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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?

A recent report by Herbert Smith Freehills (HSF) and Clean Energy Investor Group (CEIG) – Delivering Major Clean Energy Projects, Review of the EPBC Act for Renewable Energy Projects in Queensland, New South Wales and Victoria – evaluates Environmental Protection and Biodiversity Conservation (EPBC) Act referrals of renewables projects and associated transmission works between 2018 and late 2024. While Arup recognises that state processes contribute, often substantially, to delays this study and previous reviews of statutory planning processes for clean energy projects finds that ‘much of the delay, financial impost and procedural impediments to the delivery of renewable energy projects result from interfaces with the EPBC Act’.

The latest HSF/CEIG study demonstrates substantial and growing delays in assessment and approval of renewables projects, beginning with the ‘gateway process’ (from date of referral to a DCCEEW determination the referral is valid). There is a further wait, interspersed with departmental requests for information, before the Minister determines whether or not the project is a controlled action, subject to EPBC assessment. For referrals in 2018, the average period for gateway process plus controlled action determination was 88 days; in 2023 it was 136 days; the interval improved in 2024 to 113 days (but that data set is incomplete).

The longest delay is between controlled action determination and final Ministerial approval: in 2018 the average was 703 days; in 2021 it was 769 days; in 2022 the average reduced to 417 days but only three projects were approved that year. Between the end of 2022 and publication of the HSF/CEIG study last December there were no final approvals.

The report notes that clean energy project stakeholders now expect their projects to be referred. (Referral is not mandatory but if, after a decision not to refer, a developer is found to have engaged in a controlled action, they are liable to civic and even criminal penalties.) The study also shows that over time there is a growing likelihood referred projects will be deemed controlled actions. In 2018, nine of 20 referrals (45%) became controlled actions; in 2023 (the last year of full data) it was 28 of 40 projects (70%).

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

For large renewable energy projects, environmental assessment under the EPBC Act is at the heart of the planning and approvals process, where impacts to matters of national significance are concerned. It is widely recognised the Act is no longer fit for purpose and Arup notes statements by the Prime Minister and the new Minister for Environment and Water that reforming the EPBC Act is a priority for the second-term Albanese government. Arup expects the Productivity Commission's findings and recommendations from this inquiry will assist DCCEEW and the Minister in formulating legislation to reform EPBC processes. In the meantime, DCCEEW and project proponents must try to make the current Act more practicable. We make our comments and proposals in both those contexts.

One fundamental challenge with environmental permitting under the EPBC Act is that the process is proponent-driven. From the outset, onus is on the proponent to judge if their project is referable as a controlled action. The gateway procedure itself is often slow and onerous, demanding commitments on impacts, mitigation and offsets upfront that could be more efficiently addressed as part of the controlled action assessment. The gateway stage could benefit from being more prescriptive providing delineation between projects that are clearly destined to become controlled actions – and put them on an accelerated pathway to determination – from those that are not.

Additionally, assessment efficiency and effectiveness would benefit from earliest input from the DCCEEW impact assessment team at gateway stage, providing direction on the pending information requirements for projects. Often this stage has an administrative focus missing the opportunity to kick start the process and build a productive relationship between proponents and assessment teams. The process would benefit greatly from nominated DCCEEW impact assessor(s) for each project and region, sufficiently resourced to provide continuity throughout the assessment process from gateway stage to determination and with input to compliance assessment activities downstream. This would enable the assessment process to benefit from improved knowledge flow and consistency throughout the project lifecycle, recognised as the gold standard sought in the past.

A more coordinated approach to regional focus areas such as the states' Renewable Energy Zones (REZs), could enable more efficient and consistent approvals processes for these projects and provide opportunities for improved environmental outcomes for regions.

Another feature of the current project-by-project assessment method is frequent interruption by requests for information (RFI) that would be unnecessary if a project was being appraised in the context of its region, similar developments and preceding state/territory assessments. Generally those RFIs 'stop the clock' on assessment,

imposing an additional burden on proponents.

