



Kate Chaney MP FEDERAL MEMBER
FOR CURTIN

Productivity Commission: Investing in cheaper, cleaner energy and the net zero transformation

Submission from the Office of Kate Chaney MP

Kate Chaney MP
Federal Member for Curtin

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I welcome the opportunity to make a submission in response to the draft recommendations made by the Productivity Commission (PC) in its interim report, *Investing in cheaper, cleaner energy and the net zero transformation*.

This submission has been informed by:

- three years of extensive engagement with constituents on matters of climate change and climate action; and
- three years of extensive engagement with experts on climate policy.

The PC's draft recommendations provide a valuable set of interim findings and recommendations to enhance productivity through investment in the net zero transformation.

My broad response to the three sections of the PC's draft recommendations is as follows:

1. Reducing the cost of meeting emissions targets

I support the majority of the PC's draft recommendations, focused on developing strong incentives for decarbonisation across the electricity, industry and transport sectors.

I recommend that the PC more explicitly acknowledge the importance of policies that aim to drive down long-term technology costs, overcome upfront cost barriers and complement the Safeguard Mechanism and New Vehicle Efficiency Standard.

I also recommend that the diesel fuel tax credit scheme should be reformed, as it directly conflicts with the Safeguard Mechanism and other policies that drive decarbonisation, by disincentivising investment in low- or zero-carbon fuels and technologies for large mining companies and diesel-users.

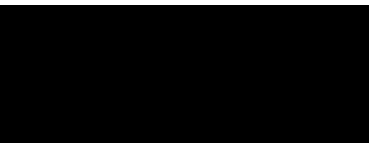
2. Speeding up approvals for new energy infrastructure

I support the majority of the PC's draft recommendations, focused on reforming the EPBC Act, better protecting our environment and expediting the approvals process.

3. Addressing barriers to private investment in adaptation

I support the majority of the PC's draft recommendations, focused on climate-resilient housing and improving accountability around adaptation policy.

A more detailed response to the PC's draft recommendations follows.



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Federal Member for Curtin



Summary of Recommendations

Reducing the cost of meeting emissions targets

- **Recommendation A**
More clearly and explicitly acknowledge the necessity of policies that aim to complement broad-based, technology-neutral and jurisdiction-neutral incentives to overcome different barriers to decarbonisation. More clearly and explicitly acknowledge that while driving near-term, lowest-cost abatement is essential, it is not the only criteria in evaluating emissions reduction policies.
- **Recommendation B**
More clearly acknowledge the potential for jurisdiction- and technology-specific policies to achieve essential outcomes in the net zero transition.
- **Recommendation C**
Consider recommending a strengthening of the mitigation hierarchy embedded in the Safeguard Mechanism to prioritise on-site abatement. More clearly acknowledge the potential for policies to complement the Safeguard Mechanism and achieve essential outcomes in the net zero transition.
- **Recommendation D**
Introduce a recommendation to reform the fuel tax credit scheme to remove a decarbonisation disincentive for large companies.
- **Recommendation E**
More clearly acknowledge the potential for policies to complement the NVES by incentivising demand for EVs.

Speeding up approvals for new energy infrastructure

- **Recommendation F**
Include recommendations for a well-funded and independent EPA and a strong mitigation framework hierarchy in the offset scheme, as part of EPBC reform.
- **Recommendation G**
Rephrase draft recommendation 2.4 to require the Minister to consider positive and negative climate impacts in the EPBC Act.

Addressing barriers to private investment in adaptation

- **Recommendation I**
Amend Recommendation 3.1 to include specific topics to be addressed in the recommended climate-risk information database.
- **Recommendation J**
Amend draft recommendation 3.2 to acknowledge the overlap in housing resilience, efficiency and decarbonisation efforts. The resilience rating system should extend, not duplicate, the NatHERS system – to be user-friendly for households.
- **Recommendation K**



Amend draft recommendation 3.3 to acknowledge the co-benefits of many resilience improvements to other social challenges. Cost-benefit analysis of potential policies must consider broader impacts on mitigation and social outcomes, rather than assess resilience in isolation. Specify recommended policies of mandatory disclosure and minimum rental standards for ratings, and precinct-level resilience.



