our customers to help them reduce their emissions. And when I think about that, some of the sectors are easier than others. So the fossil fuel... Sorry, the fossil sector, when we talk about thermal coal, all across the financing industry, there's some really clear guidelines for our customers around that.

There'll be no thermal coal lending post-2020. We've taken the IEA Science, the International Energy Association Science, which is the 1.5 degree 2050 targets, and also which state that there are no new greenfield gas fields required. Yes, there's billions of dollars of investment in existing gas fields to make sure that we have a just transition, and we are seeing that play in the economy every day over the last 12 months, and how important it is to have affordable and reliable energy. And so being able to transition is really important.

But when I think about the fossil fuel sector, the challenges there are really about making sure that we deliver what we need to deliver, and we help our customers transition and diversify their operations. And you'll look at some of the things that we've published around gas, where we have stable limits at the moment on how much we'll lend into that industry. We then, from 2026, we'll see how we start to reduce that as renewable energy and electrification really takes hold, and all the investment that both the private and the public sector are making in electrification will really start to bear fruit.

Now some of the other sectors are a little bit more challenging, in the sense that, they're not as clear cut, and we also know that they're hard to abate. So if we think about transport, we think about steel. They're sectors that require new technology. I'm always really pleased and also excited to see, when I go out and I talk to customers, to see some of the innovation that's happening at the moment. We've got some of Australia's largest industries really pivoting into, whether it's carbon capture, whether it's green hydrogen, whether it's really looking at nature capital and biodiversity in agriculture, our customers are not waiting for someone to tell them what to do. They're actually going out there and working out what it is they may need to do, how will they go about doing it, and how do they experiment? And I think the role for National Australia Bank, as well as the finance sector in general, is to really help our customers deliver on their aspirations and their ambitions to have sustainable business models. And that does include being carbon neutral by 2050, which most of our clients see.

Some of the challenges I think in that business end of our portfolio is, those customers don't have as much data. They're not sure about how to collect the data that they have to ensure that, whether it's their farm, whether it's some of our manufacturing industry, so how do banks, and NAB in particular, really help them understand their business better, so then they can make the right decisions, not just from a commercial perspective, but also from a sustainable perspective, because we know that the two absolutely collide not in the too distant future.

David Jenkins:

Thank you, Connie.

And this one to both Connie and Katrina, it appears that there might be a liquidity crunch looming for the global economy later on in this decade, between 2027 and 2030, and that may have some implications about the ability to seek financing to support this massive flow towards decarbonization that's so critical. How should treasurers at the corporate and financial institution level be thinking about that?

Connie Sokaris:

So I think if I was a treasurer, or actually, if you're the executive leadership of any organization in Australia or across the globe, I think the first important step is to make sure that ESG decarbonization is not a strategy that sits on the side of a desk, that it isn't commercial. We work out the commercial side of our business, and then we are doing things in relation to decarbonization that don't sit within that broader strategy.

The customers that we are seeing that are really driving huge outcomes and really moving the dial around their transition plans and how they get there is ones that have ESG at the core of their strategy as one of their key pillars. And once you have that, then it does impact all the other decisions that you are making, around investment, around how you fund yourself, around capital. And they are the things that I think put all companies in good stead.

I don't like to think of it as a credit crunch as such for the economy. I think banks, and I hope NAB, but banks in general will do a very good job over the next few years about talking to their customers around what their NZBA commitment looks like, what the trajectory is for getting to net-zero by 2050, and how the performance of those companies are actually aiding that or are going slower than what we expected them to do. So when that happens, it's not about, we will not lend to you. It's actually, how do we help you meet the commitments you had made? How do we help you speed up what you're doing? And are your transition plans credible? Are they the type of transition plans that are doing the right thing to keep your business sustainable?

