



Name: Australian Council of Superannuation Investors (ACSI)

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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?

There are opportunities for Australia to develop the policy and regulatory frameworks needed to support long-term decarbonisation. Firstly, the Government should prioritise setting an ambitious 2035 emissions target and finalise sectoral decarbonisation plans which together are expected to outline a viable path to net zero across the economy. These actions would provide investors and asset owners with increased certainty around policy direction, which will ultimately support their ability to invest in companies and projects that are aligned with a net zero pathway.

The roll-out of renewable energy generation, transmission and storage should be a priority; as this would enable electrification and decarbonisation across sectors. There is scope to refine incentives and policy frameworks to encourage private investment in renewable energy assets. Community consultation and environmental considerations should remain important, and governments can take additional steps to build public support and facilitate more efficient project approval processes (see responses to Questions 5 to 7).

The Government also should continue to develop and implement policy mechanisms that create incentives for businesses to drive decarbonisation. Consideration should be given to economy-wide and sector-specific reforms, such as to:

- Refine the Safeguard Mechanism to incentivise decarbonisation across a broader share of the economy and create a more level playing field across businesses (see response to Question 2).
- Develop a targeted border carbon adjustment mechanism to promote the ongoing competitiveness of producers of certain commodities that are subject to the Safeguard Mechanism.
- Broaden targeted public investment in future industries, including to address specific infrastructure gaps or technological limitations which constrain private investment. There should be a focus on industries where Australia can have an ongoing comparative advantage in a low emissions global economy.
- Take steps to ensure that existing policy and regulatory settings support national decarbonisation objectives across all levels of government, including tax, environmental regulation and land planning policies. This should be informed by ongoing analysis of energy project approval times, key pressure points and potential policy responses.

Additionally, the Government, standards setters and financial regulators could seek to enhance the information available to financial markets on climate-related risks and opportunities, building on existing mandatory disclosure obligations. This will support investors' ability to efficiently allocate capital. For example:

- The Australian Accounting Standards Board (AASB) and the Auditing and Assurance

Standards Board (AUASB) could develop sector-specific guidance on climate-related financial reporting and assurance, respectively, which would support decision-useful financial disclosures.

- The Government should also finalise its proposed guidance on corporate transition planning to enhance information available to markets on companies' long-term decarbonisation strategies.

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

Decarbonisation of the industrial, electricity and transport sectors are all essential to reaching net zero across the economy. Reform of the Safeguard Mechanism could drive further decarbonisation in these three sectors, although a broader range policy options should also be considered.

As currently implemented, the Safeguard Mechanism is expected to encourage emissions reduction by large industrial producers. Industrial emissions should be regularly reviewed to assess the extent to which the Safeguard Mechanism is driving real-world decarbonisation.

Further reform of the Safeguard Mechanism is an opportunity to broaden coverage of emissions pricing across the economy. The 2026-27 Review of the Safeguard Mechanism should consider:

- Whether there is a case for expanding the Safeguard Mechanism to facilities with smaller emissions profiles.
- Options for phasing out Trade Exposed Baseline Adjusted (TEBA) provisions, if the Government decides to implement a border carbon adjustment mechanism.
- Options for broadening coverage to the transport sector to create a more level playing field across operators of varying size and mode (e.g. rail versus road freight).
- Potential benefits of expanding coverage to individual electricity generators, including by assessing interactions with existing policy mechanisms.

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

The participant did not respond to this question.

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?

The participant did not respond to this question.

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

Currently, renewable energy developers can face slow and uncertain approval processes.

While projects are typically subject to several regulatory regimes, reform of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) is a clear priority to facilitate faster approvals while also enhancing environmental protection.

The Samuel Review provided a comprehensive and practical set of recommendations

which provide a strong foundation for reform. The Government should recommence its Nature Positive policy development process, consulting broadly and openly.

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

Given the imperative to roll out renewable energy projects and supporting infrastructure at scale, governments and project proponents should consider opportunities to take a more strategic approach to progressing new projects while upholding appropriate environmental and community outcomes.

More specifically, consideration should be given to prioritising and streamlining EPBC Act approval processes for these projects while upholding environmental standards. Efficient approval of clean energy projects should be a specific consideration as EPBC Act reforms are developed.

There may be opportunities to take a place-based approach for projects within the Australian Energy Regulator's Renewable Energy Zones or other strategically defined areas, such as places with grid connectivity. This could potentially improve certainty for project proponents and reduce assessment timeframes.

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

Social licence issues can present significant delays or barriers to energy project approvals. Proponents and governments should consult early to understand and respond to the priorities of groups that may be impacted by developments, including local communities, landholders and First Nations groups.

Public perceptions of the decarbonisation imperative:

To build community support for new energy infrastructure projects, there is a role for governments, companies, investors and non-governmental organisations to convey constructive, forward-looking public messages on the net zero transition.

More specifically, community support will be bolstered by a stronger public understanding of the economic case for decarbonisation and the costs of inaction. For example, the cost or potential disruption of new clean energy projects needs to be balanced against:

- The potential long-term economic benefits of a low carbon economy, such as low electricity production costs and export opportunities in an evolving global economy.
- The economic costs of escalating climate-related physical damage, including where decarbonisation is insufficient to limit global warming in-line with commitments under the Paris Agreement.
- The economic risks of a delayed transition domestically as international governments, consumers and supply chain partners take steps to reduce emissions.

The Government's National Climate Risk Assessment provides an opportunity to publish an evidence base on the location and severity of key climate-related risks and associated potential economic damage, which could reinforce the case for efficient and effective decarbonisation measures. The Government should prioritise the finalisation of the 'second pass' quantitative assessment and explore ways to make data and analysis accessible to households and businesses.

Project-specific social licence:

To secure the social licence needed to progress energy infrastructure projects, both project proponents and governments need to prioritise genuine consultation and benefit sharing with impacted communities.

As it develops, the Net Zero Economy Authority could play an important role in promoting the transition by coordinating engagement between government, businesses, workers and communities in regions impacted by the energy transition. If undertaken effectively, these processes should contribute to the social licence for energy projects that aid the transition.

Where relevant, effective engagement between energy project proponents and First Nations communities is also important. In this context, there is a need for governments and companies to prioritise the principle of free, prior and informed consent (FPIC).

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

The participant did not respond to this question.

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.