



Investing in cheaper, cleaner energy and the net zero transformation

Interim report consultation

September 2025

Thank you for the opportunity to make a submission on the interim report on the Productivity Commission's inquiry into the net zero transformation.

NRM Regions Australia is the national peak body of Australia's 54 regional NRM (natural resource management) organisations. Our members provide essential land management planning, expertise, on-ground work and support to Australia's regions that enables and enhances Australia's productivity.

Australia's regions are critical to national productivity. Our members plan, partner, and deliver programs that support healthy and productive land, viable communities and sustainable industries. They work from the paddock to the regional scale to enhance Australia's productivity and address issues that require a landscape perspective. This includes through informing and supporting on-ground, sustainable land management and environmental restoration programs, delivery of programs to build community capacity in NRM, and engagement with governments and other stakeholders on issues requiring a broader perspective, such as management of biosecurity risks.

All regional NRM organisations have a regional NRM plan that describes the NRM priorities for that region. The place-based information developed through regional NRM planning helps support the development of projects that consider local environmental, economic and social contexts, whilst delivering effective environmental outcomes, avoiding perverse outcomes, and reducing risk. The work of our members - especially the regional NRM planning - is central to a successful transformation to net zero. Wherever possible, and particularly in planning work, the net zero transformation should draw upon the substantial expertise and existing work of regional NRM organisations.

Ahead of providing specific comments on the draft recommendations, we wish to bring to your attention the following points on behalf of our members:

1. Natural capital underpins national productivity

- Australia's natural capital is essential economic infrastructure and underpins the national economy and productivity.
- Australia is facing a significant drop off in natural capital in the coming decades, arising through the increasing pressures of our changing climate, land use change, and other threats (e.g. pests, weeds and diseases). These pressures will substantially impact upon national productivity, including through their effects on agriculture and food security.
- A healthy environment helps to reduce and buffer the economic impacts of climate change, and increase resilience against extreme climatic events, while also improving productivity.
- Australia's international environmental reputation impacts investment and markets, including access for our agricultural products, and new investment in our environmental markets.

2. Robust participatory and integrated regional planning reduces risk and supports productivity

- Successfully achieving net zero and reducing risk to Australia's productivity requires integrated natural resource planning that enables landholders, governments and others to address the multi-faceted risks presented by the changing climate, and to harness productivity opportunities.
- Integrated landscape planning is critical to:
 - improving regulatory approval processes and outcomes
 - enabling private sector investment in natural capital including environmental markets
 - securing social license for the energy transition and climate mitigation and adaptation
- Supporting the enabling data and information frameworks, such as regional planning and integrated environmental assessment, will help deliver critical information support to underpin environmental approvals and productivity decisions that deliver for Australians.

3. Leveraging existing, continent-wide NRM infrastructure and standing capability will assist in achieving net zero and enable productivity gains

- Australia is in a unique position internationally with its infrastructure of regional natural resource management (NRM) organisations.
- Australia's NRM infrastructure delivers integrated, participatory, regional NRM planning, delivery and support services across the country, including help for landholders making decisions on emissions reduction and climate adaptation.
- This NRM infrastructure is under-utilised and could be further leveraged to assist in the transformation to net zero.
- There is a need for place-based responses across the country, to maximise benefits for regions and to minimise negative outcomes. No one size fits all. Regional NRM organisations are well connected to their communities.
- NRM infrastructure is well-positioned to enable and guide private sector investment in Australia's natural capital and the net zero transformation.

Specific comments

Draft recommendation 1.4: Apply frameworks to achieve emissions targets at least cost and improve transparency

NRM Regions Australia supports the development of clear policy frameworks that support the achievement of Australia's emissions reductions targets. In response to the draft recommendation, we note:

- Least cost achievement of emissions reduction and net zero may not necessarily deliver the best outcome for Australia and its productivity.
- Assessment of costs should duly capture the value offered by integrated emissions reduction and abatement solutions (e.g. nature-based solutions) that deliver multiple co-benefits
- As well as seeking high integrity ACCUs, developing national emissions-reduction policy that enables the generation of ACCUs with co-benefits will be a crucial part of successfully achieving net zero. This should include a national biodiversity co-benefit verification standard and framework for ACCUs that enables monitoring and verification of high integrity biodiversity outcomes from carbon projects.

Draft recommendation 2.1: Reform national environmental laws

National environmental law reform

As the peak body for the 54 regional natural resource management organisations across Australia, NRM Regions Australia supports reform of Australia's national environmental laws that:

- ensures verifiable protection and restoration of biodiversity and natural capital in line with the government's national and international commitments
- streamlines approvals to support productivity gains in regional Australia over the long-term, while maximising multiple outcomes and minimising perverse outcomes
- accounts for increasing climate risks and cumulative and cascading impacts, including biosecurity and climate tipping points.

