

Submission to the Productivity Commission

Re: Interim Report – Investing in Cheaper, Cleaner Energy and the Net Zero Transformation

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Introduction: A Just Transition Must Include Rural Communities and Must be Realistic and Cost Effective.

Australia's journey toward net zero must be **just, inclusive, and place-based** and **must not be driven by 'do something' policies**. As rural landowners and community members, we do not oppose renewable energy. We oppose *poorly planned, fast-tracked* industrial-scale developments that treat our land and people as collateral damage. The Commission's Interim Report makes important progress but fails to address **place-based inequities**, particularly for **neighbours and rural Heritage Villages** situated next to large-scale wind, BESS and solar installations.

- This submission calls for the **rebalancing of power**, greater **planning accountability**, and recognition of the **long-term impacts** on prime agricultural land, mental health, rural economies, the Australian economy and community cohesion. This submission calls for a **transition, which is cost-effective, fair, and productivity-enhancing**.

1. Carbon Capture Through Saltbush and Deep-Rooted Native Plantings

An overlooked but highly effective method of reducing atmospheric carbon is through targeted revegetation of agricultural landscapes using **deep-rooted perennial plants** such as **old man saltbush (*Atriplex nummularia*)** and other native woody species. Unlike shallow-rooted crops and pastures, these species establish root systems that extend several metres underground, creating **long-term carbon sinks** in the form of stable soil organic carbon.

Multiple Co-Benefits

Beyond carbon capture, saltbush and similar native plantings offer significant co-benefits that align directly with the objectives of the net-zero transition:

- **Carbon Sequestration:** Deep-rooted systems store carbon below the plough line, where it is far less likely to be lost through tillage or drought.
- **Biodiversity:** Saltbush provides habitat for small birds, reptiles, and insects, improving ecological resilience in farming regions.
- **Soil Health:** The perennial root systems reduce erosion, improve soil structure, and increase water infiltration.
- **Drought Resilience:** Saltbush is highly drought-tolerant, providing green feed in dry periods and thereby enhancing farm resilience to climate variability.
- **Agricultural Productivity:** Livestock feed on saltbush as a protein-rich supplement, meaning plantings provide economic as well as environmental value.

Policy Opportunity

The Commission should recognise that **carbon capture need not rely solely on technological solutions such as CCS (carbon capture and storage)**. Nature-based solutions are cost-effective, scalable, and capable of delivering **triple dividends**—climate mitigation, agricultural productivity, and regional landscape restoration.

Recommendations:

1. **Incentive schemes** for farmers who integrate deep-rooted carbon plantings into existing operations.
2. **Recognition of saltbush and similar native revegetation** in carbon credit methodologies under the Emissions Reduction Fund.
3. **Support for research and monitoring programs** to quantify long-term carbon capture from perennial plantings in Australian soils.

2. A transition which is about economic transformation that maintains living standards while supporting environmental goals.

The Business Council of Australia on Escalating Renewable Costs

The trajectory to net zero is not just vast in ambition but increasingly fraught with escalating financial risks. The Business Council of Australia's recent

modelling exposes the immense scale—and potential unsustainability—of current renewable roadmaps:

- The BCA estimates the cost of implementing renewable programs and infrastructure to meet Australia’s 70% emissions reduction target by 2035 could reach between **\$435 billion and \$530 billion**.
- If interpreted conservatively, the figure is closer to **\$210–300 billion** for a 50% emissions cut, but rises sharply with ambition—highlighting that aggressive targets could significantly inflate our national ledger.

These figures are not hypothetical: the BCA points to **real cost blowouts** embedded in the early days of project tendering—where mechanisms such as guaranteed returns enabled “gravy-train” dynamics. Developers had little incentive to control cost escalation, and in many cases, prices **doubled or tripled** with the excess ultimately passed on through higher power bills or greater government expense.

The BCA has warned that this trajectory **poses unacceptable consequences for power bills, industrial viability, and household affordability**. As renewables proliferate, the absence of strong governance and cost disciplines risks making net zero a price Australia simply can’t afford.