Reducing the cost of meeting emissions targets

There is a role for government policy beyond incentivising uptake of the lowest-cost emissions reduction options

The PC's recommendations focus on incentivising uptake of the lowest-cost emissions reduction options. To do so, they call for the development of incentives for emissions reduction that are broad-based, technology-neutral and jurisdiction-neutral. Clearly, an economy-wide carbon price would best achieve these objectives. In the absence of an economy-wide carbon price, the Safeguard Mechanism provides a quasi-carbon price for the highest-emitting facilities. **Creating broad-based, technology-neutral and jurisdiction-neutral incentives is an essential part of the policy landscape on the journey to net zero** – but there are many barriers to decarbonisation that will not be solved with these incentives. There is a strong argument that the quasi-carbon price (around \$35/tCO₂e) under the Safeguard Mechanism is often not sufficient to incentivise on-site abatement at facilities. Even with a much more significant carbon price under the Safeguard Mechanism (or even under a hypothetical economy-wide carbon pricing scheme), there would still be major, residual barriers to decarbonisation.

To resolve these barriers, the role of government policy may need to be broader than simply targeting near-term, lowest-cost abatement. Some of these barriers that are unlikely to be addressed with a broad-based, technology- and jurisdiction-neutral incentive (or even a significant, economy-wide carbon price) are outlined below.

- **Technology-specific cost and readiness barriers**

For a range of emissions sources, technologies to reduce emissions are either not ready for commercial deployment or prohibitively expensive. It should be noted that this is often used as an excuse by large companies seeking to delay decarbonisation. It is not always true, but it is sometimes true. Specific emissions sources for which there may be technology readiness and cost barriers include high-temperature process heat, livestock, aviation and heavy industry process emissions (such as in green iron production). These are often labelled as 'hard-to-abate' emissions. To reduce hard-to-abate emissions, we need to accelerate technology readiness and reduce the cost of deployment.

To do this, government may need to incentivise early and significant investment in promising technology solutions (even if they are not the lowest-cost options). This is important to drive new technologies down the cost curve, through learning rates, innovation spillover and economies of scale. It is important to acknowledge that this process of driving technologies down the cost curve is essential to the net zero transition.

For example, the price of solar photovoltaic modules has reduced by more than 99% since the 1970s, driven by a diversity of policies including early government support,



market-making policies and streamlined regulatory environments for deployment (Nemet, 2019). As a leading scholar in this space, Greg Nemet's *How Solar Energy Became Cheap: A Model for Low-Carbon Innovation* and his more recent publications on a range of climate- and non-climate-related technologies have shown the importance of government policy and early investment to drive cost reductions and wider deployment over time (Nemet, 2019) (Nemet, et al., 2023).

Simply focusing on deploying the lowest-cost option at any given moment may mean that technologies to reduce hard-to-abate emissions remain underfunded, untrials and expensive. On the other hand, it is important to recognise that learning rates and innovation spillover are not 'silver bullets' – policies that aim to drive down long-term technology costs should have strong evidence that cost reductions are likely, and should be subject to regular review and have clearly embedded off-ramps (as suggested by the PC) to ensure government spending and resourcing is efficient and effective.

- **Upfront cost barriers**

Businesses often face significant upfront cost barriers when considering whether to deploy decarbonisation solutions. This may deter businesses from investing in technologies that have a very low cost of abatement over the lifetime of the technology. For example, a wide range of independent studies have shown that it is cheaper (over the lifetime of the technology) for high-emitting underground coal mines to invest in fugitive emissions abatement technologies than to purchase offsets (Adams, et al., 2025) (Denis-Ryan, et al., 2024) (Reynolds, 2023). However, due to the high upfront cost, the coal mining companies tend to prioritise offsetting. There may be a role for government policy in supporting businesses to invest in decarbonisation technologies that have a high upfront cost, but low average cost per tonne of abatement over the lifetime of the technology.

- **First-of-a-kind barriers**

Certain businesses that are considering the deployment of a new decarbonisation technology may be deterred by the uncertainty of the first-of-a-kind deployment. Often, first-of-a-kind deployments face higher costs, regulatory frictions and internal hurdles. Once a technology has been deployed a few times, these additional costs, regulatory frictions and internal hurdles tend to subside. There may be a role for government policy to incentivise first movers to overcome these first-of-a-kind barriers, thereby paving the way for the rest of the industry to deploy these technologies.

