Investing in cheaper, cleaner energy and the net zero transformation inquiry

Questionnaire response 12

Name: Clean Energy Investor Group

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1. Reduce the cost of meeting carbon targets

1. What could be done to improve the cost-effectiveness and alignment of policies to reduce emissions across the industrial, electricity and transport sectors?

Clear and consistent policies across jurisdictions are essential to unlock investor confidence and reduce risk premiums. Policy uncertainty and regulatory inconsistency currently inflate project costs and delay deployment, particularly in the clean energy sector. Greater alignment between federal and state emissions reduction ambitions is urgently needed. Moves to repeal or weaken state-level targets — as seen recently in Queensland — risk undermining investor confidence and delaying the energy transition.

Cost-effective decarbonisation also depends on better coordination of investments in renewable generation, transmission, and battery firming/storage. This requires faster transmission approvals and delivery, a fit-for-purpose market design, and a robust strategy to guide the firming technology mix. Without this, the electricity sector cannot transition away from ageing and increasingly unreliable coal plants in a way that maintains reliability and affordability.

With the right policy architecture in place, Australia can unlock over $421 billion in clean energy investment, drive down emissions, and deliver enduring economic benefits.

2. Are there gaps in the emissions-reduction policies in the industrial, electricity and transport sectors which should be addressed?

Yes. From the perspective of clean energy investors, there are critical gaps that must be addressed to accelerate emissions reductions and unlock investment across key sectors:

• Lack of a clear long-term signal: Australia must set an ambitious, science-based 2035 Nationally Determined Contribution (NDC) to guide investment decisions and clearly signal its commitment to deep decarbonisation.

• Inadequate market signals for battery storage and firming: Current policies do not provide sufficient investment signals for battery storage and firming capacity to replace retiring coal generation. This poses a risk to both emissions reduction goals and system reliability.

• Need for a comprehensive Firmed Energy Strategy: The National Electricity Market (NEM) lacks a clear, evidence-based strategy to determine the optimal mix of firming technologies. While the Australian Energy Market Operator (AEMO) Integrated System Plan (ISP) relies heavily on gas, recent CSIRO analysis shows battery storage is increasingly the most cost-effective solution. A coordinated strategy is needed to ensure firming investments align with system needs, not legacy assumptions, and to give investors confidence in long-term policy settings.

• Misalignment between state and federal policies: Inconsistent or conflicting emission reductions policies across jurisdictions create uncertainty for investors.

• Delays in transmission build-out: Grid access and transmission congestion are major

barriers to deploying new clean generation. Emissions reduction cannot proceed at pace without urgent acceleration of the ISP build-out.
• Constraints on wind farm development: Strict siting, construction, and lengthy biodiversity assessment requirements, many of which are not applied to other industries, limit project envelopes and reduce certainty, despite renewables being key to achieving net zero and protecting biodiversity. There is a need to consider the climate benefits of renewable energy generation.
• Regulatory timelines and net zero mismatch: Current approval timeframes for renewable energy projects are out of step with the urgency required to meet Australia's emissions reduction targets.

3. Are there any duplicative emissions-reduction policies in the industrial, electricity and transport sectors which could be streamlined?

No comment.

2. Speed up approvals for new energy infrastructure

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

CEIG members consistently report that planning and environmental assessments for clean energy projects are taking too long and are a key source of project delay, cost increase, and investment uncertainty.

The most common causes include:
• Fragmented processes across jurisdictions, requiring developers to engage with multiple agencies with overlapping or inconsistent requirements.
• Lack of clear, consistent guidance from regulators, particularly around cultural heritage and community engagement expectations.
• Insufficient agency resourcing, leading to assessment bottlenecks and long turnaround times, growing backlogs, and staff turnover.
• Lack of coordination & duplication between state-based assessments and Commonwealth EPBC Act assessments.
• Poor data availability and mapping tools, particularly in relation to land use constraints, environmental sensitivities, and cultural heritage values, leading to information gaps and assessment delays.
• Changes to state-based regulatory requirements mid-process, often with limited transitional arrangements. This creates significant uncertainty for developers, increases project risk, and can undermine the commercial viability of projects already well advanced in the pipeline.
• Lack of a single, empowered coordination body or lead agency, resulting in a lack of accountability for overall timeframes and outcomes.
• Conservative assessment pathways, especially for wind farms, impose disproportionate requirements on renewables not applied to other industries. In Victoria, most wind farms require an environmental effects statement (EES) even when a planning permit would suffice, with scoping often misaligned to actual impacts. Similar issues exist in NSW, where secretary's environmental assessment requirements (SEARs) are not tailored to project context.

