Submission - Investing in cheaper, cleaner energy and the net zero transformation

WWF-Australia and the Australin Conservation Foundation (ACF) appreciates the opportunity to make a submission to the Productivity Commission's inquiry into *Investing in cheaper, cleaner energy and the net zero transformation* (Pillar 5). Our feedback is specific to "Section 3: Speed up approvals for new energy infrastructure".

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1. **Are planning and approvals processes for large energy infrastructure taking too long? If so, what causes the most delay?**

Rapid development of renewable energy infrastructure is an urgent national priority, but development should not come at the cost of further biodiversity decline.

Poor siting decisions, and lack of clear outcome based rules to guide the design of development contribute to unnecessary delays and can be addressed by administrative and legislative reforms (detailed further below).

In relation to what causes delays, renewable energy infrastructure is often required to undergo a number of state and federal based planning and environmental assessment processes. Many of these processes play an important role in ensuring the energy transition is done in a way that minimises impacts and ideally benefits people and nature. As such it is important that accurate data informs where and when delays may be occurring so that any attempts to 'reduce delays don't undermine why these assessments are there in the first place.

A lot of our focus has been on the environmental assessments of renewable energy projects. In October 2024, WWF-Australia commissioned a report by Western Sydney University to understand whether, where and why bottlenecks in the energy transition were occurring (follow up attachment to be provided). The study found that:

- Environmental assessment timeframes are highly variable depending on technology type and jurisdiction. Between 2017 and August 2024, Federal decisions on 107 solar and wind projects were made in under a year, often in parallel with other project development processes.
- Out of the 188 projects referred for EPBC assessment only 2 have ever been rejected on environmental grounds. One third of projects approved were subject to conditions.

The project also found that there was a lot of variability across states even where projects had existing bilateral agreements in place. There was also no obvious consistency in the ways in which decisions were being made and no obvious reasons for delays based on impacted threatened species.

2. **How can planning and approvals processes be sped up without unduly compromising regulatory standards?**

Australia's current levels of biodiversity protection are not preventing biodiversity decline, and this needs to be urgently addressed by improving "regulatory standards". Compromising current regulatory standards for biodiversity protection would be an unacceptable outcome to resolve assessment process challenges.

Environmental assessment processes act as the bare minimum guardrails to minimise environmental impacts from the energy transition. Even then, Australia's natural environment is going backwards and more needs to be done that goes beyond meeting current regulatory requirements. Any efforts to "fast-track" approval decisions need to be based on strong evidence of where and why bottlenecks are occurring so that projects are assessed consistently, comprehensively and transparently. If project assessments are inappropriately fast tracked, without strong evidence and at the expense of environmental protections, it can slow down the transition as it can reduce social licence and further degrade Australia's natural environment.

Australia's energy transition presents a critical opportunity to address both the climate and nature crises together and contribute to both a Net Zero and Nature Positive future. ACF and WWF-Australia understands the need for a fast energy transition that helps us to achieve our emissions reduction targets aligned Australia's duties under the Paris Agreement to pursue efforts to limit global average temperature rise to 1.5 °C**.** However, it is critical that the transition works in a way that is best for nature and just for people. Benefit sharing and doing the transition well in a way that sees benefits flow to regional economies unlocks greater social licence and community support for even greater levels of clean energy infrastructure.

Large scale clean energy infrastructure is rolling out across regional Australia and will continue to pick up pace and scale. For Australia to meet its climate and renewable targets the Australian Energy Market Operator forecasts that roll out needs to be at least 7 times the amount of utility scale wind and solar and more than 10,000kms of transmission lines, along with storage facilities such as pumped hydro and batteries[1]. For Australia to realise its superpower potential to grow new green industries and phase out fossil fuel exports this will require even more.

Right now, there are legitimate concerns surrounding individual renewables projects, some of which have led to habitat destruction and impacts on threatened wildlife. This undermines Australia's ability to meet its targets to halt biodiversity loss and restore degraded ecosystems, erodes trust in the energy transition and increases community opposition to renewable energy.

Fortunately, there are ways to improve the processes to achieve faster decisions and better outcomes. A lot of these solutions depend firstly on prioritising and finishing Australia's nature law reforms.

Australia's national environmental law, the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) sits at the centre of Australia's complicated federal system of environmental protection. It recognises the Commonwealth government's responsibility for ensuring the protection of "matters of national environmental significance" (MNES).

Review after review (most recently the Samuel Review) has found that the EPBC Act is broken, that it is not achieving its environmental objective and does not work for business.

The assessment and approval of renewable energy developments is now a large part of the administration of EPBC Act, with renewable energy projects now trending toward half of all assessments and approvals under the legislation. EPBC Act reform is now an urgent priority to ensure the rapid development of renewable energy infrastructure while protecting threatened species, World Heritage sites, cultural values and internationally recognised wetlands covered the Act.