- **Common user infrastructure barriers**

Shared assets such as transmission lines present significant opportunities to reduce costs and accelerate decarbonisation. For example, the Clean Energy Finance Corporation has estimated that Australia could save more than \$30 billion over the next 25 years through a coordinated approach to the construction of electricity



transmission and generation infrastructure in the Pilbara (Draper, et al., 2025). However, this infrastructure may not be unlocked by the broad-based decarbonisation incentives suggested by the PC. Concerns about who pays and the risk of stranded assets may mean that common user infrastructure is unlikely to be a low-cost abatement option for any individual company. Government policy may be required to support and incentivise common user infrastructure, to unlock savings and cost reductions across a range of facilities and sites.

While a deep dive into the role for policies in overcoming these barriers is clearly out of scope of the PC's report, there should be more explicit acknowledgement of the role of government policy in overcoming these barriers. In the current interim report, there are a few acknowledgements of the potential for 'innovation spillover', but the report as a whole reads as overwhelmingly critical of policies that appear to overlap in sector, technology or jurisdiction, even if the policies may be complementary, and aiming to resolve different barriers.

The PC does emphasise that these policies should have clear off-ramps and regular review periods, which is vital – there needs to be clear evidence that a policy would address these more diverse barriers and complement the underlying, broad-based incentives to justify the policy. Particularly when these barriers are hard to measure and assess, regular reviews and planned off-ramps are essential to ensure government expenditure and resourcing is efficient and effective.

Recommendation A: More clearly and explicitly acknowledge the necessity of policies that aim to complement broad-based, technology-neutral and jurisdiction-neutral incentives to overcome different barriers to decarbonisation. More clearly and explicitly acknowledge that while driving near-term, lowest-cost abatement is essential, it is not the only criteria in evaluating emissions reduction policies.



Draft recommendation 1.1

Reducing emissions in the electricity sector after 2030

Governments should prioritise introducing enduring, broad-based market settings in the electricity sector beyond 2030. The settings should:

- create nationally consistent incentives for lowest-cost clean energy, irrespective of generation technology or jurisdiction
- embed investment incentives to ensure reliability and system security are maintained.

Governments should also phase out any jurisdictional and technology-specific incentives over time.



Response to draft recommendation 1.1

I support the PC's recommendation to introduce enduring, broad-based market settings in the electricity sector beyond 2030. I support embedding investment incentives to ensure reliability and system security are maintained.

The electricity sector is responsible for 34% of Australia's emissions, making it the highest-emitting sector (DCCEEW, 2025). Our emissions reduction efforts so far have relied heavily on the electricity sector, as well as the land sector. Emissions reduction in the electricity sector will continue to be the primary lever for meeting our 2035 target (BCA, 2025). Modelling from the Business Council of Australia (BCA) suggests emissions from the electricity sector could reduce by 78 – 91% by 2035 (BCA, 2025). It is essential that the right policy environment is established to continue to drive the rollout of renewables and storage. Importantly, we not only need to decarbonise our existing electricity system, but expand our decarbonised electricity system to support the electrification of other sectors and the growth of net zero export industries, such as green hydrogen, green iron and critical minerals. BCA modelling suggests electricity demand could increase by over 50% by 2035 (BCA, 2025) .

However, recommendations to phase out jurisdiction- and technology-specific incentives may require further consideration or nuancing in language. As discussed in detail on page 5, there may be a role for policies to achieve a range of different aims beyond maximising near-term, lowest-cost emissions reductions. This may include driving early investment in technologies to bring down the cost for future domestic deployments, supporting first movers or supporting businesses in managing significant upfront costs. This is explicitly acknowledged by the PC, but when read as a whole, the interim report seems largely critical of jurisdiction- and technology-specific policies.

Furthermore, individual states and territories have a strong incentive to develop jurisdiction-specific policies, and there is a strong argument that this form of competitive federalism can drive positive outcomes in the net zero transition. States and territories may have more ambitious emissions reduction targets than the Commonwealth and may therefore need to incentivise abatement beyond what is achieved by national policies. States and territories may also seek to capture competitive advantages in developing valuable green industries and opportunities with jurisdiction-specific policies.

