Productivity Commission Consultation Submission — Pillar 5: Investing in cheaper, cleaner energy and the net zero transformation.

Section 3. Speed up approvals for new energy infrastructure.

Submitted by Federation Asset Management Pty Ltd. Ascera Energy Pty Ltd and Windlab Limited are Federation portfolio companies.

Question 4: Are planning and approvals processes for large energy infrastructure taking too long? If so, what causes the most delay?

Federation Asset Management is committed to making truly transformative and productivity-enhancing investments in Australia's renewable energy future through our nation-leading renewable energy platforms, Ascera and Windlab.

Ascera is building state-of-the-art battery storage facilities in strategic locations around Australia - proof of the success of the Albanese Government's objective of advancing renewable storage capacity, reducing energy outages and mitigating energy security risks.

Windlab's portfolio of 100% renewable energy assets already powers 6 million Australian homes. For example, Windlab is a pioneer in Australia's wind energy industry and has been directly involved in delivering more than 20% of the total connected wind energy capacity in Australia.

Federation is proud to be at the forefront of Australia's clean energy transition, delivering innovative renewable projects that enhance energy security, lower electricity prices and reduce carbon emissions in line with Australian's international commitments.

Our facilities also offer an alternative to further, extensive slow and costly investments in energy transmission infrastructure by enhancing localised energy reliability.

In our view the reasons for excessive approval times for renewable projects fall into four areas;

1. The number of approvals required for renewables projects is greater than in other countries;

- Environmental approvals: Federal, state, and local council approvals required
- Grid: Network connection requires: AEMO (2 letters), DNSP Tariff negotiations.

2. Too many regulatory options - permutations of the following;

- Contestable / Non contestable
- DNC / DNAs
- Regulated / unregulated
- In REZ or outside REZ

3. No set regulatory timeframes

- There are no time limitations on the decisions involving government departments and delays are extensive

4. Uncertainty in the firmness of the approvals -

- For example, grid letters are subject to withdrawal, consents in planning are easily subject to review.

We believe that regulatory guardrails are essential - particularly ensuring the protection of our diverse wildlife and environmental ecosystems, indigenous and other cultural heritage sites and the support of local communities.

But the current system is a patchwork of overlapping federal, state, and local planning requirements, compounded by a lack of coordination and under-resourced planning agencies.

Examples of project delays:

- **Kennedy Energy Park (Queensland):** This hybrid renewable energy project experienced nearly six years of delay due to disputes over grid connection agreements and contractor issues.
- **Wongalee and Bungaban Wind Farms (Queensland):** In early 2025, the Queensland Government paused assessments of these projects for four months to review community consultation processes, delaying project timelines.
- **Prairie Wind Farm (Queensland):** This project underwent over four years of detailed design, environmental studies, and community consultation before finally receiving approval under the EPBC Act in January 2025.

Question 5: How can planning and approvals processes be sped up without unduly compromising regulatory standards?

Federation recommends that the Australian Government coordinate through the National Cabinet with state and territory governments to ensure:

- **Streamlined Approval Pathways** to significantly reduce approval timelines. For example, Windlab's Bungaban and Wongalee wind farms, each providing 1.4 GW of power, face a four-month pause due to a statewide policy review in Queensland which has impacted project timelines and financial planning. Streamlined approval pathways for projects meeting predefined criteria could prevent such delays, ensuring investment certainty and more project clarity. A single environmental approval process for all projects would substantially reduce project timetables.
- **Enhanced Coordination between Agencies with** centralised bodies coordinating approval processes - reducing duplication and improving efficiency.

  The approval processes for Windlab's Bungaban and Wongalee wind farm projects involved multiple entities including:

- the Queensland Department of State Development, Infrastructure, Local Government and Planning which was responsible for granting state development approval
- the Queensland Department of Environment and Science which oversaw environment regulations and ensured compliance with state environmental laws and policies
- the Federal Department of Climate Change, Energy, the Environment and Water which required that the projects go through the Environment Protection and Biodiversity Conservation (EPBC) Act assessments; and
- Local Government Authorities (Western Downs Regional Council, Banana Shire Council and Flinders Shire Council) which are involved in land use.

  These overlapping responsibilities created inconsistent consultation standards, duplicative review processes, and made it unclear how to proceed with the project.

