



Brotherhood of St. Laurence
Working for an Australia free of poverty

Investing in cheaper, cleaner energy and the net zero transformation

Response to the interim report

Brotherhood of St. Laurence (BSL)

15 September 2025

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Summary

The Brotherhood of St. Laurence (BSL) welcomes the Productivity Commission's (PC) interim report *Investing in cheaper, cleaner energy and the net zero transformation*, including its focus on the transition to net zero and supports stronger incentives to reduce emissions.

BSL also supports strong government action and appropriate regulation to achieve these objectives in a way that supports productivity growth. BSL supports with modification draft recommendations 1.1 (reducing electricity emissions), and BSL supports addressing barriers to private investment in adaptation (draft recommendations 3.1–3.3) and presents some additional considerations to examine in the final report.

BSL does not offer specific comment on draft recommendations 1.2 (Safeguard mechanism), 1.3 (light vehicles), 2.1–2.4 (approvals for energy infrastructure) or 3.4 (Climate Change Authority responsibility for adaptation policy).

The interim report endorses the objective of 'achieving net zero at least cost' - a direct and important productivity objective. However, it does not examine an economy-wide carbon price, widely considered a highly effective policy instrument to achieve this objective. BSL recommends the final report examine the merits of a broad-based carbon price.

Comments on selected recommendations

Recommendation 1.1

Reducing emissions in the electricity sector after 2030

BSL supports having stable settings to promote long-term investment in clean electricity and to ensure appropriate policy measures are in place to drive electricity sector emission reductions after 2030. To be consistent with 1.5 or 2 degree least-cost scenarios, electricity sector emissions will need to reach near zero by 2034-38.¹ We caution against removing jurisdictional and technology-specific investments, which can serve useful purposes, such as:

- jurisdictional schemes assisting to meet state/territory emissions targets, which are more ambitious than the federal target in many cases
- technology-specific programs promoting the uptake of new technologies, such as home batteries
- jurisdictional schemes providing investment certainty against changes in the federal government, which is particularly material given the long-running debate on climate policy.²

When designing new policy measures to drive electricity sector emission reduction, distributional impacts should be assessed and mechanisms put in place to mitigate impacts on affordability.

Recommendation 3.1

Climate risk information database

BSL supports improved public information about climate risks. Any efforts should draw on, and not duplicate, existing efforts by organisations like the National Emergency Management Authority, the National Adaptation Plan team and state and territory governments.

Ideally those looking to buy or rent a dwelling could access information about the relative impact of climate risks on costs for insurance.

Recommendation 3.2

A nationally consistent climate resilience rating system for housing

BSL supports a nationally consistent climate resilience rating system for housing.

Consideration needs to be given to how to develop an efficient and effective system that:

- is locally and regionally relevant, for example, information on an individual homes bushfire or flood resilience should only be required in areas subject to risks of bushfire or flood

¹ Climateworks Centre, *Climateworks Centre decarbonisation scenarios 2023 – Policy Insights*, 2023, viewed 29 August 2025, <https://www.climateworkscentre.org/wp-content/uploads/2023/10/Climateworks-Centre-decarbonisation-scenarios-2023-Policy-Insights-November-2023.pdf?utm_source=chatgpt.com>.

² <https://www.theguardian.com/australia-news/2025/aug/01/liberal-mp-simon-kennedy-warns-coalition-over-net-zero-debate-backlash>

- is coherent with other proposed rating systems such as for the energy efficiency ratings of homes.

Information provision alone is not sufficient

In relation to recommendations 3.1 and 3.1 we stress information provision alone is not sufficient to reduce climate risks if climate-resilient homes do not exist or are not affordable in a given area.

Recommendation 3.3

Housing resilience over time

BSL supports this recommendation – this is a key area where stronger action is needed. Households on low incomes and renters are disproportionately exposed to climate risks and associated costs (financial and human), and least able to fund upgrades. Resilience measures can reduce risk, lower bills and improve health. BSL advances the following suggestions:

Design and implement standards for climate-resilient buildings

Government should implement standards for climate-resilience so people are protected from hazards, not only informed about risks. While there is a current movement towards streamlining housing standards to expedite or cheapen construction, necessary regulations must not be removed in haste. Although not a climate change event, the Grenfell Tower fire, in which 72 people died, demonstrates how lax regulation can lead to disaster.³ Building and planning standards targeted to high-risk areas may increase initial building costs, but they are likely to avoid significant costs in future disasters. The exact amount is difficult to quantify, however resilience measures have been found to return \$9.60 for every \$1 invested.⁴

Include a focus on vulnerable cohorts

The recommendation prioritises 'older housing in high-risk areas'. We agree with this approach; in addition, the PC should make the case for a focus on housing resilience for cohorts who are more vulnerable to the impacts of extreme weather events, for example:

- people over 65 are more at risk of weather-related death⁵
- people with poorer health
- Aboriginal and Torres Strait Islander communities
- people living in regional and remote areas
- people from areas with more disadvantage.

³ Josh Halliday, 'Gove admits "faulty" guidance partly to blame for Grenfell fire', *The Guardian*, 29 January 2023, viewed 21 August 2025, <<https://www.theguardian.com/uk-news/2023/jan/29/gove-admits-faulty-guidance-partly-to-blame-for-grenfell-fire>>.

⁴ Finity Consulting, *Reaping the rewards of resilience*, 2022.

⁵ Amy E. Peden, David Heslop & Richard C. Franklin, 'Weather-Related Fatalities in Australia between 2006 and 2019: Applying an Equity Lens', *Sustainability*, vol. 15, Multidisciplinary Digital Publishing Institute, no. 1, 2023, p. 813.

There will be a productivity dividend from focusing on these cohorts, because in many cases their vulnerability to extreme weather is heightened by housing which is not climate resilient (for example people with chronic health issues living in housing that gets very hot during heatwaves).

Many people in these communities face barriers to adaptation (such as cost, control, trust, and information). As a result, they often have restricted adaptive capacity and are more likely to be negatively impacted by extreme weather events. Focusing on these groups (among others), will reduce costs associated with extreme events, such as those related to health, wellbeing and response. In addition to reducing costs, upgrading homes will have a positive impact on wellbeing and quality of life.

Go beyond the home, to the local area and improve amenity

Improving the resilience of housing is critically important. People's homes need to be considered within their neighbourhood or local area context. For example, urban greening has been shown to reduce the impacts of urban heatwaves.

Speed up the process

Existing cross-government processes, such as the Trajectory for Low-Energy Homes, have been slow and had limited effect compared to state-level policies. Faster and more efficient processes can reduce delay costs.

Factor in all the benefits of improving household resilience

While the PC's suggestion of only proceeding where benefits outweigh costs follows common government practice, it is important that the benefits of home resilience upgrades are properly accounted for, including prevented death and injury in disasters, reduced hospitalisations (and the associated costs), improved health in everyday life, energy savings, benefits to electricity grids, and more.⁶ This approach would deliver an overall productivity gain.

Additional recommendation

Economy-wide carbon price

The interim report endorses the overall objective of 'achieving net zero at least cost' (Interim Report, p.1), but does not examine an economy-wide carbon price – which is widely considered a highly effective policy instrument to achieve this objective.⁷ A carbon price can be designed in various ways and implemented - BSL recommends the final report examine the merits of a broad based carbon price.

⁶ International Energy Agency [IEA], *Capturing the multiple benefits of energy efficiency*, International Energy Agency, Paris, 2014.

⁷ For a recent presentation of this argument, noting that a carbon price is the most valuable productivity-increasing tax reform available to Australia, see the Superpower Institute's [Economic Reform Roundtable submission](#).