And what I think will happen is, you'll see a risk premium rather than a pure liquidity crunch at that point, where you're seeing companies that are not meeting their net-zero targets, or their transition plans are not in a sustainable way that we think are going to meet the 2050 targets. I think that's where the risk premium for financial organizations will come in. And once you sort of go past that 2030 period, things like stranded asset risks start to play a bigger role than they do at the moment. And so what I think you'll see is more of a risk premium and less than an industry credit crunch as such. I will say though that, as a treasurer, and someone who's really looking at that funding piece, looking at the balance sheet and looking at how your company is meeting their transition targets is really important.

And that's why we are seeing a really larger majority of our customers drive their transition planning into their funding plans. So sustainability linked to loans which are KPI-led, it's not just about having that lower pricing point or getting a basis point advantage for meeting your KPIs. It also means that you're tracking that the organization is heading in the right way. So if I was the treasurer or the CFO, I'd be really interested in how my company and how my peers who are accountable for making sure that those transition plans are on track. I'd be very interested in that.

David Jenkins:

And, Katrina?

Katrina Cuthell:

Connie, I think the point you made about putting ESG strategy right at the heart of an organization strategy is really important. And as we look particularly to some markets like Europe, where there are organizations that are quite advanced in doing that, we see that they've found opportunities for both efficiency and cost reduction, as well as opportunities for revenue growth, for example, how they price through their supply chain that have enabled sort of winners to start to emerge industry by industry, because they've thought about that overlap between decarbonization, and the revenue and cost drivers of their business. And they've found ways to differentiate and grow, while at the same time, delivering on their decarbonization plans. And I think, as we get closer and closer towards 2030 and beyond, we will start to see some winners emerge, who are thinking more proactively and in a more integrated way.

The other thing that we are seeing too is proactive thinking around adaptation and mitigation of businesses. You mentioned transition risk. Also, physical risk in some industries is really coming to the fore. And many organizations have been quite proactive in thinking through, what are those physical risks that could manifest in our business, and how are we changing our business model to proactively address those, and invest behind making our business more resilient.

David Jenkins:

Thank you, Katrina.

And this is one for the broader panel. It's not all doom and gloom, and there are plenty of opportunities as we move into this transition, examples being some of the technological developments, especially in the electrification, which will be one of the biggest levers we can pull of our grid. Can you give us some of your thoughts on the potential opportunities, please? Maybe, Jackie, start with you?

Jackie Fox:

Yeah. Thanks, DJ. Oh look, when I think about it, I think about things like, in the aviation sector for example, the investment that's going into sustainable aviation fuel. Now that's fantastic, and how might that also benefit some of our agri customers. When we think about the role that carbon credits will actually play, and there's so much information out there and debate around the integrity of carbon credits, which there should be, but it's very clear there's a role that they will play. And one of the opportunities in the ecosystem, not just from a pure trading perspective for example, or position there, it's about understanding the ecosystem that this issue touches. And that's where the opportunities are, and how do we support customers in those opportunities. There are things that we are working on today. There's things we've recently announced like our engagement with Carbonplace for example. But there are other tools, other products and services and investments that we are needing to make in order to support our customers.

Another piece that I think about often is, when we think about electrification of the household sector, for example, you're thinking about all the various influences in around the household sector. So clearly, solar panels is clearly one. EVs are clearly another, and it's great to see, as a country, we're focusing more on how we get the right EV infrastructure to support. And we know that there's manufacturers that are going to stop making combustion engines, and we need supply chains to open up to get those things in, and there's incentives being put in place to support from a fringe benefit tax perspective. So we see opportunity in those spaces too.

But sometimes, I also think about the adjacent pieces as well. How do we think about the construction industry? How do we think about electrification of construction sites, not just from a pure reducing carbon emissions perspective, but the benefits on reducing the electricity usage in charges from a cost efficiency perspective, let alone the health and safety benefits that would be derived from lower noise volume? There are some countries already thinking about mandatory use in construction sites, by 2025, maybe a year or two beyond. And I think we'll see more things around those. So I think about opportunities, it has to have commercial sense for customers, as well as the right thing to be doing from an environmental perspective. And where you get that real understanding in the intersection of that is where those commercial opportunities will accelerate.

