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

Questionnaire response 64

Name: Australian Food and Grocery Council

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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?

Australian food and grocery manufacturers are actively engaged in advancing their reporting to support greenhouse gas emissions reduction. However, the sector currently faces significant challenges in meeting complex Scope 3 emissions reporting requirements, diverting valuable resources from actual emissions reduction. The core of the challenge is a fragmented reporting landscape which increases the burden of compliance, particularly for small and medium enterprises.

Developing a standardised approach to reporting Scope 3 emissions would result in considerable efficiency gains. A common methodology would enable widespread adoption across the entire value chain, resulting in increased compliance and more meaningful and accurate disclosures from industry.

A standardised approach to reporting would ensure that national net zero commitments were upheld, without unduly impairing the competitiveness of the Australian food and grocery manufacturing sector. If the Commission is interested in considering standardised reporting in further detail, the AFGC is available for further discussions on the subject.

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

In preparation for a forthcoming report on the food and grocery sector's current and future energy needs, the AFGC has been consulting with member companies to identify their energy priorities and challenges. Overall the sector is advanced in the efforts it has made to reduce its emissions, and as a consequence its energy intensity has been falling over the past five years. However, many of the easy improvements have already been achieved, meaning that further improvements are likely to stall without considerably greater levels of investment.

Investment in energy projects within the sector typically have large upfront costs with long payback periods once energy savings are accounted for. This acts as a disincentive for the major investments the sector would require to further reduce its emissions.

Government assistance has a key role to play in offsetting the cost of the additional energy investments required to further progress reductions in the sector's emissions. Existing support measures, such as grants targeting the energy transition, generally emphasise the early phase of transition by encouraging energy audits and feasibility studies. While there are some existing grants that promote adoption of energy efficient technologies and on-site generation, these are typically targeted towards small and medium enterprises. There is little existing support for larger businesses, despite the fact

they are best positioned to co-contribute, and to make meaningful reductions in the sector's emissions.

The AFGC considers that eligibility criteria for government support in reducing the sector's emissions should be tailored to food and grocery manufacturers of different sizes. If the Commission is interested in considering the subject in further detail, or in a copy of our forthcoming energy report, please do not hesitate to get in touch.

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?

   The participant did not respond to this question.

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.