Recommendations:

- **Ensure Budget Realism**

Require independent cost-benefit testing of all major renewable proposals.

Reject overly optimistic modelling that fails to account for capital, transmission, and integration costs.

Prioritise pathways that avoid regressive household energy price impacts.

- **Reform Governance and Market Design**

Phase out guaranteed returns that encourage over-bidding and cost blowouts.

Mandate stronger oversight of developer contracts and financing structures.

Introduce transparent accountability mechanisms to prevent perverse incentives in renewable procurement.

- **Adopt Balanced and Diversified Pathways**

Invest in a mix of large-scale projects and low-cost, distributed solutions (rooftop solar, household batteries).

Expand support for nature-based carbon solutions, including saltbush and other deep-rooted vegetation planting, which provide enduring carbon capture and co-benefits for biodiversity and agriculture.

Encourage substitution of carbon-intensive materials with durable timber and other low-emissions alternatives in construction and infrastructure.

4. Industrial Scale Renewables - Inequity for Neighbours and Non-Host Communities

The Commission's Interim Report recognises the need for "social license" but does not go far enough in addressing **spatial and financial inequities** experienced by rural communities.

- **Host landholders** often receive **staggering annual payments and are often absentee hosts**, while **immediate neighbours** receive **nothing**, despite experiencing the noise, visual impact, shadow flicker, loss of land value, and disruption to rural life. Neighbours who signed agreements with the proponents, in Crookwell, have not received the meagre financial recompense they were promised.
- **Rural Heritage Villages**, like Binalong and Bowning, can sit just **2–3km from turbine clusters**, yet their residents receive **no compensation, no consultation**, and **no power of veto**, no power to negotiate changes.

This disparity is unjust and breeds resentment, stress, and legal risk. If renewable projects are to proceed with legitimacy, they must **recognise cumulative and shared impacts**. The unjust rollout of renewables causes **reputational damage to the entire renewable energy industry**.

Recommendations:

- Mandate **compensation frameworks** for neighbours within 5–10km of wind or solar infrastructure.
- Require **proportional and equitable community benefit sharing** based on proximity—not just land tenure.

- Include **village communities and neighbours** in **social impact assessments**, planning approvals, and veto provisions.

5. Tick-Box Planning and the Failure of Genuine Community Engagement

We welcome the Commission's attention to reducing red tape but caution against replacing meaningful planning with speed. Current consultation practices by developers and **corrupt developers** are often **tick-box exercises**, with engagement **occurring after key decisions are already made**.

This erodes trust and causes rural people to feel excluded from decisions that radically affect their landscapes, livelihoods, and mental health.

Recommendations:

- Require developers to engage in **genuine pre-design consultation**, not post-facto information sessions.
- Legislate a **Community Right to Veto**, especially in Heritage Villages and agricultural zones where there is no social licence.
- Fund **independent planning and legal advice** for rural residents to level the playing field with corporate proponents.

6. Setback Distances: A Missing Pillar of Planning Certainty and Rural Equity

While the Interim Report rightly emphasises the need for improved social licence and faster coordination of renewable energy deployment, it omits a foundational planning safeguard: **mandatory minimum setback distances** between large-scale wind turbines and neighbouring homes, schools, villages, and agricultural operations. In rural communities, turbines are increasingly being proposed within 1–3km of homes and schools—often without compensation, consultation, or consent from those most affected. This creates unacceptable **inequity between host landholders and their neighbours**, and fuels resentment, mental health strain, and planning conflicts.

The lived experience and anguish of residents, in our area, who are direct neighbours of industrial wind developments is proof that these projects cause significant harm to people.

Moreover, inadequate setbacks impede **aerial farming operations, firefighting access, and livestock movement**, undermining the very agricultural productivity the Commission seeks to protect.

The absence of clear or reasonable national setback standards contributes to inconsistent planning decisions across states, legal uncertainty, and the erosion of community trust. It also increases the likelihood of **delays, legal challenges, and fractured social licence**, contrary to the Commission's stated objective of *streamlining and accelerating the net-zero transformation in a socially equitable way*.