Now having said that, we still need to rely on some technology advancements as well, and that's a known, and Connie referenced before, the amount of advancement that's going on is quite material actually. And there are a lot of customers, or industries and companies out there doing some really fantastic things. And there's things that we don't talk a lot about, but we also know there's innovation going in and around feed stock for cattle, which burping is a significant greenhouse gas emission. So at the end of the day, if we can reduce the methane from burping, that has a significant impact, not from a financed Scope-3 emissions lens, but from just a carbon emissions land in the agri footprint. But how do we get these things into mass market, where are the commercial opportunities in and around those things, I think, is the core.

And I might just add, and it's been referenced a couple of times, and even with my own role here at NAB, as the Chief Climate Officer, where do we put that role? Pleasingly, we've put that role in our strategy and innovation area. And so that is at the core of our strategy, our innovation and partnerships. And I think, that's where we will be able to do our best work for what we need to do and the role we need to play, in order to catalyze the climate transition and support our customers. So very pleasingly, that's where we've put our role, and I definitely would encourage others, which has been mentioned, I'm repeating the same thing, to really intersect with your strategy, and the execution of your strategy, and all the prioritization that people and companies need to manage, not just from a climate lens, but many other prioritization areas that they need to focus on.

David Jenkins:

Connie or Katrina, anything to add to that?

Connie Sokaris:

Oh look, I might just add that, we know that commercialization of some of these technological advancements that we're seeing, whether it's in things like carbon capture or we talked a lot about soil... Well, sorry, the agri piece around the methane, but also soil and carbon capture in how many trees do we plant and how we plant them. I think the finance sector has a really important role to play here, in ensuring that we help our customers commercialize some of these opportunities, more quickly than they normally would.

And what I mean by that is, we know that debt is always cheaper than equity, but it likes to see less risky projects. And so, as we think about things like incentives, or we think about what role does the public sector can play in de-risking some of these projects, I think it's really important that the private sector then really step in through the financial sector, and really make sure that we're backing the right technologies, backing the right customers, to bring some of these to market sooner than they might otherwise have been brought to market.

And that's probably a different type of risk than the banks have normally taken, and it's something that we all struggle with a little bit because of how do we measure that return on that risk. But it is something I know that we are thinking about quite substantially around, what are the new industries that will exist? What are the new employers that will help Australia and the community thrive? And then how do we make sure that we support those as early as possible, where a bank can, so that we are seeing that change drive? And hopefully, matching the transition plans that our customers have, and in particular, beating them. And I do think that the things that we find difficult today will seem much easier in two or three years' time.

Jackie Fox:

And I might add, if I may, DJ, there are definitely good export opportunities for Australia as a country, in and around this theme. We often talk in a domestic lens, but we have a lot of companies out there that are exporters, and certainly, climate and the commercialization in and around the climate transition represents some very good export opportunities for Australia.

David Jenkins:

Thank you. Just a small point, we had a brief break in transmission, so for those that may not have seen the full content, the session will be up online, post the event, but we'll continue for now. Everything seems to be back to normal.

Another question for the broader panel, how important is the topic of incentivizing corporates and companies to invest in the decarbonization trend? And what do you see in the way of a carrot versus stick approach emerging to facilitate this huge scale of investment needed?

Connie Sokaris:

So, I'll hand over to the experts as well, but I think, look, incentivization absolutely works for decarbonizing existing assets, and we know that and we've seen that play out. I mean also, industries. And there are places where the stick is also required, and what we are seeing at the moment is where, in particular in Europe, what we're seeing is a lot of incentives being provided to the domestic industries, and then a stick to the international industries that are trying to do business into those domestic economies. I think, if we look at things like renewable energy, and we see now that, we talk a lot about that renewable energy to construct new renewable energy sources is cheaper than our old fossil fuel plants, that now exists without subsidies. But at the beginning, it started and was only due to subsidies and also really good government regulation around the way that it was regulated and the way that funders got paid.

