



Pillar 5

Investing in cheaper, cleaner energy and the net zero transformation

Consultation questions | May 2025



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Investing in cheaper, cleaner energy and the net zero transformation

We are looking at a range of reforms that will deliver cheaper, cleaner and reliable energy and help us adapt to the risks posed by a changing climate.

We are asking you for feedback on our approach so far to **Pillar 5: Investing in cheaper, cleaner energy and the net zero transformation**.

After reviewing the ideas submitted through [Australia's Productivity Pitch](#) and undertaking our own research and stakeholder consultation, we have identified three policy reform areas to explore further.

For each reform area, we will:

- recommend specific reforms
- seek to quantify their benefits (where possible) and
- suggest how the reforms can be implemented.

Reduce the cost of meeting carbon targets More efficient and consistent emissions-reduction signals will help avoid unnecessary costs while meeting Australia's net-zero goals.	Speed up approvals for new energy infrastructure Faster approvals for new energy infrastructure will help ensure we meet our climate targets with reliable and cheaper energy along the way.	Encourage adaptation by addressing barriers to private investment Investment in high-value adaptation measures will support Australians to manage the physical risks of climate change. Resilient housing will be a focus.
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Why is investing in cheaper, cleaner energy and the net zero transformation important?

Access to cheaper, cleaner and reliable energy benefits everyone and is essential for a productive and prosperous net-zero economy. Cleaner energy supports low-cost decarbonisation options across all sectors.

It is important that our policy settings help us to achieve the net-zero transformation as efficiently and cost-effectively as possible.

As Australia pursues emissions reduction, timely and efficient investment in adapting to the effects of climate change will support our quality of life and prevent costly rebuilds.

What are the pillars of productivity?

In 2024, the Australian Government asked us to identify the highest priority reform areas under 5 pillars of productivity:

1. Creating a more dynamic and resilient economy
2. Building a skilled and adaptable workforce
3. Harnessing data and digital technology

4. Delivering quality care more efficiently
5. Investing in cheaper, cleaner energy and the net zero transformation.

We will deliver practical and implementable policy ideas across the 5 pillars at the end of 2025.

Sub-page – Policy reform area

Reduce the cost of meeting carbon targets

Australian, state and territory governments have a wide range of policies to meet the net-zero emissions target by 2050. More consistent and efficient emissions signals would help us reach net zero cheaper, supporting growth in productivity and the economy.

Enduring, broad-based market mechanisms are the best way for governments to reduce carbon emissions. Governments have made progress on adjusting policy settings towards this goal (for example, through reform of the Safeguard Mechanism), but the efficiency and consistency of these signals can be improved. Further improvements would support better investment decisions and help avoid unnecessary costs for taxpayers and consumers.

Our [2011](#) analysis of domestic and international emissions-reduction policies demonstrated that the cost-effectiveness of these measures can vary widely. More recently, we estimated that some policies in Australia cost less than \$100 per tonne of carbon dioxide emitted, while others may cost as much as \$20,000 per tonne (PC [2023](#)). Focusing on lower-cost policies would bring the costs of transition down.

Our approach

In this inquiry, we are building on previous research and undertaking new analysis to understand the cost-effectiveness of different policies being used to achieve net-zero emissions.

Our focus is on the policy signals to reduce emissions across the industrial, electricity and transport sectors given the rapid changes occurring in energy and electrification technologies. Collectively, these three sectors produce 78% of Australia's gross emissions.

We will make practical recommendations to help governments increase the efficiency of emissions-reduction signals and align these signals over time.

We will ensure this inquiry complements the [National Electricity Market wholesale market settings review](#); the [Net Zero Plan](#) and the electricity and energy, transport, industry, and resources sector plans; and the upcoming reviews of the Safeguard Mechanism and the New Vehicle Efficiency Standard.

Sub-page – Policy reform area

Speed up approvals for new energy infrastructure

Building new energy infrastructure is critical to the energy transition, to the broader economy and to delivering reliable, affordable energy for consumers. It is necessary both to meet climate targets and to ensure reliable supply, particularly as coal plants retire.

In the coming years, Australia needs to install millions of panels for solar farms, thousands of wind turbines and thousands of kilometres of transmission lines.

These and other energy projects must comply with important environmental standards, cultural heritage laws, and other planning requirements. But slow, complex and overlapping approvals processes can cause significant and costly delay. For example, pre-construction planning and approvals for solar and onshore wind projects can take four to five years to complete (Clapin and Longden [2024](#)).