Recommendations: Setback Distances for Equitable and Efficient Transition

1. Introduce National Minimum Setback Guidelines

Mandate a **minimum 3km setback** from any residential dwelling, and **6km from rural villages, schools, or aged care facilities**, as a national baseline for large wind turbine installations.

2. Tie Setbacks to Turbine Height and Cumulative Impact

Require setback distances to scale with **turbine height and density**, and to factor in **cumulative impacts** where multiple wind farms exist within a defined area.

3. Embed Setbacks in Social Impact Assessment Requirements (SEARs)

Ensure that any SEARs used in project approvals include an explicit **evaluation of residential proximity, Heritage Villages and sites, visual amenity, health, and agricultural function**, including potential for helicopter use or aerial spraying.

4. Make Setback Compliance a Condition of Approval

Enforce setbacks through **development consent conditions**, with breaches triggering planning reviews or revocation of approval.

7. Agricultural Land Must Be Protected from Industrialisation

The report highlights the need for “productivity” but fails to include **agricultural productivity** as a protected national asset. Industrial-scale wind, solar, battery and transmission projects increasingly target **prime grazing and cropping land** due to its topography, grid access, and some landholder willingness.

However, once this land is industrialised, it is lost **indefinitely**—reducing national food security and farming resilience.

Recommendations:

- Establish a **National Agricultural Protection Overlay**, excluding prime land from large-scale energy development.
- Require **multi-generational land use assessments** comparing farming vs energy infrastructure outcomes.
- Incentivise **co-location only** where land productivity is unaffected (e.g., rooftop solar, degraded land, arid zones, marginal land).

8. Protecting Threatened Wildlife and Cultural Heritage

Wind farms in the Yass Valley overlap with key habitats:

Superb Parrot (*Polytelis swainsonii*) – *vulnerable* species under the EPBC Act.

Microbats – vital insect controllers but highly susceptible to blade strike.

Wedge-tailed Eagles (*Aquila audax*) – apex predators with multiple recorded deaths at Crookwell and Bango Wind Farms (NSW DPIE, 2019–2023).

For the **Ngunnawal people**, the Wedge-tailed Eagle (*Maliyan*) is a cultural **totem**, making mortality from wind farms both an ecological and cultural loss.

Recommendations:

- Require Indigenous cultural heritage integration in biodiversity assessments.
- Mandate independent monitoring of bird/bat mortality, with public reporting.
- Relocate or halt projects threatening totemic or threatened species.

9. Broader Productivity Lens: Value Rural Prosperity

Productivity isn't just about gigawatts deployed—it's about **sustaining the backbone of Australia's food security and regional economies**. The Interim Report's focus on cost-effective emissions reduction must explicitly value **rural assets**.

- **Recommendation:** Quantify the **economic and social costs** of lost agricultural productivity in project appraisals.

- **Recommendation:** Incorporate rural, long-term job stability and local business multipliers into productivity frameworks.

10. Independent, Arms-Length Assessment of Social and Environmental Impacts

The current model—where developers are allowed to commission and pay for their own Social Impact Assessments (SIAs) and Environmental Impact Statements (EISs)—has resulted in widespread **community distrust**. These documents often downplay or omit serious risks to local amenity, health, biodiversity, and agricultural productivity. Community input is frequently tokenised or excluded, and assessments are written in technical language inaccessible to everyday landholders.

This system is not only perceived as **conflicted**—it actively undermines the Commission’s goals of achieving a trusted, inclusive, and productivity-enhancing transition. For regional Australians, genuine engagement must be backed by independent, transparent evaluations of risk and impact.

Recommendation:

Establish a national framework where SIAs and EISs for all large-scale renewable projects are **conducted or reviewed by independent, accredited panels**, overseen by a **statutory authority** or the proposed **Clean Energy Coordinator-General**. Funding for these studies can still come from proponents, but the **process and commissioning must be managed independently** to avoid bias and protect public trust.