And so, I think incentives will always have a role to play. And as we are seeing through the safeguard mechanism, there will also be a level of stick that is required, in particular for the highest emitting industries that are not as hard to abate and have really clear alternatives to be able to decarbonize but may or may not want to take them. So I think we'll see a mixture of both. And I do think that this trend of incentivizing and supporting your domestic industries, while making sure that there's not a different competitive landscape for other countries who may not have the same types of regulations and incentives, and not getting an advantage and I think that'll be more of a stick piece.

But, Kristen, I'm not sure. You've probably seen a lot more from the corporate side around this.

Katrina Cuthell:

I would just add a couple of points. The first is that, we do see, to the point you made, Connie, government policy really changing rapidly and overnight having a significant impact on company's ability to meet their transition plans. So for example, the Inflation Reduction Act in the US absolutely overnight transformed the doability of transition plans in a lot of industries, and things like sustainable aviation fuel, for example, were absolutely transformed very rapidly. And we're now seeing the US really on the front foot on things like sustainable aviation fuel.

Secondly, I think incentives can also apply in a more micro sense through a supply chain. So we are seeing some consumer facing industries be able to charge a price premium, if they're able to demonstrate to consumers that their products and services meet certain sustainability outcomes. And they're able then to pass that back through the supply chain. The food supply chain is a great example of that, and certainly, in Europe, we're seeing significant advancement in consumer willingness to pay a premium, and that flowing right back through agriculture. And I think that's really important.

And more broadly, we are seeing a really strong correlation between consumer loyalty to certain brands, and the extent to which those brands are demonstrating real tangible action on climate. And we've seen this measured through NPS. So the NPS, or net promoter score, of those organizations, where consumers can see tangible action on climate, much, much higher in many industries than those where consumers don't see that. We also see that flow through to loyalty on the talent side. And in a world where there's a lot of scarcity of top talent, we are seeing strong correlation between employee engagement scores and the extent to which individual employees believe that their company is being proactive. So sort of happening at all levels.

Jackie Fox:

To actually give some data to that statement, Connie and I were in a session this morning actually, where there was a survey undertaken in terms of choosing the right result, and I think it was for Gen Zs. 71% of Gen Zs hold climate action as a critical item for them, in terms of who they choose to work for. So one to be mindful of.

Connie Sokaris:

And especially in a very tight labor market. When you're thinking about, how do you attract talent? This is an absolute critical lens that our young up and coming and smart and ambitious talent are thinking about, and will choose or not choose where to work, based on whether they think their values align.

Jackie Fox:

But, DJ, I might also just add another couple of words in terms of the stick and carrot, and obviously, there's a role for both. And I think we'll see countries use them in different ways, and I think it's also helpful for Australia to look and learn in terms of other jurisdictions in what they're seeing and how that's transpiring. Are there indirect consequences to those types of things that we need to learn from? And I think this is probably a really important point. We are going to continue to learn along this journey. We've had a few years of learning already, but the learning's not going to stop.

And I think, again, the agri sector's playing on my mind. NAB is a big agri bank, and we also have our BNZ, our subsidiary over in New Zealand. That's a big agri bank as well. And New Zealand have introduced a carbon tax on agri. Not sure Australia's looking to do the same, but what do we learn from that? What are the types of things that are deeply concerning the farmer? And there's some nuanced difference between sectors and jurisdictions obviously, but there would definitely be a role to play. I like the idea of incentives in hard to abate areas, where research and development is really needed. And I think, the more we can do in and around that, the better it will be for those hard to abate sectors.

David Jenkins:

Thanks, Jackie. We've got around five minutes left to take on some of the audience questions. I might just perhaps start with Katrina. The EU's Carbon Border Adjustment Mechanism, the CBAM that was supported at the end of the year, comes into effect from October this year. What do you think the impact of that will be here in Australia? I don't think it's really fully understood just how far reaching it could be.

