

Submission to the Productivity Commission

Pillar 5 – Investing in Cheaper, Cleaner Energy and the Net Zero Transformation

Opening: the dress rehearsal

The pandemic was our dress rehearsal. It showed us how quickly survival instincts overwhelm tidy systems when food, water, shelter, energy and care feel insecure. Climate shocks will do the same — fires, floods, and heatwaves will test not only infrastructure but also trust. Policy tools alone cannot prepare us for that.

This submission is written not as a technical plan, but as a citizen's reflection. From where we stand, adaptation must begin with needs first: ensuring that the essentials of life flow even under strain. If those flows fail, no mechanism or incentive will matter.

Incentives versus reality

We have lived through crises before. The Global Financial Crisis revealed what happens when complex instruments become myths in their own right. Risks were sliced, traded and reassured by regulators and rating agencies until the story collapsed under its own weight. The lesson — whether learnt or not — is that reality always asserts itself.

Carbon credits and offsets risk becoming the same: elaborate instruments that create the appearance of safety, while the underlying problem grows. If we mistake the trading of emissions for their reduction, we will repeat the GFC in another guise. Only this time, the losses will not be measured in foreclosures and savings, but in lives, livelihoods and ecosystems.

Approvals and energy as lifelines

Approvals matter — not for their own sake, but because certainty is life. Families, farmers, and businesses cannot plan around endless delays. A single front door, clear statutory clocks, and accountable coordination are the reforms that will save both money and trust.

Energy, too, is not just a commodity. It is a lifeline. When infrastructure is held by offshore or shareholder-driven entities, the public loses teeth. Efficiency reforms mean little if, in a crisis, citizens are last in line. Energy security should be treated as civic infrastructure, like rail and roads once were.

Adaptation: needs first

Climate policy cannot only ask how cheaply we cut emissions; it must also ask how safely we live when shocks arrive. That means:

- Homes: cool, dry, powered, and rated for resilience, with upgrades prioritised for the most vulnerable.
- Food systems: farmers equipped with clear data and support to adapt or relocate as

patterns change.

- Flood zones: early, honest decisions about whether to protect, adapt, or relocate, with community continuity at the centre.
- Insurance: compensation that reduces risk, not repeats it; no perpetual subsidised rebuilds on the same ground.
- Care systems: heat and smoke are care events. Health alerts must trigger proactive outreach to the elderly and chronically ill, not just after-the-fact statistics.

These are not abstractions; they are the lived realities of citizens in crisis.

Break the silos — bring in actuarial discipline

One of the deepest flaws in our current system is that knowledge is siloed. Actuaries already sit within government, pricing pensions, insurance, and disaster liabilities. They know how to model risk over decades, and how cascading failures multiply costs. Yet they are rarely central in climate and adaptation design.

We do not need more silos. We need to let data, skills, and responsibilities flow across agencies. Adaptation demands the same discipline actuaries bring to superannuation: honesty about liabilities, long horizons, and no wishful accounting.

Closing: drawing on what is priceless

What is priceless is not another market instrument or policy lever, but the quality of our lives, the peace we keep, and the democratic values we uphold even when crises test us. The transition to net zero will not be measured only in dollars per tonne but in whether citizens feel secure that food, water, shelter, energy and care remain steady when shocks arrive.

Each of the five pillars of productivity is interwoven here:

- Dynamism provides the investment and innovation needed to build resilience.
- Skills ensure we have the people to retrofit homes, strengthen grids, and respond in emergencies.
- Data and digital supply the backbone for joined-up approvals, early warnings, and portable records.
- Care carries the human burden when climate becomes a health event.
- Net zero is the stage where all of this plays out — not in abstraction, but in daily life.

We are living in a changing world — climatically and geopolitically. In a crisis, every nation will be fighting its own fires and cleaning after its own floods. If we cannot rely on ourselves — on the strength of our systems and the humanity with which we built them — then no one else will. Anticipating such conditions is not alarmism; it is prudence, and it is the only path to a secure, productive and decent future.

"The greatest threat to our planet is the belief that someone else will save it." – Robert Swan