Critical components of the reforms include:

- **National Environmental Standards** ensuring assessments and approvals are guided by clear and legally enforceable outcomes-based standards, re-orienting the current system from its process heavy and highly discretionary approach. Standards can be used to deliver much clearer guidance up front on unacceptable

[1] https://aemo.com.au/-/media/files/major-publications/isp/2024/2024-integrated-system-plan-overview.pdf?la=en

impacts to be avoided and can also form the basis for other more strategic and effective approaches to project approvals, such as regional planning.

- An independent, expertise based, accountable **Independent Regulator**. The current model of administration of the EPBC Act rests notionally with the Environment Minister as decision maker but in practice is largely the responsibility of the Commonwealth environment department acting under delegation. This model has not delivered effective environmental outcomes and contributes to inefficient management of assessments and approvals. While an independent regulator is not a panacea that will automatically solve these issues, institutional reform is a critical complement to national environmental standards and will see the Commonwealth much better placed to administer the EPBC Act effectively and in a manner that increases community confidence in the system.
- **Reliable environmental data and reporting** (Environment Information Australia). Across most of Australia, businesses that want to do the right thing and avoid major impacts on biodiversity do not have reliable, accessible spatial data to guide them. In many cases they need to invest in this themselves creating additional cost and delay. Yet there is a considerable amount already in existence that can be made more accessible or fit for purpose. We need a trusted institution that can make available essential datasets for planning and decision making, helping business to plan where development can more easily occur including specific requirements of national environmental standards, and guiding restoration and other conservation planning across the country. Such an agency should also invest in targeted data collection where necessary to increase comprehensiveness of spatial data over time. The other key function of an agency such as Environment Information Australia would be to collect data, monitor and report Australia's progress against the Global Biodiversity Framework targets and the Nature Positive goal, as expressed through Australia's Strategy for Nature 2024-30.

Once the three major reform components are in place and the national environmental standards are finalised - they can support regional planning, strategic assessments and possibly other accreditation processes, as envisaged by the Samuel review.

The three core elements of nature law reform – legislated standards, independent regulator, and EIA - are interconnected and should be considered and legislated as a package. In parallel to reforming nature laws, Labor's commitment to reforming cultural heritage laws needs to be delivered to better protect First Nations' cultural heritage from development impacts.

In addition, there is a need to address state-based issues that are slowing down the transition. In late 2024, WWF-Australia released a report with Herbert Smith Freehills (HSF) with 10 recommendations to improve the planning and environmental approvals framework in Queensland (QLD) to support a fast and ecologically sound energy transition. The report highlights the steps both the public and private sector can take to support the State's target of 80% renewables by 2035; and WWF-Australia's national target of 700% renewable generation by 2050.

The development of national environmental standards is an opportunity to commence broader reform across jurisdictions, to make environmental planning and assessment standards consistent and best practice across state and federal government. Such national reform to harmonise approval requirements across jurisdictions based on national environmental standards will come after the EPBC reform process itself, but will be a critical enabler of Australia becoming a renewable energy superpower and delivering a future made in Australia.

ACF and WWF Australia makes the following recommendations to ensure the clean energy transition happens in a fast, ecologically sound and just way:

- Prioritising and finishing the full reforms to the EPBC Act within the next 12 months
- Greater investment in environmental assessments capacity: clean energy transition projects should be prioritised and resourced to ensure decisions are not delayed due to lack of capacity
- Investment in regional environmental data and data sharing models: Supporting data sharing and coordination would improve outcomes for industry, government and communities
- Prioritising regional planning and siting guidance: it is critical renewables and associated infrastructure are sited away from areas of high conservation values

- Better practice through procurement and incentives**:** governments can drive best practice through strengthening environmental criteria within procurement (eg. Capacity Investment Scheme)
- Improving community engagement and benefit sharing**:** A model such as federally funded Local Energy Hubs would go a long way to support communities engage with and benefit from the transition in a constructive way.
- Enhancing nature through the energy transition: Through coordination and alignment of incentives such as a dedicated regional environmental benefits fund for Renewable Energy Zones, the energy industry can make a significant contribution to nature positive outcomes.

3. Should clean energy projects be treated differently to other projects for the purpose of environmental and other approvals? If so, how?

WWF-Australia has previously advocated for renewable energy projects to be at the 'front of the queue' for assessments based on the urgent need to meet climate targets and ACF supports this view. We continue to see the need for prioritisation of renewable energy over fossil fuel projects in planning and environmental approvals. However, we urge caution and do not consider that the climate benefits of renewable energy projects should be grounds for overriding environmental protections.