National environmental standards

NRM Regions Australia supports the draft recommendation to introduce national environmental standards (NES) as part of broader national environmental law reform. Well-designed NES offer an important safeguard for ensuring that activities undertaken under the EPBC Act contribute to national environmental outcomes. We note that:

- NES must be detailed and robust enough to enable the necessary protections, but with flexibility to understand regional diversity. While individually the NES are important, it is also critical that the NES are not at odds.

- NES should require that all assessment pathways include consideration of whether a proposed action is consistent with existing regional NRM plans in the area impacted by the action.

Regional planning

NRM Regions Australia recognises the importance and value of planning at landscape and regional scales as part of maintaining and restoring natural capital to underpin national productivity. Within the draft recommendation to facilitate regional planning, we note:

- Reform that enables greater focus at regional scales provides opportunity to enhance integrated land management and planning to deliver multiple outcomes
 - Key gains to be made include delivering multiple outcomes across biodiversity, climate resilience, water and sustainable agriculture; aligning and leveraging efforts and investment; helping navigate land use change and build social license; accounting for cumulative and cascading impacts; and creating greater certainty for proponents and communities.
- The EPBC Act's current planning mechanisms - such as bioregional planning and strategic assessments - are distinct from existing regional NRM planning, but can be greatly enhanced by the information that regional NRM plans provide.
 - Regional NRM plans identify and prioritise local NRM issues and actions, incorporating scientific, economic, social, and community knowledge, including First Nations perspectives. The goal is to guide investment, foster partnerships, and build resilience in landscapes to achieve collective, transformational impact for current and future generations
- Regional planning approaches could leverage the information offered through regional NRM planning processes to deliver greater productivity outcomes
 - For instance, the EPBC planning mechanisms could be strengthened by bringing in the existing information from regional NRM plans on strategic priorities for the protection and sustainable use of natural resources.
- Revisiting the EPBC Act reforms provides an opportunity to take a more proactive and integrated approach to achieve net zero, not a reactive project-by-project approach which by itself can be inefficient and ineffective. Participatory regional planning measures can support collaboration across governments, NRM organisations, Indigenous groups, and communities to implement integrated approaches that reflect environmental, cultural and economic values. This can streamline development planning and approvals in the long-term.

Data and information support

Recognising that good data and information are foundational to robust decision-making, NRM Regions Australia supports the draft recommendation to improve accessibility to high quality information as part of the national environment law reform and transition to net zero. In this we note:

- Providing greater support for the enabling data and information frameworks, such as regional planning and integrated environmental assessment, will help deliver critical information support to underpin environmental approvals and other decisions relating to net zero that deliver for Australians.
- Successful implementation of national environmental legislation to successfully achieve the net zero transformation will require fit for purpose monitoring and evaluation frameworks to track integrated and cumulative risks and outcomes – moving beyond siloed initiatives towards holistic understanding at the landscape scale.

Biodiversity offsetting

NRM Regions Australia recognises the inefficiencies and inadequacies of present biodiversity offsetting arrangements. In relation to the draft recommendation to make biodiversity offsetting arrangements for efficient, we note:

- The limitations of the assertion in the interim report that “[o]ffsetting allows ‘environmentally-damaging but economically-valuable developments to go ahead without causing a ‘net loss’ of overall environmental quality”. There is little robust evidence that State and Territory offset schemes are delivering no net loss in practice.
- It is crucial that reforms to environmental offsetting schemes are geared to genuinely deliver net positive biodiversity outcomes and adhere to the IUCN Policy on Biodiversity Offsets.
- For the establishment and successful implementation of an Australian Government offsets fund, it will be essential for the administrator of this fund to be able to identify and deliver appropriate case by case, long-term, strategic and yet integrated outcomes. This will require close, joined-up arrangements with on-ground, trusted groups with expertise in planning, coordinating, delivering and maintaining environmental projects.
- To ensure offset projects are consistent with the protection of Australia’s environment, and consider their resilience to climate change, any implementation of an Australian Government offset fund should ensure that offset projects are consistent with regional NRM plans. Carbon farming projects are already subject to this requirement under s23 ((1)(ga)(ii)) of the Carbon Credits (Carbon Farming Initiative) Act 2011 (Cth).
- Calculation of proponent contributions to this fund should include allowances for: climate risk; spatial and temporal variability of restoration activity delivery costs; long term land access, leasing or acquisition, as well as costs to negotiate access; long term management of the areas; and offsite and indirect impact management costs, as well as permanence costs. In addition, allowance needs to be made for the costs of administering programs that deliver restoration contribution projects.
- In addition, calculation should include costs to engage and reach agreement with First Nations Peoples to establish restoration actions/offsets, on the basis of free and prior informed consent.
- Australia’s regional NRM organisations could help inform and deliver appropriate offset projects in accordance with their regional NRM plans to deliver additional benefits and outcomes, including:

- Connect and leverage other projects and investments to repair entire landscapes, rather than an ad hoc patchy approach as occurs under existing proponent sourced offset projects.
- Contribute to regional community objectives and aspirations, including economic participation outcomes such as local and First Nations employment.
- Siting that considers nature-based solutions, to increase disaster resilience, for example incorporating and extending vegetation to reduce local flood risk.