Recommendation B: More clearly acknowledge the potential for jurisdiction- and technology-specific policies to achieve essential outcomes in the net zero transition.



Draft recommendation 1.2



The Safeguard Mechanism should cover more industrial facilities and carbon leakage provisions should be improved

The Australian Government should lower the Safeguard Mechanism threshold so that it covers more industrial facilities. The Safeguard Mechanism review scheduled for 2026-27 should determine the new threshold but favour broadening the scheme as much as possible. The review should also consider whether the lower threshold would introduce inefficiencies such as uneven coverage in some sectors, and whether it would be appropriate to phase in the inclusion of new facilities. If the review identifies no major countervailing considerations, reducing the threshold from 100,000 tonnes to 25,000 tonnes of carbon dioxide equivalent per year would be reasonable.

If the Australian Government introduces a border carbon adjustment, it should phase out trade-exposed baseline-adjusted status for Safeguard Mechanism facilities that would otherwise be exposed to competition from imports from countries without domestic policies to reduce emissions.

Response to draft recommendation 1.2

I support the PC's recommendation to cover more industrial facilities in the Safeguard Mechanism, potentially by lowering the threshold to 25,000 tonnes of CO₂e.

The Safeguard Mechanism is central to driving emissions reduction and the long-term transition to net zero. While recent reforms to the policy have meant that there is insufficient data to assess its effectiveness, early signs are positive. In 2023-24, the Safeguard Mechanism covered 233 facilities and 128 MtCO₂e, approximately 29% of Australia's emissions (CER, 2025). Lowering the threshold would increase the breadth of coverage of the Safeguard Mechanism, effectively putting a larger percentage of Australia's emissions on a path to net zero by 2050.

The PC suggests lowering the threshold to 25,000 tCO₂e, which is broadly aligned with the existing threshold for reporting to the National Greenhouse and Energy Reporting (NGER) scheme. This would prevent businesses from facing additional costs related to measurement and reporting. If the Safeguard Mechanism threshold were lowered to 25,000 tCO₂e just for industrial facilities, the policy would capture an additional 267 facilities and 13 MtCO₂e. If the threshold were lowered to be aligned with the NGER scheme threshold for all facilities, the policy would potentially capture an additional 175 MtCO₂e (CER, 2025) (CER, 2025).

In this scenario, approximately 68% of Australia's emissions would be captured under the Safeguard Mechanism and set on a pathway to net zero. Lowering the threshold would also ensure that existing Safeguard facilities remain obligated to reduce emissions once they drop below the current threshold of 100,000 tCO₂e. In effect, lowering the threshold to



25,000 tCO₂e would also drive an additional 17 MtCO₂e,¹ just from the 233 facilities that are currently covered. When considering the potential to lower the threshold for industrial and other facilities, the Federal Government should also consider the cost of compliance for these businesses and any potential negative implications.

I support the consideration of a carbon border adjustment mechanism (CBAM) to protect the competitiveness of Australian industry as it decarbonises. I support phasing out trade-exposed baseline-adjusted (TEBA) status as a more effective mechanism for protecting Australia's competitiveness is introduced.

An Australian CBAM would protect the competitiveness of our industries as they decarbonise, by ensuring that Australian producers are not undercut by imports from overseas producers with higher embedded emissions. Properly designed, an Australian CBAM could create opportunities for harmonisation with the EU's CBAM and regional CBAMs in Asia and beyond, helping to establish consistent global carbon pricing signals and incentivising other nations to follow suit. At the same time, it is important to acknowledge the potential trade implications, particularly for developing countries that export to Australia and may not yet have the capacity to reduce embedded emissions. Any CBAM design should therefore incorporate transitional measures and targeted support to avoid unintended consequences for our regional partners while still driving decarbonisation across global supply chains.

I would encourage the PC and Federal Government to consider the potential of strengthening the mitigation hierarchy, to incentivise on-site decarbonisation over offsetting.