  A centralised co-ordination body could have enabled concurrent assessments, streamlined communication, and established a shared understanding of approval requirements across all levels of government.

- **Reducing risk and uncertainty** in project timelines and viability created by tactical or vexatious legal strategies such as spurious grounds for Judicial Review. This could be achieved by setting higher standards for the initiation of legal actions
- **Setting Clear Timelines for Decisions** with statutory deadlines for each stage of the approval process to provide certainty for developers and community stakeholders.

  When the Queensland Government paused Windlab's Bungaban and Wongalee approvals in January 2025, the absence of statutory deadlines created indefinite delays, disrupting Windlab's procurement schedule for wind turbines and construction contractors, pushing back grid connection timelines and adversely affecting investor confidence.

  A statutory cap, such as 120 days for state development approvals and 180 days for EPBC determinations, would have allowed Windlab to plan capital investment, construction windows, and land agreements with certainty, avoiding escalating costs and stalled progress.

- **Digital Platforms**: Develop online systems for application submissions and tracking.

  Development of nationally coordinated online systems which have real time tracking of application status and centralised communication with all relevant agencies would streamline our processes and provide greater visibility over the progress of applications.

  Windlab's recent project approvals involved navigating separate and inconsistent digital systems across different government departments, often requiring duplicate submissions and offline correspondence to resolve administrative queries. Such a system, had it existed, would have made this process much more efficient.

- **Resource Allocation**: Increase staffing and funding for approval agencies.

  Throughout Windlab's projects and most recently with the Bungaban and Wongalee wind farms, Windlab has encountered slow assessment processes, long response times, and limited access to planning staff for clarification, even after submitting comprehensive documentation and conducting over three years of stakeholder engagement. Effective resourcing of these agencies would significantly reduce these administrative bottlenecks.

Question 6: Should clean energy projects be treated differently to other projects for the purpose of environmental and other approvals? If so, how?

Expediting approvals for clean energy projects is essential for Australia to meet its international climate commitments while increasing productivity growth by bringing production online more rapidly. Accelerating clean energy projects will also lead to job creation and enhance regional development.

Australia has very high-quality onshore wind and solar resources, with abundant land to accommodate projects with little adverse impact on society and the environment. This creates an opportunity to substantially lower the cost of energy through the deployment of wind, solar and BESS across the nation. Energy cost is an essential input to our economy, and lowering the cost of energy results in increased GDP. Low-cost clean energy can make our industries more globally competitive, and potentially create new industries.

To answer question 6 we must consider what the key challenges are for clean energy projects in Australia;

- Regulatory complexity; With Australia's three layers of government, proponents must negotiate a complex array of approval processes which are poorly co-ordinated and often overlap, resulting in major delays. To illustrate the point, contrast electrical system upgrades with the telecommunications system upgrades. The NBN was rolled out to cover 99% of Australia's population in just 12 years. Single transmission projects have taken upwards of 8 years. Key to the speed of NBN rollout is that telecommunications falls under Commonwealth law and electricity under State laws.

- Transmission infrastructure; Australia will not meet is carbon reduction targets without delivering transmission grid upgrades. Grid upgrade and timing is a critical path activity for many high-quality renewable projects, because without improved transmission these projects will not be able to export their energy output. While State and Federal Governments have allocated funding to grid upgrades, it is the delivery of the upgrade that has become the impediment to increased investment. The "RIT-T test" is a major impediment to the efficient deployment of grid infrastructure for two reasons. The extraordinary length of time taken for RIT-T approval and for the current state stance in justifying the investment – that is to say no "future proofing" is considered in whether an investment is justified under the RIT-T rules. The recent PEC transmission line is a case in point.

To ensure an orderly transition, and to meet Australia's emissions reductions targets as close to schedule as possible there needs to be coordinated effort across State, Federal and Local Government, particularly in respect of environmental and development approvals. We suggest the following initiatives

- Creation of an Australian Government Transition Authority through which all state and federal approvals are coordinated by a Coordinator-General
- Expansion of scope of the Priority Renewable Energy Projects (PREP) program to ensure state and federal environmental approval processes are run concurrently, and on an expedited timetable
- Incorporation of Local Government development approval processes within the PREP, again to ensure approval processes are run concurrently, and on an expedited timetable
- Inclusion of all non-hosting local council approvals in the PREP. For example development approval of upgrades to port and transport route infrastructure.
- For Priority Projects, automatic inclusion of any required grid upgrades as a Priority Project
- Creation of a clear, expedited process for inclusion of assets in the RIT-T and Regulated Asset Base (RAB). This process should also be run concurrently and coordinated with the PREP.