We do not support fast tracking of environmental approvals for renewable energy projects and calls through an Overriding Public Interest (OPI) requirement like what exists in Europe. An OPI would prioritise the climate benefits of renewable energy on global biodiversity over the localised impacts of projects on threatened species and ecosystems.

Fast-tracking environmental assessments through an OPI approach is *not* the solution and would only further degrade Australia's biodiversity and further weaken public support for the energy transition. Other solutions exist to ensure environmental assessments for clean energy projects are clearer and faster, without losing rigour. These solutions would enable Australia to ensure it is both addressing the climate and nature goals at the same time, not one at the expense of the other.

Australia leads the world in mammal extinctions. 104 species of plant and animal have been made extinct since colonisation and today more than 2,000 Australian animals and plants are at risk of extinction. This number is increasing and our threatened species populations are declining by over 2% annually. The koala is on track to be extinct in NSW in 15 years.

Australia is the only developed country listed as a global deforestation hotspot. The EPBC Act is aiding this destruction. Weak national and state nature laws continue to enable broadscale clearing and destruction of threatened species' habitat which is exacerbating our extinction crisis.

Professor Graeme Samuel lead a comprehensive review of the Act five years ago. He concluded: "Australia's natural environment and iconic places are in an overall state of decline and are under increasing threat. The EPBC Act is ineffective. It does not enable the Commonwealth to effectively protect environmental matters that are important for the nation. It is not fit to address current or future environmental challenges."

Strong nature laws will help slow the degradation of our precious environment and improve business certainty through more predictable decision-making and streamlined assessment processes. Reforms are critical to delivering a Future Made in Australia and fast-tracking a nature-positive renewables rollout across the country, speeding up approvals, ensuring things are built in the right places and improving social licence.

4. What can be done to build local community support for new energy infrastructure projects?

Earlier this year ACF and WWF-Australia released a report titled "Our Renewable Future: a plan that is good for people and nature". This plan outlines key steps that governments, industry and communities can take to ensure that the energy transition is not only fast but also delivers benefits to regional communities including First Nations people and our natural environment.

Benefit sharing needs to go beyond simply doing community engagement better and consider the broader opportunities that this significant transition can bring to local communities and the environment. In particular, there are significant opportunities through enhanced regional coordination to deliver landscape scale environmental outcomes through renewable energy projects.

Renewable energy projects will bring billions of dollars to regional areas in the coming decades. To make sure communities get the best deal, governments must invest in support to help them understand benefit-sharing options. By fostering partnerships between developers, First Nations people, Landcare, and local groups, we can ensure these projects deliver lasting benefits: for people, nature, and the places we call home.

There are now many best practice guides for benefit sharing from renewable energy projects, most notably the First Nations Clean Energy Network, Clean Energy Council and RE-Alliance. However one of the biggest gaps at the moment is independent, localised advice and support for communities to navigate the transition, including dealing with disinformation and misinformation and consultation fatigue.

A federally funded but independently governed Local Energy Hubs network, which many groups are now calling for, could provide this support for regional communities. sIn addition, strong investment in the newly announced First Nations Clean Energy Strategy will also support positive outcomes for First Nations people throughout the energy transition.

5. **Please outline any evidence showing the productivity benefits of faster approvals for energy projects.**

The productivity benefits of faster approvals for renewables needs to be considered beyond direct economic benefits of the projects themselves but also from the broader productivity benefits of nature protection.

We are losing nature at an alarming rate—the last Australian State of the Environment Report explained this in detail with a dire picture of ecosystem collapse, accelerating species extinctions and failing environmental protections. This chronic lack of investment into protecting nature is a major contributor to this ongoing decline. Every year we fail to invest in nature, it gets harder to repair and recover.

Nature is essential to our survival, well-being and prosperity. About half of our economy, worth about $900 billion, depends on nature[2]. So, the impact of losing more of it is huge. In fact, the World Bank estimated that if nature declines at Australia's current rate we will lose about $16.8bn a year from our economy by 2030. The flow-on effects on Australian productivity cannot be overstated.

The opportunity for Australia to become a Renewable Energy Superpower promises huge increases to Australian economic productivity. Providing faster assessments of renewable energy projects is critical to ensuring investor confidence and developer certainty. But this must not come at the expense of the natural environment upon which so much of our prosperity and productivity is based. Therefore, we need to ensure that we fast track renewables without weakening nature protections.

[2] ACF (2002). The nature-based economy: How Australia's prosperity depends on nature.

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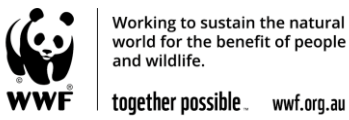

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