While maintaining high-integrity ACCUs may be critical (as argued by the PC), there is a strong case for strengthening the mitigation hierarchy and incentivising Safeguard facilities to pursue on-site abatement as a priority over offsetting. The Federal Government appears to effectively agree with the development of a mitigation hierarchy – it has introduced a mitigation hierarchy scheme in which facilities have to publicly justify the reasons for prioritising offsets over on-site abatement if they meet over 30% of their emissions reduction obligations with ACCUs. Arguments for a strong mitigation hierarchy include:

- ACCUs often do not provide a true like-for-like offset for emissions. Most ACCUs are generated through land-sector sequestration, which has far lower storage durability and a much higher risk of reversal than the geological storage of fossil carbon. Sequestering a tonne of CO₂ in vegetation or soils (where it may be re-released through bushfire, land-use change, or natural decomposition) is not equivalent to releasing a tonne of CO₂ that had been locked away securely underground for millennia. Similarly, methane emissions are not effectively offset by sequestering the

¹ Calculated by multiplying 233 facilities by 75,000 tCO₂e, as the difference between the current and proposed thresholds (100,000 – 25,000).



equivalent amount of CO₂, since methane has a far stronger climate impact in the near term (e.g. over a 20-year timeframe), and this temporal dimension is not adequately captured in current offset accounting frameworks. Broadly, this means that the climate impacts of on-site decarbonisation are much more significant than offsetting.

- There are advantages in incentivising early investment into emerging (and potentially more expensive) technologies that may play an essential role in the net zero transition to drive technology readiness and bring down costs (as discussed in the section on page 5).

The evidence suggests that the current mitigation hierarchy is not effectively incentivising the prioritisation of on-site decarbonisation over offsetting. Although there are different ways of cutting the numbers, it appears that well over 30% of Safeguard covered emissions reductions are occurring through offsetting. Therefore, the PC and Federal Government should consider strengthening the mitigation hierarchy.

Again, I would encourage the PC to revisit its language around the role of ‘overlapping policies’. While I support the need to review these policies, the report clearly reads as critical of these policies. As discussed on page 5, these policies may play a complementary role to the Safeguard Mechanism and other broad-based, carbon-price-like incentives. For example, the Low Emissions Investment Partnerships policy in Queensland may (if implemented effectively) play a role in supporting coal mines to overcome the high upfront cost of methane abatement and deploy technologies with an average abatement cost below \$35/tCO₂e (i.e. the current ACCU cost).

Recommendation C: Consider recommending a strengthening of the mitigation hierarchy embedded in the Safeguard Mechanism to prioritise on-site abatement. More clearly acknowledge the potential for policies to complement the Safeguard Mechanism and achieve essential outcomes in the net zero transition.

Draft recommendation 1.3



Introduce an emissions-reduction incentive for heavy vehicles and phaseout policy overlaps for light vehicles

The Australian Government should introduce a new emissions-reduction incentive to cover heavy vehicles. The incentive should be as technology-neutral as possible, meaning that it should create the same incentive to reduce emissions by switching from fossil fuels to electric vehicles, low-carbon liquid fuels or any other method to reduce emissions.

Now that the Australian Government has implemented the New Vehicle Efficiency Standard, it should phaseout the exemption of electric vehicles from the Fringe Benefits



Tax, and state and territory governments should phase out the exemption of electric vehicles from vehicle stamp duty and registration discounts.

I support introducing an emissions reduction incentive for heavy vehicles. As identified by the PC, this is clearly a gap in the current policy environment that requires amendment. One option would be to apply a single road user charge for all light and heavy vehicles, all EVs and ICEs, with a mass by distance calculation and an additional carbon charge. This would harmonise the transport policy landscape, allow for additional harmonisation with the Safeguard Mechanism scheme and ensure technology-neutrality.

Importantly, I strongly recommend that the PC and Federal Government consider phasing out or modifying the diesel fuel tax credit (FTC) scheme for large diesel-users, to remove the counterproductive incentives to continue fossil fuel consumption.