11. Developer Rating Scheme: Lifting Standards Through Transparency

With hundreds of renewable projects in various stages of development, rural communities face an opaque and inconsistent developer landscape. Some proponents may engage meaningfully and deliver on commitments; others **routinely overpromise, underdeliver, and disappear post-construction**, leaving councils and communities to manage the aftermath. Small prospecting companies with few staff, on sell projects for staggering profits subsidised by the Australian taxpayer.

A lack of transparency about a developer’s **track record, project withdrawals, compliance issues, or community complaints** is unacceptable—especially

when these companies are granted access to critical national infrastructure corridors and productive agricultural land.

Recommendation:

Create a **mandatory Developer Rating Scheme**, similar to those used in major infrastructure procurement, where each renewable energy developer is evaluated based on criteria such as:

- **Community engagement record**
- **Environmental compliance**
- **Project delivery performance**
- **Transparency of host landholder agreements**
- **Decommissioning plans**

Ratings should be public, regularly updated, and used to influence project approvals or exclusions, financial bonding requirements, and eligibility.

12. Decommissioning and Legacy Planning for Renewable Infrastructure

The Commission's Interim Report does not address the **full lifecycle impacts** of renewable energy infrastructure. Wind turbines have a **25–30 year lifespan**, yet many developers fail to provide **binding decommissioning plans** or financial sureties.

Without clear decommissioning policy:

- Landholders may be left with **obsolete equipment, contaminated soil, or concrete foundations** that make land unusable.
- Local councils may be forced to manage **abandoned infrastructure** with no state support.

Recommendations:

- Require developers to submit a **Decommissioning and Rehabilitation Plan (DRP)** as a condition of approval.
- Enforce **financial bonding** or a **Decommissioning Trust Fund** held in escrow for each turbine or solar array.
- Make decommissioning timelines and procedures **publicly visible and enforceable** through local government mechanisms.

13. Slow Down to Get it Right: Place-Based Planning, Not Energy Sprawl

The Interim Report leans heavily on **coordinators, mapping, and acceleration**, which risks overriding local context. In rural NSW, Victoria, and Queensland, communities face **dozens of overlapping proposals**—many targeting **the same grid-constrained corridors**.

This is not a plan—it is a **land rush**, often with overlapping approvals, poor data sharing, and no regional coordination.

Recommendations:

- Pause approvals in overdeveloped and saturated regions until **Regional Renewable Land Use Plans** are completed.
- Mandate **cumulative impact assessments** that account for existing and proposed developments within a 50km radius.
- Establish **regional renewable energy caps** in high-conflict agricultural zones.

Conclusion: A Call for Fairness, Respect, and Long-Term Thinking

Australia's transition to net zero should not come at the cost of our **most productive land**, our **rural resilience**, our **heritage villages**, our **social cohesion** or **our mental health**. We urge the Productivity Commission to revise its final recommendations to:

- Embed **social equity**.
- Require **independent cost-benefit testing** of all major renewable proposals.
- Protect **non-hosting neighbours and Heritage sites and villages**.
- Mandate a **minimum 3km setback** from any residential dwelling, and **6km from rural villages, schools, or aged care facilities**.
- Require **Indigenous cultural heritage integration** in biodiversity assessments.

- Enforce **accountable end-of-life infrastructure policies**.
- Slow the rollout - **‘do something’ policies, and trust have failed**.
- Integrate saltbush and other **deep-rooted plantings into the renewable energy and carbon offset framework**

Rural Australians want to be part of the energy solution—but only if the solution includes *us*. We understand and live with the outcomes of climate change more than most. We believe in sustainable and economic solutions to climate change.

If Australia's net-zero pathway is to be truly sustainable—and equitable—it must be co-designed with those who live and work on the land. A slower, more considered approach, combined with non-tokenistic rural engagement, protects both our **agricultural heritage** and our **energy future**.

As the **American economist Thomas Sowell** has written, ***“do something” policies seldom turn out well.***

Both sides of politics have made mistakes but continuing these mistakes will forever undermine our country’s productive future.

I appreciate the Commission’s leadership and encourage these additions to ensure that rural Australians are not collateral in the drive to net-zero.

References

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