Efforts are being made across multiple levels of government to speed up timelines but more needs to be done.

Our approach

In this inquiry, we are considering how projects can be approved faster, without unduly compromising regulatory standards.

We are also considering how to build community trust and support for new energy infrastructure, such as through improved benefit-sharing arrangements.

The PC will seek to complement rather than duplicate recent reviews and other work underway, such as the Samuel Review ([2020](#)), the Community Engagement Review ([2023](#)), the First Nations Clean Energy Strategy ([2024](#)), and other initiatives such as the [NSW Renewable Energy Planning Framework](#) and the [National Renewable Energy Priority List](#).

We will identify recommendations previously made by the PC and others that should be implemented as a priority and highlight best practice and new opportunities.

Sub-page – Policy reform area

Encourage adaptation by addressing barriers to private investment

Climate change represents a rising risk to Australia's environment, communities and industries (DCCEEW [2024](#)). Ensuring that governments, businesses and households invest efficiently in adapting to the effects of climate change will support our quality of life and prevent costly rebuilds.

Treasury has estimated that the hit to labour productivity alone from the direct impact of higher temperatures could cumulatively lower Australia's GDP by between \$135 billion and \$423 billion by 2063, relative to a scenario in which temperature rises are lower (Treasury [2023](#)).

Governments are taking actions to understand and build resilience to physical climate risks (for example, through the forthcoming National Adaptation Plan). But this is an area where the policy problem is growing over time, and it will require consideration and action from all parts of society.

Our approach

Where people live and the way their homes are built will directly impact how Australians are affected by climate change, and there are opportunities to adapt. There is evidence that upgrades to improve resilience to cyclones, bushfires, flooding and heat deliver net benefits (Finity Consulting [2018](#), NIBS [2019](#), Sustainability Victoria [2022](#)). Better adaptation can reduce the risks of damage from natural disasters, meaning peoples' lives are less disrupted and we avoid costly rebuilds. It can also improve the comfort of buildings, contributing to better health, greater quality of life and higher productivity.

Households might find it difficult to make well-informed decisions about investing in climate resilience. People may lack trusted and easily accessible information on the risks they face and worthwhile climate resilience investments. The changing nature, long time horizons and innate uncertainty around physical climate risks all make decision making more challenging. And there are public good aspects to the climate resilience and risk exposure of housing, meaning that individuals do not experience all the benefits and costs of their action or inaction.

For these reasons, we will be focusing our research on what should be done to address barriers to investment in adaptation on housing. Policy approaches used to improve the resilience of Australia's housing stock over time will likely be of use in other parts of the built environment.

We are mindful that climate adaptation is an ongoing area of action for all levels of government, and the PC will seek to complement rather than duplicate this work.

Sub-page – Consultation page with online form

Have your say on investing in cheaper, cleaner energy and the net zero transformation

Section 1. About you and/or your organisation

Senex is a world-class supplier of reliable and secure natural gas – committed to delivering essential energy for life. The energy we proudly provide is essential to our modern lives and for the thriving communities we serve. Senex is also a critical energy provider to Australia's manufacturing industry, supporting thousands of workers who make essential goods - from bricks to plasterboard to glass bottles.

Senex is currently completing a \$1 billion Surat Basin expansion project that will increase production capacity to 60 petajoules each year – equivalent to around 10 percent of the east coast domestic gas market. First gas flowed to the market earlier this year. The project is delivering more than 700 Queensland jobs during construction and an additional 200 ongoing jobs will be created over the project's life. At the same time, around \$200 million is being invested into local communities and the project will deliver billions in economic investment, taxes and royalties that can be used to fund Queensland hospitals, roads, schools and emergency services.

Senex is committed to continuing to develop Queensland's natural gas resources for the benefit of all Australians. We welcome the opportunity to put forward recommendations that support productivity improvements in the energy sector and would welcome the opportunity to discuss them with the Commission.

Contact information

Attribution

7. Whose views does your response represent? (Please include the full names of applicable individuals, groups or organisations).

Senex Energy

Consent

9. Do the attributed parties consent to the PC publishing your response on our website and referring to it in our reports?

- Yes, with attribution
- Yes, without attribution
- No, do not publish my response or refer to it in your reports

We will only publish your response if it meets our [community guidelines](#). We are unable to refer to unpublished responses within our report.

For further information on how we handle your information visit our [Privacy Policy](#) and [Information Policy](#).

