

Submission from Wagga Wagga City Council on the Productivity Commission Interim Report — Investing in cheaper, cleaner energy and the net zero transformation

Wagga Wagga City Council (Council) welcomes the Productivity Commission's interim report on Pillar 5 and its recognition of the need to accelerate investment in cleaner energy while minimising costs.

Wagga Wagga is a major inland regional city serving a broad agricultural, manufacturing, education and logistics sector. Our Community Strategic Plan 2050 prioritises liveability, resilience, sustainable development, and inclusive growth. The city and its surrounding rural communities are already experiencing growing energy development in the form of large scale solar, battery energy storage systems, and transmission upgrades.

Council strongly supports reforms that are cost-effective and nationally coordinated. However, we urge the Commission to explicitly shape recommendations to protect prime (high-value) agricultural land and the viability of rural industries, while ensuring that regional communities — including individual landholders — benefit from the transition. This includes clear and enforceable community benefit-sharing mechanisms, transparent compensation and land-use arrangements, and stronger local participation in planning, workforce development and infrastructure design.

Council supports the interim report's emphasis on lowering transition costs and providing clearer signals to investors so projects can proceed at scale. Nationally consistent, predictable policy settings will reduce wasted transaction costs and speed deployment.

It is understood that in order to reach net zero, clearer approval processes are essential for timely delivery of transmission and generation projects; however, streamlining must maintain robust and transparent environmental assessment and community consultation.

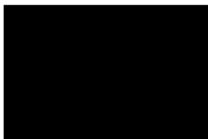
Our rural community consistently raise the following themes which must be addressed in your final recommendations:

- **Cumulative landscape and cultural impacts-** Multiple projects in the same region increase amenity, biodiversity, fire-risk and cultural heritage pressures.
- **Protection of prime agricultural land –** Energy infrastructure projects must avoid fragmentation or loss of prime agricultural land. Strategic land-use mapping and planning controls should prioritise agricultural productivity and food security in decision-making.
- **Land-use impacts and fair compensation-** Large-scale generation, storage and transmission projects affect farm operations, productivity, and land values. Clear, consistent frameworks are needed for compensation, access agreements, crop/livestock loss mitigation and restoration obligations.
- **Community benefit and local economic capture-** Rural communities fear that benefits (revenues, jobs, construction spending) flow to distant companies and non-local workforces. Without explicit benefit-sharing rules, social license and long-term community support is harder to secure.
- **Standardised, enforceable community benefit mechanisms –** Rural and regional communities should not be left to negotiate benefit-sharing on an ad hoc basis. Mandatory minimum contributions based on project capital cost — regardless of REZ status — would ensure fair and consistent treatment of host communities.

Council is also concerned that the report identifies major gaps in Australia's current emissions reduction policies but overlooks several powerful levers for achieving net zero at least cost — particularly:

- **Greater improvement in energy efficiency and flexibility-** Estimates indicate that over 1.7 million inefficient new gas and electric appliances are installed each year, costing households over \$3 billion annually. Improving efficiency of new electric appliances would save more energy than the increase needed to support electrification, while cutting bills and emissions. Hot water systems and air conditioning can be run flexibly to align with daytime solar output, reducing evening peaks and the need for expensive new generation and network capacity.
- **Reform of inefficient electricity network regulation and pricing-** Rooftop solar and batteries could eliminate peak demand in most states, slashing the need for costly grid augmentations — but tariffs and incentives do not currently reward this. Enabling distributed energy resources such as rooftop solar, batteries and EVs could eliminate peak demand in most states, slashing the need for costly grid augmentations — but tariffs and incentives do not currently reward this.
- **Reducing fugitive methane emissions-** There is significant focus on reducing agricultural emissions, but fugitive methane from coal and gas accounts for around 20–25% of Australia's emissions, with the Safeguard Mechanism not able to adequately drive cuts. These sectors should be targeted more effectively before farmers.
- **Closer scrutiny of the net economic cost-benefit of new projects –** Communities are already struggling with energy prices. New LNG projects risk worsening global oversupply, depressing prices, and undermining existing Australian projects' viability. The government should require full net economic cost-benefit assessments of all new coal and gas projects (including domestic price, employment, emissions, and stranded asset risks) as part of approvals.

We emphasise again that achieving a cost-effective transition must deliver equitable outcomes for regional communities, which host much of the new energy infrastructure but risk being left with costs, impacts and little benefit. Community benefit-sharing, fair landholder compensation, regional workforce development and resilience-building must be embedded as core features of national reforms.



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