The better alternative is regionally-focused strategic environmental assessments. That would define a framework within which all clean energy proponents in a region should be able to work. It would also greatly assist DCCEEW (and the state and territory jurisdictions with which it interacts) to clearly define government environmental objectives – and no-go activities – for specific regions. That approach allows shared knowledge and experience to accumulate including ecology, cultural heritage and groundwater assessments amongst others.

That approach also supports the states' development of REZs, to optimise conditions for clean energy generation and transmission connections, and the Commonwealth's development of Offshore Wind Areas. Lessons can be learnt from the first REZs to be developed in Australia in NSW and rolled out to other REZs as they are declared. Developers within those zones face common environmental, social, infrastructure, regulatory and economic challenges. It should be an objective of the replacement EPBC legislation that one controlled action assessment and one Ministerial decision sets environmental management parameters for each zone, within which compliant developments can occur without needing further, individual environmental permitting.

Environmental outcomes could be better achieved by applying this approach to developing larger-scale, regional environmental offsets programs. Co-ordinated between the Commonwealth and states, those programs should replace the current system of proponents negotiating individual agreements with both jurisdictions. Project-by-project offsets are delivering piecemeal localised results rather than strategic, planned regional environmental outcomes.

The industry can improve planning processes by incorporating environmental considerations and community engagement early in project development. Delays often arise when these factors are not integrated from the start. Arup collaborates with industry and approval authorities to ensure that planning processes are adhered to and that project designs are assessed on their merits, promoting efficient and timely approvals.

Many renewable energy projects stall at the state assessment level. States have bilateral agreements with the Commonwealth to reduce duplication by using their own processes under the EPBC Act, with only one Environmental Impact Statement (EIS) required. Delays occur when the state process requires public exhibition and formal comments from state agencies, which the proponents must address to the planning minister's satisfaction. In NSW, large projects follow the State Significant Development (SSD) pathway, which involves local government consultation. If a council objects, the project goes to the Independent Planning Commission (IPC) for review, causing further delays.

Arup's experience shows that early engagement and integrated design are key for efficient state and local-level assessments. Proponents should build relationships with state agencies, local councils, and communities early in the project design, adjusting designs to minimise environmental impacts and optimise local outcomes. Utilising existing legislative levers, such as engaging a Registered Environmental Assessment Practitioner (REAP) early, ensures projects meet assessment requirements and can be

evaluated on their merits. This proactive approach promotes smoother approval processes and better environmental results.

Case Studies

1) Approvals for new clean technology - NSW offshore wind approvals pathway

The clean energy transition has largely involved mature technologies like electricity networks, solar PV, hydro storage, onshore wind, and Li-ion battery systems. However, less mature technologies like concentrated solar, flow batteries, hydrogen, alternative fuels, and offshore wind have been less tested in the environmental approvals processes to date.

Regulatory and approval processes must be prepared for these emerging technologies to prevent development delays and cost blow-outs. Arup's experience with offshore wind proponents in NSW Offshore Wind Areas highlights these challenges. The unclear planning approval pathway posed significant project approval risks. To address this, Arup leveraged proven UK approaches to navigate approvals for complex energy projects, including offshore wind. This involved early planning approval strategies to map the pathway to project approval, identify environmental issues, define the appropriate planning approval pathway, consider technical and design aspects, and outline early stakeholder engagement.

Streamlining regulation and approval processes for new clean energy technologies at state and Commonwealth levels would ensure that planning instruments facilitate timely approvals. This proactive approach would support efficient deployment of emerging technologies, providing transparency and stability for clean energy investments.

2) Under-utilised existing regulatory pathways - Sydney Water Advanced Water Recycling Centre (AWRC)

Priority projects in the national and/or state interest often receive expedited assessment in planning regimes. Arup suggests that government enable nominated energy projects to leverage existing legislative levers for efficient processes without compromising assessment rigor.

The Sydney Water AWRC case, in which Arup was involved, demonstrates the efficiency benefits of Critical State Significant Infrastructure (c.SSI) status under NSW regulations. This status streamlines the pathway by vesting decision-making with the Minister, providing program surety.

The NSW Government has applied similar priority processes to major transport infrastructure, Snowy Hydro 2.0, and recently to six electricity transmission and pumped hydro projects. Arup advocates for extending this to Capacity Generation projects within REZs and for other states to adopt similar priority processes.