10. Guidelines and policies agreement

- I have read and agree to the above guidelines and policies.

Providing supporting documents (optional)

At this stage of the inquiry, we are only accepting and reviewing supporting documents that meet the following criteria:

- They contain data, charts and supporting information relevant to the policy areas and questions we are asking in this round of consultation
- The attributed participant(s) hold the copyright for the information contained in the documents
- The documents don't include any personal or identifying information.

There will be an opportunity to provide submissions on our policy reform ideas when we release our interim report.

11. Will you be providing any documents to support your response?

- Yes

How to provide a supporting document

Once you have submitted your response via the 'Submit' button below, you will receive a confirmation email from us. Please reply to this confirmation email with your supporting documents attached.

For accessibility reasons, we prefer Microsoft Word documents.

Once we receive your supporting documents, we will review them alongside your response. If your contributions meet our [community guidelines](#), and you have provided consent, we will publish them to engage.pc.gov.au within 14 days.

We are seeking responses to questions on three policy reform areas

Which policy reform areas would you like to respond to?

- **Reduce the cost of meeting carbon targets**
More efficient and consistent emissions-reduction signals will help avoid unnecessary costs while meeting Australia's net-zero goals.
 - **Speed up approvals for new energy infrastructure**
Faster approvals for new energy infrastructure will help ensure we meet our climate targets with reliable and cheaper energy along the way.
-

Section 2. Reduce the cost of meeting carbon targets

Enduring, broad-based market mechanisms are the best way for governments to reduce carbon emissions and governments have made progress on adjusting policy settings towards this goal.

But more work is needed to make emissions-reduction signals across sectors and jurisdictions more efficient and consistent to support better investment decisions. Some policies to reduce emissions also have a higher cost for governments per tonne of carbon avoided compared to other approaches.

1. What could be done to improve the cost-effectiveness and alignment of policies to reduce emissions across the industrial, electricity and transport sectors?

State and federal governments have introduced a range of measures within the electricity sector to facilitate emissions reduction and manage the system changes needed to support increasing penetration of renewables into the market.

One example is the Capacity Investment Scheme that recognises the urgent requirement for additional dispatchable energy capacity. This additional capacity is needed to maintain system security and access to reliable power for Australian households and industry as coal generation exits the system.

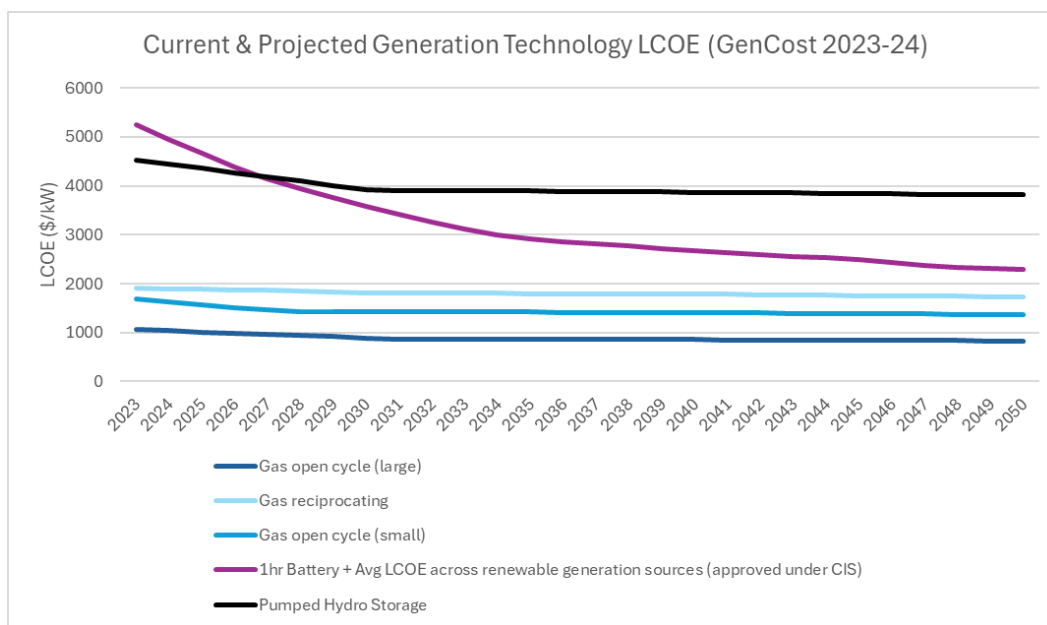
Senex supports the introduction of such measures where they provide investment signals and market frameworks that promote a least cost energy transformation. However, the Capacity Investment Scheme, particularly the exclusion of gas-powered generation (GPG) from the scheme, does not support the delivery of additional capacity at **least cost**.

