

Federal Government of Australia
Productivity Commission
Attn: Mr Barry Sterland, Mr Martin Stokie – by electronic submission

15 September 2025

Interim Report 2025: Investing in Cheaper, Cleaner Energy and the Net Zero Transformation

Dear Sirs

Thank you for the opportunity to provide feedback on the Interim Report. I reference also Federation's June 2025 submission on this matter.

Federation is a long-term investor in the Australian energy sector. Our current investments include home-grown wind farm developer, owner and operator Windlab Limited and home-grown energy storage developer, owner and operator Ascera Energy. In aggregate, Federation manages over \$3bn of Australian real assets, infrastructure and private equity, with funding from various domestic and international clients.

The Australian energy sector must be internationally competitive. This maximises Australia's chances of attracting the private investment that is so vital for the sector's success and to drive the energy transition.

In order to best achieve this, we recommend that the Productivity Commission should continue to focus on:

- ✓ Efficient, nationally-consistent and reliable project approval processes – so that developers and investors can increase the certainty of execution of their projects.
- ✓ Timely and reliable Foreign Investment Review Board processes – similarly, so that developers and investors can increase the certainty of execution of their projects.
- ✓ Consistent, transparent and technology-neutral market settings that neither bias towards incumbency nor new operators nor technologies.

Interim Report Feedback

Commenting on select elements of the paper where we feel our contribution may assist the Commission in its work:

Project Approvals (pp 1-5)

- We applaud the calls for reforms to environment laws, statutory deadlines, regional planning, offsets fund, strike team & Coordinator-General to accelerate approvals (pp. 1–5).
- The Australian Energy Market Operator (AEMO) is a government authority with absolute power regarding the timing and granting of connections, with no appeals process nor dispute resolution mechanism. The Productivity Commission has an opportunity to recommend revised processes and timelines that apply to AEMO, and to introduce an appeals body empowered to hear AEMO related disputes.
- We applaud consideration of the energy transition in amendments to EPBC Act (p5).
- Irrevocable approvals and commercially viable statutory deadlines that apply nationally would also be a good step forward.

Foreign Investment Review Board

- This topic was not explicitly covered in the interim report.
- Across Federation's business, we have seen a number of instances where the FIRB approval process has created 'pain points' for investors. We recommend that reforms to the FIRB approval processes are expressly included in the final report as an adjacent element to project approvals.
- We recommend an acceleration process for FIRB approvals that distinguishes an organisation with a minority foreign ownership compared to a majority/controlling foreign ownership.

Market settings (1.1)

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

Environment laws (2.1)

- The goal should be national consistency, such that investors are not asked to deal with multiple levels of government across the same issue.
- Related to project approval timelines, the current approval timelines for grid-scale generation and energy storage projects are slow (which adds cost) and uncertain (which adds risk).
- We endorse the proposed national environmental standards, stricter statutory deadlines, and the establishment of a Coordinator-General and strike team. These reforms will materially de-risk projects and accelerate delivery of clean energy capacity.

EPBC Act amendments (2.4)

- We applaud the initiative to require the Minister for the Environment to consider the needs of energy transition when deciding whether to approve an energy project.
- We caution that subjectivity may frustrate the intention of this initiative if caveats are made on whether the project will have a (a) significant impact on a matter of (b) national (c) environmental significance.

We are available to discuss further at your suggestion.

Yours Sincerely



Cameron Brownjohn OAM
Chief Executive Officer
Federation