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

CEIG recommends:
• Establishing clear and enforceable statutory timeframes for all approval stages, alongside improving efficiencies by aligning key State and Commonwealth assessment processes, such as coordinating public exhibition and submission responses and consolidating reporting requirements, to streamline assessments without compromising regulatory standards.
• Creating a dedicated, well-resourced coordination body to streamline assessment and decision-making across agencies.
• Introducing a single point of contact or lead agency for renewable energy and transmission projects to reduce duplication and clarify responsibilities.
• Early and balanced regulator engagement through pre-lodgement review of draft documentation to ensure requirements are met and avoid post-submission delays.
• Improving data sharing and mapping tools, particularly for environmental, land use, and cultural heritage constraints.
• Enhancing resourcing and capability of assessment bodies, including local and state governments, through targeted funding, training, and the appointment of a senior facilitator to review assessment unit feedback before it is shared with proponents to ensuring feedback is consistent, targeted, and relevant.
These reforms would improve predictability and efficiency without compromising regulatory standards, environmental or cultural protection.

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

Yes — clean energy infrastructure is essential for delivering on Australia's emissions reduction targets as well as low-cost reliable energy and should be prioritised accordingly. Unlike other sectors such as rail, road, and mining, renewable energy projects often lack access to streamlined pathways and face more complex or inconsistent approval expectations.
CEIG supports:
• Strategic assessment frameworks that enable upfront consideration of renewable energy zones and corridors.
• Recognition of climate benefits as a relevant consideration in assessments.
• Tailored guidance and pathways for renewable energy, storage, and transmission projects that reflect their public benefit and role in decarbonisation.
• A more risk-based approach, where low-impact clean energy projects can access simplified or fast-tracked processes.

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

Building strong community support for new energy infrastructure requires coordinated government messaging about the role of clean energy in supporting regional economies and driving the energy transition. Currently, the responsibility of educating communities and addressing misinformation falls largely on project proponents, and greater support from government is needed.

It is also crucial to stablish strong social licence and clear community benefit guidance that sets mutual expectations and delivers shared benefits. Early, transparent engagement and genuine partnerships with local communities help reduce opposition,

avoid delays, and improve project outcomes. Community benefit sharing—through financial contributions, infrastructure upgrades, local job creation, or education initiatives—demonstrates long-term value and aligns project goals with community needs.

State governments have a vital role in providing coordinated, consistent frameworks for community benefit sharing, with clear guidance that sets clear expectations and prevents fee duplication. Beyond traditional benefit funds, innovative approaches like community co-ownership, local procurement, and neighbourhood enhancements can deliver more meaningful outcomes.

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

• CEIG, Mar-25, The cost of no renewables report: https://www.ceig.org.au/wp-content/uploads/2025/03/2025-03-CEIG-The-cost-of-no-renewables.pdf
• CEIG, Dec-24, Review of the EPBC Act: https://www.ceig.org.au/wp-content/uploads/2024/12/HSF-x-CEIG-EPBC-Act-Report.pdf
• CEIG, Apr-24, Decarbonising Australia: Accelerating our energy transition with a credible 1.5 degree C scenario: https://www.ceig.org.au/wp-content/uploads/2022/07/CEIG-x-Baringa-Report_2023-Final.pdf

3. Encourage adaptation by addressing barriers to private investment

1. What are the barriers and enablers impacting decisions by owner-occupiers, landlords and developers about how housing is built and updated over time so that it is resilient to the effects of climate change?

   The participant did not respond to this question.

2. What information do people need to make decisions about where to live, how to build and how to upgrade their homes to appropriately factor in climate change?

   The participant did not respond to this question.

3. What are the most cost-effective retrofitting options for improving the resilience of Australia's existing housing stock? What are their costs and benefits?

   The participant did not respond to this question.

4. What role might minimum standards play in ensuring the resilience of Australia's housing stock?

   The participant did not respond to this question.

5. The impacts of climate change are being factored into the regulation of where and how houses are built in different ways around Australia. What does leading practice look like? Where is there room for improvement? Are there lessons we can learn from other countries?

   The participant did not respond to this question.