It's important to recognise the levelised cost of GPG, batteries and pumped hydro technologies, as well as their capability to provide firming services in a renewable-dominated market:

1. GPG has the greatest opportunity to make more efficient use of existing transmission infrastructure as coal retires. Alternative technologies approved under the CIS, such as pumped hydro and batteries, see reduced utilisation of existing transmission assets.
2. Batteries and pumped hydro technologies ultimately do not create energy and rely on storing surplus generation during times of low market demand.

Considering this, gas powered technology offers the lowest cost option to provide system security and reliability. This is substantiated by the recent GenCost 2023-24 report¹:

¹ [CSIRO Research Publications Repository - Publication](#)



Providing financial support for technologies like pumped hydro and batteries mutes investment signals for new GPG assets. Instead, the Capacity Investment Scheme promotes investments in more expensive technologies that cannot yet provide the long duration storage needed during prolonged wind and solar droughts adding to total electricity system costs.

Not only does this approach add system costs, it also delays the development of the 12 GW of new GPG that AEMO's Integrated System Plan states is needed to 'ensure the NEM (National Electricity Market) remains resilient under a range of power system and extreme weather events'^[1].

Recommendation: that gas-powered generation be included in the Capacity Investment Scheme, enabling the managed phase out of coal-fired power and accelerated renewables deployment without putting system security and reliability at risk.

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

No response.

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

No response.

Section 3. Speed up approvals for new energy infrastructure

Large energy infrastructure projects must comply with important environmental standards, cultural heritage laws, and other planning requirements. But slow, complex and overlapping approvals processes can cause significant and costly delay. The claim is often made that the approvals process takes too long, but what does the evidence show? We welcome data and illustrative case studies about the extent of the problem and which parts of the process are problematic.

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

No response

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

The process to obtain federal environmental approvals on large energy projects is simply too long. The Independent Review of the EPBC Act completed by Professor Graeme Samuel AC (the Samuel Review) in 2020 found that, 'resources sector projects took an average of nearly 3 years, or 1,009 days, to approve under the EPBC Act².

If Australia is to address the structural shortfalls in gas supply forecast by market bodies and regulators including the ACCC and AEMO³, more efficient assessment processes are needed. This is particularly the case for projects that can apply existing, well-understood environmental management practices and where there is a history of effective state and federal regulation to preserve environmental values.

Senex's experience in both the assessment process and operating under EPBC Act approvals highlights key causes of the delays and is consistent with the findings of the Samuel Review. That is, the EPBC Act creates a focus on process rather than the environmental outcomes to be achieved⁴, it duplicates many of the state based environmental protections in place⁵, and a lack of clarity around key terms creates uncertainty for proponents and inconsistent application of requirements by the department⁶.

Substantive reform of the EPBC Act is needed to provide clear outcome focused environmental standards (a move away from the current focus on process), remove duplication and establish enforceable timeframes for decision making.

To illustrate some of the delays caused by the current assessment process and improvements that would speed up approvals without compromising regulatory standards, Senex shares the following examples from its Atlas Stage 3 development.

The Atlas Stage 3 development forms part of Senex's A\$1 billion Surat Basin expansion project that will increase production capacity to 60 petajoules a year, equivalent to around 10 per cent of annual east coast domestic gas demand. EPBC Act approval for the expansion of Senex's existing Atlas gas fields was required for this project.

1. Partial transfer of approvals

Senex purchased the acreage for the Atlas expansion from APLNG (another upstream gas producer in the Surat Basin). The acreage formed part of a larger planned development by APLNG and was covered by an existing EPBC approval. However, the current legislation prevented the existing approval transferring to Senex with the acreage, instead remaining with APLNG to apply to the remainder of its development area. This meant the Atlas 3 project had to undergo a lengthy Federal reassessment process, despite the proposed activities,

² P.84, Final Report of the Independent Review of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), October 2020

³ ACCC, Gas Inquiry December 2023 interim report; AEMO 2024 Gas Statement of Opportunities

⁴ Box 14, p.75, Final Report of the Independent Review of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), October 2020

⁵ P.96, Final Report of the Independent Review of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), October 2020 EPBC Act reform – DCCEEW consultation.