Local community and First Nations engagement

NRM Regions Australia strongly supports the draft recommendation to set clear expectations and standards on local community and First Nations engagement. In this we note:

- The input of First Nations and local communities is critical to the planning and successful achievement of the net zero transformation.
- Genuine, participatory engagement in consultation and planning processes - as undertaken by our members in their regional NRM planning work - can support the development and delivery of localised, place-based solutions. This helps to build social licence for the transition and deliver projects with both nature and community benefits to maintain and improve the health and resilience of Australia's landscapes.
- Engagement with First Nations should always be based on free, prior and informed consent
- The development of standards for engaging with First Nations and local community should take into account the resourcing and capacity support that these groups may need to participate in the engagement process

Draft recommendation 2.2: Set up a specialist 'strike team' for priority projects

NRM Regions Australia recognises the value of taking a joined-up, cross-institutional approach to enable development of integrated, lasting solutions with social licence - such as that required for priority renewable energy projects. In response to the draft recommendation, we note:

- A joined-up cross-institutional approach that brings National, State and Territory institutional expertise, as well as other experts outside of these institutions - would harness existing knowledge, capability and experience of organisations and institutions to help plan, develop and implement integrated place-based solutions and deliver the net zero transformation
- It is critical that the proposed 'strike team' include integrated landscape planning expertise, and be drawing upon local and relevant high-quality data and information, such as that provided through regional NRM plans
- The 'strike team' should have a clearly identified and consistent approach to assessment of priority renewable energy projects, including requirements for the data and information that their assessments are based upon

- Assessment of how priority renewable energy projects are consistent with regional NRM plans should be an explicit requirement for the strike team, to leverage localised knowledge and participatory planning processes, and ensure alignment with landscape and regional natural resource management considerations

Draft recommendation 3.1: Set up a climate risk information database covering all climate hazards

NRM Regions Australia recognises the critical importance of considering climate risk as part of Australia's transformation to net zero. In response to this draft recommendation on establishing a centralised, climate risk information database, we note:

- The sustainability of Australia's transition to net zero would be greatly enhanced by making available consistent and Australia-wide information on climate risk.
- Whilst recognising the value in a database that makes available information on the climate risk for housing and households, housing is only one component of an integrated system, and addressing it in isolation risks inefficient and unsuccessful delivery of the net zero transformation.
- The proposed centralised database should capture information and enable assessment across multiple system components to help understand exposure to climate risk
- Data and information on its own does not generate necessary action and development of mitigation and adaptation measures. The development of a climate risk database should be accompanied by a theory of change outlining how the data and information is to be used to drive risk mitigation and adaptation measures

Draft recommendation 3.3: Governments should agree on a series of actions to improve housing resilience over time

NRM Regions Australia supports a joined-up, cross-institutional, collaborative approach to identifying actions that improve resilience and adaptation to climate change. We further note:

- These actions should be informed by the best available, localised information, that considers resilience at landscape and regional scales, and be focused on delivering multiple, integrated outcomes (e.g. nature-based solutions, green infrastructure).
- These actions should be developed by joined-up, cross-institutional expertise, and also be aligned with planning considerations at the landscape and regional scales (refer to the above response to draft recommendations 2.1 and 2.2)

Draft recommendation 3.4: Give the Climate Change Authority responsibility for monitoring, evaluation and learning regarding adaptation policy

NRM Regions Australia supports the draft recommendation for the Climate Change Authority to have responsibility for monitoring, evaluating and learning from adaptation policy. In supporting this recommendation we note:

- Having the Climate Change Authority as a statutory authority overseeing adaptation policy at arms length from government will enable independent assessment of policy effectiveness
- As part of this monitoring, evaluation and learning remit, there would be great value in the Climate Change Authority working closely with regional NRM organisations - both drawing information from our members expertise in climate adaptation, and also sharing the learnings from its assessments to help inform climate adaptation projects and programs.

Thank you for the opportunity to provide this submission. We would be happy to discuss these points further. Please direct enquiries to NRM Regions Australia CEO Dr Kate Andrews at [REDACTED] or [REDACTED].