Katrina Cuthell:

And I do think this point was made earlier, this will have implications for organizations and companies that have big exporting businesses. I think also what's happening, as we look at government policies and actions around the world, there's actually a lot of spillover that happens, where governments are taking inspiration from other governments around the world and thinking through, how can we make sure that our economies decarbonize and transition? And so I think, as we look at governments and countries take these steps, then we need to think, well, how could the Australian government respond, and what could be on the horizon for us here?

David Jenkins:

Just on that theme, I mean, collaboration is a topic that's front and center here. The challenges is not something that government alone can do or the public sector can. Is there enough collaboration ongoing at the moment between the consumers, the corporate, the business sector, governments and the regulators in general in Australia? If I just put that to the panel.

Jackie Fox:

Oh, I might have a crack, but please.

I come from a position where we can always do more. But it is, I think, pleasing in particular in the last 12 months, where we're seeing our government proactive and reaching out into private sector more, and learning also from the work that the private sector has been doing. And so I think that's fantastic. But could we benefit from more collaboration? 100%. That's just not banks and government or big industry and government, but industry bodies that represent consumer elements I think is important as well. We need all the voices at the table, and the better we can have that, I think the better outcomes and more balance in the outcome that you're trying to achieve. You're just more informed in that.

And I think, even about that question on data, how do we use blockchain to improve data integrity? Because data integrity is critical. Even when we think of the product from the ground or the cattle, all the way through the chain, there will be data integrity issues in and around that. And how do we get that right? There shouldn't be competition in data. The competition should be in insights, outcomes, product quality, those types of things.

Connie Sokaris:

I was just-

David Jenkins:

Sorry, Connie.

Connie Sokaris:

Sorry, David. I was just going to add that, I absolutely agree with Jackie, but I also think we have to really acknowledge where we've come from. And if I think about the last five or six years, as we've been looking at how do we help decarbonize, especially in the Australian economy, in a really just and sensible way, we know that our consumers and our colleagues. So if you are a corporation, you know that all your customers and all your employees are very keen to see you do the right thing, and to have really strong plans and to be a real responsible corporation in Australia, doing the right thing and having long-term plans around that.

And I think, previously, both consumers and employees felt that the government wasn't doing enough, and so we're asking their employers to do more. And I think we've now got into a really good spot where we now have some really clear policies from government. We continue to see them evolve. And what's been really pleasing for me, which is something that you absolutely see in Europe, and are now starting to see even more in the US, is just some of those micro policies, not just 43% reduction, which is ambitious and the policies are being put in place, but what are we doing around EV vehicles? What are we doing in certain micro sectors? And so, that's really starting to play out, and so I absolutely agree, we always could be doing more and improving.

But the journey that we've been on over the last few years, we're in a very strong position. Government is listening. We're also learning from government around what they want to see happen. And importantly, they're not just working with a private sector from a company perspective. They're also working with all the industry bodies that have really got representation across corporates, across the finance sector, into our indigenous communities. The importance of the indigenous voice, as we decarbonize Australia, is very important and that's starting to be acknowledged. And so I think we've got a lot more to do, but we've got to be proud of where we are and how quickly we've come here in a short amount of time.

Jackie Fox:

Yeah. I think they're really important points, Connie. And even traveling internationally, and I'm sure others in the audience that would've experienced this as well, question in terms of, what is Australia doing on the policy front, and it's really pleasing to see that forthcoming now. It feels coming fast sometimes, and trying to read and keep up to speed with everything, which I'm sure others feel the same, but it's definitely very well received to see it coming and give a bit more certainty in terms of what our position is.

David Jenkins:

Okay. Thanks, Connie, Jackie and Katrina. We'll have to wrap up now. Move along to our next panel. But as I said before, the panel will be up online, and please do feel free to send through questions and we'll follow up post the event. So over to you, John and Sarah.