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

Questionnaire response 21

Name: Foundation for Rural & Regional Renewal

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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?

The participant did not respond to this question.

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

The participant did not respond to this question.

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?

The participant did not respond to this question.

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

The participant did not respond to this question.

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

FRRR is hearing from many communities their frustration with:
- limited, late, confidential and opaque information with respect to energy developments;
- requirements of confidentiality and non-disclosure agreements imposing secrecy between community members;
- limited knowledge of what might be negotiated or requested at different stages and no financial or human resources to devote to such conversations;
- promises made by proponents that are not honoured by subsequent owners, with no mechanism for enforceability;
- changing development timelines; and
- an uncertain policy environment.

All of these things, and more, are affecting community trust, readiness for, and acceptance of new energy infrastructure. The uncertainty is leading to significant levels of division, anxiety, and gaps in information that is too easily filled with misinformation or local scuttlebutt. Ultimately, these factors risk damaging the social cohesion of remote and rural communities, when instead, the investment from new energy developments could be a once-in-a-generation opportunity for rural economies.

FRRR has recently assisted in the production of a report, currently in draft (and submitted separately to the Productivity Commission until it is publicly published), which seeks to distil feedback from community leaders from across Australian jurisdictions, who are each committed to striking a new deal for their communities in the face of the challenges and opportunities arising from new energy developments. The report details a number of recommendations seeking to improve social licence including the need for additional Government investment to support region readiness for energy developments, greater transparency, and reduced uncertainty.

With respect to benefit sharing arrangements, FRRR recognises that there are different policy arrangements across a number of jurisdictions, but overall it can be said that communities have reported that they:

- have limited control or decision-making agency in relation to proponent held benefit funds,
- have limited opportunities to invest funds for larger legacy projects, and
- could face working with multiple developers in a small region, each with their own funds offering small amounts of funds at different time periods - as opposed to an aggregated fund where community is involved in the design, implementation and decision-making.

FRRR encourages the use of regionalised benefit funds that aggregate funds and provides communities with options for long-term investment, and agency in the decision-making. This could be hosted by existing Community Foundation (Community Charity) structures, a local backbone or a philanthropic intermediary like FRRR who can provide governance and compliance scaffolding where requested by community. FRRR's suggested process for this is named a 'Renewal Fund' - https://frrr.org.au/funding/community-fundraising/community-renewal-funds/.

A single aggregated regional or localised fund would provide opportunities for communities to have increased agency to direct benefits to the initiatives that they have identified as important in their community. This is also significantly more administratively efficient – on both the application (often volunteers spending time submitting multiple funding applications) and grant distribution (establishing programs, advertising, assessing, announcing, distributing funds, and acquitting) ends of the administration process.

FRRR contends that such aggregated funds need to be localised in their remit. Funds that are centrally administered at a State level can struggle to appropriately respond to the discrete challenges and opportunities of small towns, or provide accessible and flexible structures that enable small grassroots organisations to succeed in obtaining funds when up against larger sophisticated grant-seeking institutions.

There are also some jurisdictions seeking to require benefit agreements to be signed with local councils before development approvals are granted – which is a step in the right direction given that it will result in councils being notified that a project is in development, and guaranteeing a fund in writing; however many councils have not been resourced to co-design the appropriate fund with their community ahead of pressured timeframes requested by developers, and we also note concerns of First Nations communities that they may be excluded (inadvertently or otherwise) from benefit sharing processes in such arrangements.

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?

   FRRR agrees that more information is needed to support people to make decisions about where to live, how to build and how to upgrade infrastructure such as homes. Our Community Led Climate Solutions grant program receives a significant number of applications from not-for-profit organisations who recognise the need for additional information. They seek to bridge the information gap with: energy assessments, energy audits, the provision of quotes from quality contractors – all done to support infrastructure owners to feel confident to invest in upgrades, modifications, or builds – if they can afford to do so.

   This is further complicated by those renting where there is less ability to influence changes. We also see large numbers of applications from organisations seeking to upgrade public infrastructure to be more climate resilient – whether in solar panels, batteries, the installation of reverse cycle air conditioners, insulation and much more. They too share the same information gaps – wanting to ensure their funds are utilised efficiently and with the best outcome.

   FRRR agrees that more trusted information is required to support people to make informed decisions to appropriately factor in climate change, and that such information also needs to be accessible and appropriate for those in remote, rural and regional areas.

   In a remote, rural and regional context, it is also important to recognise there can be a dearth of skilled tradespeople who are informed and encourage clients to consider climate resilient options. In addition to information for individuals, we also need information and education pathways for tradespeople and associated businesses to be informed and confident in their recommendation, installation and use of latest climate resilient technologies.

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?

   Building resilience to the many and varied effects of climate change will require a different approach to the way we build, repair and upgrade our infrastructure.

   FRRR has played a significant role in long-term disaster recovery, and preparedness, and observes that when there are policy or insurance provisions that require repair and rebuild to like-for-like reinstatement, we miss a significant opportunity to build back better. This applies across housing stock, but also importantly to public infrastructure – such as the local community hall.

   FRRR is just one organisation who has sought to encourage 'building-back-better' with increased climate resilience ahead of future disruptions. In one example, FRRR has supported the Rochester Senior Citizens Club Inc's Op Shop to incorporate mitigation and hazard assessment principles in the planning and design phase of the Op shop rebuild after devastating flooding in 2022 (read more: https://frrr.org.au/blog/tag/op-shop/)

   We encourage the Productivity Commission to explore avenues through which 'build-back-better' can become the policy and business minimum standard, in order to support improvements to Australia's infrastructure.

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.