Currently, recipients of diesel fuel tax credits receive a strong incentive to continue using and burning diesel over investing in other low- or zero-carbon fuels. The scale of this decarbonisation disincentive is significant – Clean Energy Finance (CEF) estimates that it is equivalent to \$190/tCO₂, effectively five times greater than the Safeguard Mechanism carbon price (\$35/tCO₂) (Pollard & Buckley, 2025). The PC has a clear focus on harmonising policies and phasing out policies that appear to be ‘overlapping’ – and the FTC scheme appears to be an obvious target. The FTC scheme is much more perverse than just overlapping the Safeguard Mechanism, it creates a directly conflicting policy and decarbonisation disincentive. CEF provides a valuable proposal on how the FTC scheme could be modified to create a decarbonisation incentive, while ensuring there are no negative impacts on farmers and small diesel-users.

When considering the role of light vehicle emissions reduction policies, there should also be consideration of whether policies complement or duplicate the New Vehicle Efficiency Standard (NVES). As identified by the PC, there are a range of policies to incentivise EV uptake that are very costly (e.g. the fringe benefits tax exemption) and for which there is a strong case for phase-out. However, there may be a role for more cost-effective policies that complement the NVES, by incentivising EV demand, while the NVES targets supply.

Recommendation D: Introduce a recommendation to reform the FTC scheme to remove a decarbonisation disincentive for large companies.

Recommendation E: More clearly acknowledge the potential for policies to complement the NVES by incentivising demand for EVs.



Draft recommendation 1.4



Apply frameworks to achieve emissions targets at least cost and improve transparency

The Australian, state and territory governments should improve the transparency of emissions-reduction policies by consistently including estimates of their cost-effectiveness in impact analyses. Those estimates should routinely be assessed against agreed national carbon values.

The Australian Government should:

- task an independent agency with relevant expertise with developing national carbon values. These values – estimates of the implied carbon prices needed to meet Australia's emissions targets – should be used consistently as policy benchmarks across government and in regular reporting on the cost-effectiveness of emissions-reduction policies
- design and evolve policy settings to be broadly aligned with these carbon values.

To support achieving net zero in 2050 at as low a cost as possible, the Australian Government should:

- develop a framework for extending emissions-reduction incentives to new sectors. The costs associated with any new policies to reduce emissions in areas like agriculture and household gas should align with the target-consistent carbon values
- continue work to ensure ACCUs are high integrity and seek to integrate ACCUs into every national emissions-reduction policy in the long term so hard-to-abate emitters face consistent incentives.

Response to draft recommendation 1.4

I support the development of national carbon values and other frameworks to prioritise low-cost emissions reduction. However, as emphasised earlier, these frameworks should consider the necessity of complementary policies that resolve different barriers to decarbonisation. Driving near-term, lowest-cost abatement is essential, but is not the only criterion in evaluating emissions reduction policies.



Speeding up approvals for new energy infrastructure

Speeding up approvals for new energy infrastructure is vital to the net zero transition

Speeding up approvals for new energy infrastructure is vital to the net zero transition. Current wait times for clean energy projects are too long, creating barriers to investment and slowing Australia's progress. Delivering energy projects faster is also fundamental to building our future as a renewable energy and green exports superpower.



Draft recommendation 2.1

Reform national environment laws

The Australian Government should reform environment laws to expedite approvals for clean energy projects and better protect the environment. The reforms should:

- introduce national environmental standards
- facilitate regional planning, particularly within renewable energy zones, with stricter statutory deadlines for assessing projects in 'go zones'
- provide accessible, high-quality information about the environment and past assessment decisions
- make offsetting arrangements more efficient, such as by enabling developers to meet their offset obligations by contributing to an Australian Government offsets fund
- set clear expectations about engagement with local communities and Aboriginal and Torres Strait Islander people.

Response to draft recommendation 2.1

I support reform of our environmental laws to expedite approvals for clean energy projects and better protect the environment. Important principles to ensure reform is effective include:

- A strong, well-funded, independent Environmental Protection Authority (EPA) with unambiguous functions and duties.
- An Environmental Information Authority with appropriate measurement, monitoring, and natural capital accounting tools that enable it to manage significant data and establish a regional reporting framework.



- A definition of 'nature positive' that is consistent with our international goals.
- Clear national environmental standards.
- Regional planning and frameworks that effectively account for cumulative regional impacts.
- Strong participation and engagement with First Nations communities, particularly in the assessment of culturally significant ecological communities and habitats.
- A strong mitigation hierarchy in the offset scheme that prioritises prevention and avoidance over offset and rehabilitation.