3) Under-utilised strategic planning mechanisms

In Australia, strategic environmental assessment (SEA) has seen limited application. Arup's experience in the UK and Europe highlights SEA's benefits in efficient approval pathways and environmental outcomes. Applying this coordinated approach to regional planning, particularly in declared Renewable Energy Zones (REZs), can de-risk development, reduce delays, and manage costs, ultimately affecting energy prices positively.

In the UK, SEA evaluates the potential environmental consequences of proposed policies, plans, or programs, ensuring early consideration of issues. Rooted in the EU's Directive 2001/42/EC, this process enables region-wide assessment and management of outcomes.

Strategic assessment for REZs allows coordinated planning and impact assessments, reducing project-level assessment requirements and assessment time. It also strategically manages cumulative impacts within the REZ. Baseline environmental information gathered and shared through SEA helps target project-level Environmental Impact Statements (EIS) requirements.

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

Arup does not advocate 'streamlining' clean energy approvals if that involves exemptions from environmental regulation, state or local government oversight, or community consultation requirements applying to other industry sectors. Aside from favourable treatment of clean energy developments relative to other projects very likely stirring up hostility towards the energy transition mission, we see a risk of projects planned and executed without sufficient rigor, unnecessarily harming the surrounding environment and community amenity.

Arup does see benefit in utilising existing planning mechanisms to their full capability, recognising the alignment of national policy to climate action and decarbonisation, enabled by the clean energy transition. Arup sees benefit in dedicated "Renewable Energy Teams" responsible for these projects within government, reflecting the scale, priority and importance of the clean energy transition. The Renewable Energy Team would provide Commonwealth priority projects and other identified priority projects with additional government resources with appropriate skills and capability at the state level to make the existing system as efficient as possible.

Arup agrees with the recommendation by Herbert Smith Freehills and Clean Energy Investor Group in their Delivering Major Clean Energy Projects in Queensland and Victoria report for data sharing between the state and project proponents, including impact assessment data and ongoing monitoring data to facilitate better project design and cumulative impact assessment.

A myriad of secondary planning approvals are required once a clean energy project is approved. Many of these approvals and conditions can be predicted ahead of time. This includes securing suitable transport corridors, land and transmission routes and delivering strategic solutions upfront. Government direction and action, enabling clarity for proponents and gaining all known secondary approvals should be done at an early stage, rather than undertaken once a project is approved. For example, all infrastructure planning needs to be done at the same time as the land use planning, recognising what is needed from a regional and state level.

As noted in case study 3) in Question 5, within REZs, Arup sees benefit in early baseline information and data gathering by government and sharing of private sector data at an early stage, rather than waiting for publication in the EIS. Sharing of ongoing compliance monitoring data also bolsters the collective knowledge of the industry toward better outcomes.

As noted in our responses to Question 5, Arup sees a great deal of streamlining opportunity in 1) reforming the EPBC approval process, 2) streamlining state approval processes and 3) encouraging clean energy developers to build planning for environmental approvals and community consultation into their early-stage project

designs. Critically, reforming the Act and its processes, and the resources that DCCEEW and the states/territories apply to environmental assessment and approvals, should reflect that decarbonising and electrifying Australia's economy is a priority national task set by the Commonwealth government.

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

Currently, community consultation and engagement on clean energy projects is too often delayed until late in project development, subsumed in environmental discussions, or passed off to local government. It is strongly in the interests of developers to engage directly with community interests and representatives in early planning, both to minimise risk of uninformed antagonism developing and to gauge what reasonable 'social offsets' will earn community licence for their projects.

Arup suggests community consultation should have more defined pathways in the Commonwealth and state/territory approval processes for major clean energy projects; running alongside environmental assessment, rather than as an adjunct procedure at various stages of environmental approval.

At a wider level, there is an opportunity for government to support coordinated approaches to regional community benefit schemes. It is broadly recognised that the impacts, particularly for construction, are experienced by the wider community whilst traditionally compensation and benefits have been focussed on directly impacted landholders. Wider benefit schemes that can be contributed by all projects/proponents and provide community benefit more widely, redress some of the community impacts and improve sentiment toward the industry more broadly.

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.