⁶ 3 Box 14, p.75 Final Report of the Independent Review of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), October 2020

environmental impacts and mitigations being consistent with those originally proposed by and approved for APLNG.

The reassessment process did not result in improved environmental outcomes and simply delayed commencement of the project and therefore bringing more gas to market.

Recommendation: that the EPBC Act be amended to allow for the partial transfer of approvals. This would eliminate the need for reassessment of activities when the only change to a project is a change in ownership.

2. Accreditation of state-based assessment processes

The EPBC Act currently prohibits the accreditation of state and territory bodies in relation to the 'water trigger'. The Samuel Review recommended that this restriction be removed and that the standard criteria for accreditation should apply⁷.

There is no objective reason why accreditation of state-based authorities should be subject to different rules when it comes to protecting Australia's groundwater resources compared to other matters of national environmental significance. This is particularly the case, when rigorous state-based assessment processes exist.

Since the growth of the onshore natural gas industry in Queensland in the 2010s, the Queensland Government has invested in the Office of Groundwater Impact Assessment (OGIA) – an independent office focused on scientific investigation, modelling and monitoring relating to groundwater impacts that supports the effective management of Queensland's groundwater resources. This investment has led to the development of a world class water model that has informed the effective management of groundwater resources in the Surat cumulative management area since the expansion of the onshore natural gas industry more than a decade ago.

Recommendation: that the restriction on the accreditation of state and territory bodies in relation to the water trigger be removed and the standard criteria for accreditation apply.

3. Regional assessments

Another way to reduce approval timeframes is to expand the use of regional plans under the current EPBC Act framework. Regional plans are designed to support a strategic approach to land use and infrastructure planning and could be used to support development of consistent approval conditions that protect matters of national environmental significance.

The onshore natural gas industry has been operating in the Surat Basin at scale for more than a decade and has a strong track record of ecologically sustainable development. The environmental risks of development are well understood as are the appropriate avoidance, management and mitigation measures. At the state level, this understanding has led to the development of 'streamlined model conditions' for natural gas development. A similar opportunity to streamline approval processes while protecting matters of national environmental significance exists through the regional planning process.

Recommendation: that the Commonwealth work with the Queensland Government to develop regional plans for priority development areas, including for natural gas development in the Surat Basin.

⁷ Recommendation 1, page 48, Final Report of the Independent Review of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), October 2020.

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

No. The scope of assessments should be related to the environmental risks of a project rather than the form of energy the project will generate.

This ensures there is a robust, consistent and risk-based assessment and management of potential biodiversity impacts through the EPBC Act. Similarly, it enables Australia's emissions reduction objectives to be met through the application of various energy market initiatives (e.g. the Capacity Investment Scheme) and application of the Safeguard Mechanism.

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

Coexistence Queensland offers a compelling example of how community support for new energy projects can be effectively fostered. For over a decade, the organisation (previously known as the GasFields Commission) has worked closely with regional communities, landholders and energy companies to promote coexistence and mutual benefit.

Its success in facilitating constructive relationships between gas companies, landholders and local communities led the Queensland Government to expand its remit to include renewable energy projects.

While Coexistence Queensland is not a regulatory body—it does not make decisions, investigate complaints, mediate disputes, or provide legal advice—it plays a vital role in community engagement. Through public information sessions, participation in community forums, and a comprehensive suite of resources available on its website, the organisation ensures stakeholders have access to independent, balanced, and well-informed perspectives. This empowers the residents of regional communities to make informed decisions about energy developments locally.

Expanding this model nationally could significantly enhance community support for energy projects across regional Australia beyond Queensland.

Coexistence Queensland's credibility with both communities and government also influences the behaviour of energy companies, encouraging them to operate in ways that are sustainable and socially responsible.

For energy companies, building and maintaining community support must go beyond small gestures like sponsoring local sporting teams. It requires meaningful investment in services that improve quality of life and address local needs. Senex Energy exemplifies this approach.

A standout initiative is Senex's partnership with the Royal Flying Doctor Service to deliver free dental care in the Wandoan and Theodore communities. Over three weeks in each location, approximately one-third of residents receive treatment—eliminating the need to take time off work or travel long distances for essential healthcare.

Programs like this demonstrate the tangible benefits of having an energy company embedded in the community. They build goodwill, enhance liveability, and show that energy project development and community wellbeing can go hand in hand.