Recommendation F: Include recommendations for a well-funded and independent EPA and a strong mitigation framework hierarchy in the offset scheme.



Draft recommendation 2.2

Set up a specialist 'strike team' for priority projects

The Department of Climate Change, Energy, the Environment and Water should set up a strike team focused on priority renewable energy projects. The strike team should:

- be adequately resourced to ensure all priority projects can be efficiently assessed under the Environment Protection and Biodiversity Conservation Act 1999 (Cth)
- integrate environmental and clean energy expertise
- be issued with clear expectations, tools and escalation procedures
- work with state and territory counterparts to reduce duplication and share information and expertise.



Draft recommendation 2.3

Establish a Coordinator-General for priority projects

The Australian Government should establish an independent Clean Energy Coordinator-General for priority renewable energy projects. The Coordinator-General should:

- track the progress of all approvals needed to start construction
- investigate and help resolve delays
- report on progress to the Energy and Climate Change Ministerial Council
- provide advice based on objective criteria about the composition of the National Renewable Energy Priority List.



Response to draft recommendations 2.2 and 2.3

I support the establishment of a specialist strike team and a Coordinator-General for priority projects. These are quick wins that can help overcome resourcing and internal barriers to approvals, without compromising on environmental protection.



Draft recommendation 2.4

Consider the energy transition in approval decisions

The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) should be amended to require the minister to consider the needs of the energy transition when deciding whether to approve an energy project that will have a significant impact on a matter of national environmental significance.

Response to draft recommendation 2.4

I support the intent of draft recommendation 2.4. However, I recommend re-phrasing to require the minister to consider the positive and negative climate impacts in their decision-making. The term 'energy transition' is slightly vague – and could potentially have unintended impacts. The term 'positive and negative climate impacts' is much more specific, but still achieves the same goal as the PC's draft recommendation. This reform should not come at the expense of environmental protection, but should mean that the impacts of approving/not approving a project on the climate are appropriately considered. This would represent a step towards resolving the glaring hole in our current legislative environmental protection framework – that despite representing one of the most significant threats to the environment and biodiversity, the Minister is not required to consider the emissions and climate change impacts of projects.

Recommendation G: rephrase draft recommendation 2.4 to require the Minister to consider positive and negative climate impacts in the EPBC Act.



Addressing barriers to private investment in adaptation

Housing resilience and decarbonisation is essential – but has complex interactions with the current housing crisis.

The PC's focus on housing resilience is welcome and timely. Any serious discussion of housing resilience must also include housing decarbonisation and energy efficiency. These are not separate challenges: the solutions to heat stress, energy insecurity, and climate vulnerability often overlap, and so should the policy responses. Efficient, electrified, renewables-ready homes are inherently more resilient, more comfortable, and more affordable to occupy.

In the current housing crisis, it is important to ensure policies are not adding regulatory frictions that slow the supply of additional stock. The costs and benefits of policies that drive mitigation and adaptation in the housing sector should be appropriately weighed – with particular consideration of the impact on supply, demand and the housing crisis as a whole.



Draft recommendation 3.1

Set up a climate risk information database covering all climate hazards

The Australian Government should coordinate with relevant federal, state and territory organisations to support development of a central climate-risk information database to cover all climate hazards in different parts of Australia. The database should enable the public, builders, developers, insurers, government planners and policymakers to get granular and accessible climate risk information.

Response to draft recommendation 3.1

I support the establishment of a central climate risk information database. To be a true one-stop shop for households, developers, planners and policymakers, the database should also include:

- Localised emissions and mitigation data, alongside hazard information.
- Information about available solutions, including building upgrades and government support programs.
- Geographically tailored structure, reflecting the localised nature of climate risk.



- Housing-specific data, including development histories, typical housing stock features, and relevant local/state planning policies.

Given that most Australian homes were built before minimum efficiency standards were introduced, the database should help users understand the vulnerability of their local housing stock. Climate modelling alone will not drive behaviour change. The database must explicitly connect climate hazards to tangible impacts on housing and provide clear pathways to action.

Adaptation and mitigation should not be treated as separate domains. Many building upgrades, such as insulation, electrification and rooftop solar, serve both purposes. Policy should aim to capture these synergies.