Windlab already displaces over 26 million tonnes of carbon pollution annually. Over the next 10 years, Windlab plans to invest more than $10 billion to deliver its 3GW near-term portfolio.

Both Ascera and Windlab also deliver significant benefits for the Australian economy and community.

Ascera economic benefits

- Job Creation: Ascera will create 2,000 jobs across New South Wales, Queensland, and Western Australia. These include 909 electrical trades jobs, 554 construction roles, 363 engineering jobs, and 85 finance roles.
- Economic Investment: Ascera represents over $2.5 billion of investment in the Australian renewables sector, driving productivity, economic growth and innovation.
- Tax Revenue: Ascera is projected to contribute over half a billion dollars in new tax revenue through corporate and income taxes.

Windlab economic benefits

- Job Creation: Our Bungaban wind project and Junction Rivers battery energy storage projects will create 750 and 600 jobs during their construction phases, respectively.
- Economic Impact: Junction Rivers will inject nearly $1.4 billion into the economy, creating significant opportunities for local communities and First Nations Australians.

- Carbon Emissions Reduction: Bungaban will eliminate ~3.9 million tonnes of carbon emissions annually from the nation's generation profile, the equivalent of removing over 1.6 million cars from Australia's roads each year.

Please see our answers to Question 5 for specific reforms that can be put in place to ensure the efficient delivery of renewable energy projects.

Question 7: What can be done to build local community support for new energy infrastructure projects?

Ascera and Windlab take great care to partner closely with local communities, including the Traditional Owners of the land. We believe strongly in building trust with the communities we serve and embed this approach from early in the project lifecycle.

We consider Windlab to be an industry exemplar in its engagement with local communities and Traditional Owners. We are committed to early and transparent engagement, initiating community consultations at the project's inception to address concerns and incorporate feedback. We engage closely with Traditional Owners of project land from the concept phase, seeking indigenous support and participation. Cultural heritage monitoring partnership underpin our relationship and agreements with Traditional Owners. For example Windlab's Gawara Baya project created precedent in its landmark Indigenous Land Use Agreement (ILUA) with Traditional Owners, the Gugu Badhun, putting Indigenous stewardship at the front of the project's land and community approach. Gawara Baya, or "Wind Song" in the Gugu Badhun language, is scheduled to commence construction in early 2026.

We believe it is incumbent upon project developers to ensure community consultation, participation in and acceptance of renewable energy projects. It is important that community engagement incorporates not only the hosts of renewable energy projects, but the surrounding residents and the host community as a whole. The needs and objectives of host communities vary widely so community engagement and benefit programs must be bespoke, multi-faceted funding program designed to align specifically with local needs, demonstrating a commitment to community engagement and benefit-sharing.

Examples of community benefit projects to date include;

- Granted equity ownership in projects
- Direct funding for community facilities and community associations
- Sponsorship of community events
- Scholarships and development programs
- Retail energy bill subsidies
- Programs to ensure local employment and business opportunities
- Indigenous engagement programs for apprenticeships, employment and business opportunities

Question 8: Please outline any evidence showing the productivity benefits of faster approvals for energy projects.

Windlab's Bungaban Wind Farm provides a clear example of the productivity benefits associated with expedited approval processes. The project was identified as a priority project by the Department of Climate of Climate Change, Energy, the Environment and Water under the National Renewable Energy Priority List. Although there was a four-month pause in early 2025 due to a Queensland government review of the project, having this project identified as a priority allowed State Development approval to occur in March 2025, weeks after this review. This demonstrates that priority status and faster approvals can allow the project to commence in a timely manner.

Inclusion on the priority list and timely approval has enabled Windlab to proceed with the project's development, which is anticipated to produce enough clean, low-cost energy (1400 megawatts) to eliminate close to 4 million tonnes of carbon emissions from Australia's energy generation profile annually. This example illustrates that when approvals move efficiently, developers can advance procurement, capital deployment, energy production and emissions reduction outcomes without delay. These are all critical productivity benefits in Australia's path to net zero.