Recommendation 1: Amend Recommendation 3.1 to include specific topics to be addressed in the recommended climate-risk information database.



Draft recommendation 3.2

Develop a nationally consistent climate resilience rating system for housing

The Australian Government should lead development of a nationally consistent climate resilience star rating system for housing.

- The rating system should be outcome-based, with ratings reflecting potential damages from climate hazards. Ratings should account for location-specific climate hazards and the characteristics of a property.
- The rating system should be complemented by supporting material so that households, builders and insurers can easily identify upgrades that would improve a property's resilience.
- Development of the rating system and supporting material should build on work undertaken in this area and learn lessons from the development of the world-leading Nationwide House Energy Rating Scheme (NatHERS).

Response to draft recommendation 3.2

I support the development of a nationally consistent, outcome-based resilience rating system for housing. This system should:

- Complement and evolve alongside the Nationwide House Energy Rating Scheme (NatHERS), which must be recalibrated to reflect future climate conditions.



- Incentivise electrification and energy security measures, such as rooftop solar and batteries, which enhance resilience to heat and blackouts.
- Be designed in consultation with insurers, so that resilience upgrades are reflected in reduced premiums.
- Include supporting material that identifies cost-effective upgrades tailored to local hazards.

Given the overlap between resilience and efficiency, the resilience rating system should be integrated with or at least aligned to NatHERS. Expanding NatHERS to reflect decarbonisation and electrification status would be a logical next step.

Mandatory disclosure of both efficiency and resilience ratings at point of sale and lease is a proven policy lever, already working in the ACT. The Federal Government should do more to encourage other states to adopt similar legislation.

Recommendation J: Amend draft recommendation 3.2 to acknowledge the overlap in housing resilience, efficiency and decarbonisation efforts. The resilience rating system should extend, not duplicate, the NatHERS system – to be user-friendly for households.

Draft recommendation 3.3



Governments should agree on a series of actions to improve housing resilience over time

The Australian Government should lead work with the states, territories and local governments to agree on a series of actions that will improve the resilience of our housing stock over the coming decades. Older housing in high-risk areas will need the greatest focus.

- This work should be anchored around time-specific and outcome-based goals for household-level resilience, taking into account climate damages and the effects of heat. The goals will form the basis for a shared understanding of how agreed actions will improve resilience.
- Actions should only be taken where benefits exceed costs based on high quality impact assessments. They should be staged in line with the expected pace of climate change and coordinated with public investment to achieve measurable improvements in precinct resilience.



Response to draft recommendation 3.3

I support the recommendation for coordinated, long-term action across all levels of government. However, resilience improvements must be assessed in the context of their broader benefits – including mitigation, energy savings, and avoided retrofits.

I encourage consideration of additional policies to support climate-resilience:

- Mandatory disclosure of efficiency and resilience ratings at point of sale and lease.
- Minimum standards for rental homes, covering both efficiency and resilience.
- Minimum resilience standards for new builds, including requirements for all-electric and renewables-ready design.
- Precinct-level resilience planning, recognising the overlap between neighbourhood resilience, health, mitigation and ecological benefits (e.g. urban greenery).
- Recognition of individual building features that contribute to neighbourhood resilience, such as white roofs and tree cover.

Policy that simultaneously addresses resilience, mitigation and social benefit will be more effective and efficient than siloed approaches.

Recommendation K: Amend draft recommendation 3.3 to acknowledge the co-benefits of many resilience improvements to other social challenges. Cost-benefit analysis of potential policies must consider broader impacts on mitigation and social outcomes, rather than assess resilience in isolation. Specify recommended policies of mandatory disclosure and minimum rental standards for ratings, and precinct-level resilience.

Draft recommendation 3.4



Give the Climate Change Authority responsibility for monitoring, evaluation and learning regarding adaptation policy

The Australian Government should legislate for the Climate Change Authority to take responsibility for monitoring, evaluating and learning to inform governments and the public about progress in adapting to climate change, and whether policies are effective. Progress reports should be published every two years and include recommendations about how to improve adaptation policy.

Response to draft recommendation 3.4

I support this recommendation. Regular progress reports will help ensure accountability and continuous improvement in the journey to climate-resiliency.



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