

15 September 2025

Commissioner Barry Sterland

Commissioner Martin Stokie

Investing in cheaper, cleaner energy and the net zero transformation: Interim report

via email: 5pillars@pc.gov.au

Dear Commissioners,

Re: Investing in cheaper, cleaner energy and the net zero transformation: Interim report

Thank you for the opportunity to provide comments on the Productivity Commission's *Investing in cheaper, cleaner energy and the net zero transformation: Interim report*.

The Australian Energy Infrastructure Commissioner (AEIC) is an independent non-statutory role appointed by the Australian Government and supported by the Office of the AEIC. We fulfill a national role, and work collaboratively with all levels of government, industry, landholders, and community members to address local and systemic concerns, improve ongoing community engagement, and promote transparency and best practices throughout the life-cycle of renewable energy infrastructure and associated projects. In simplest terms, the fundamental purpose of the AEIC is to help make the energy shift smoother and fairer.

As outlined in the Commissioner's Terms of Reference,¹ our responsibilities include:

- Resolving enquiries and complaints from local community members regarding proposed and operational renewable energy projects (wind, solar and energy storage facilities), and new large-scale transmission projects.
- Promoting transparency and best practice engagement and information sharing about renewables, including for First Nations engagement.
- Leading and collaborating in implementing the recommendations of the Community Engagement Review (2023).

This inquiry offers an important opportunity to improve the planning and approvals processes for renewable energy projects, both for developers and host communities. Our Office understands the importance of making reforms to existing environmental and approvals

¹ Available online at: <https://www.aeic.gov.au/about>

process, which was identified as a key area for reform in the 2023 Community Engagement Review.

The Interim report has identified three areas of focus: reducing the cost of meeting emissions targets, speeding up approvals for new energy infrastructure, and addressing barriers to private investment in adaptation. We centre our attention on the second focus area—speeding up approvals—and offer the below comments for your consideration.

Enabling holistic and effective regional planning

The proposal for regional plans as part of broader reforms to environmental laws offers an important opportunity to not only expedite planning timeframes but also to improve outcomes, through better community engagement practices and aggregated benefit sharing arrangements for host communities and wider regions. This includes the identification of ‘go zones’ and ‘no-go zones’, similar to those outlined in the 2023 Community Engagement Review.

It could also be an opportunity to embed in regional plans and project approval processes other productivity-enhancing requirements. For example, incorporating into planning and approval steps relevant prompts to future-proof a site, such as through design considerations that enable subsequent operational choices (like sheep grazing under solar panels).

It is, however, crucial that the purpose and the processes involved in these plans are clearly articulated to members of the community. In our experience, although there is a level of awareness in relation to Renewable Energy Zones (REZs) that are being established in respective States, there is not a good enough understanding of the impact of these REZs nor the definition of them. There are some in the community who understand REZs to be exclusively where renewable energy can/will be located. This is misleading and confusing to community members who think they are effectively ‘go zones’ or ‘no-go zones’.

Recommendation 3 of the Community Engagement Review identified several options to improve community engagement by making changes to site selection processes for renewable energy and transmission projects, such as utilising mapping information to identify preferred zones and ‘no-go’ zones. Such information was intended to be used by proponents and planning authorities prior to the commencement of prospecting or site development.

As observed in the Community Engagement Review, poor site or route selection can cause significant delays for projects due to community opposition. Project delays and uncertainties can also lead to anxiety for community members and landholders partaking in the consultation process, which can negatively affect people’s wellbeing and mental health.

Our Office regularly receives feedback from community stakeholders that, in their view, cumulative impacts are not adequately accounted for by developers or relevant regulatory or planning authorities. These impacts need to be adequately and effectively anticipated, assessed, and managed to ensure the renewable energy industry has a social licence to operate in these communities. Given the pace and scale of renewable energy infrastructure investment and implementation, such impacts must be better understood and proactively coordinated at a regional level, with the assistance of independent assessments. Some regional centres are rightly fearing, at its worst, their community could become a barren renewable energy wasteland with the landscape saturated by renewable energy infrastructure to the net detriment of the broader social, environment and economic landscape. There is not enough understanding and confidence in the planning and approval process in some communities which is undermining the required energy transition.

As noted in the Interim report, regional planning could help to reduce duplications and identify cumulative impacts associated with a high concentration of projects within a given region. Importantly, for both land use planning and environmental impact assessment purposes, this regional and collective approach should improve efficiency and certainty without reducing the forensic quality (and degree of community confidence in) those processes.

As it becomes increasingly common to see the delivery of multiple renewable projects in a concentrated area, facilitating regional plans would also enable the coordination of more tangible *regional* benefit sharing arrangements, in addition to local benefit sharing. This approach would help to reduce unnecessary duplication and consultation fatigue associated with multiple smaller scale benefit schemes. Rather than viewing REZs simply as ‘renewable energy zones’, we should be focussing equally on how we can align the REZ initiatives to simultaneously become ‘regional enhancement zones’. The regional enhancement zones would mean the regions and towns are places where the social and environmental amenity is aligned with the renewable energy and economic amenity.

Work in ‘just transition’ studies, particularly around the exit of coal-fired generators from regions, have identified the importance of ‘place-based’ initiatives and understandings. This involves identifying place-specific impacts and social significance of certain industries. A recognition of place-specific impacts and the need for place-based initiatives and understandings could be enabled by a regional planning approach.

We are pleased that the Interim report has identified the importance of regional planning and opportunities to assess and better coordinate cumulative impacts. Such measures could potentially also help coordinate (and aggregate) benefit sharing arrangements to reduce duplication, consultation fatigue, and scale benefits to the regional level.

Improving community consultation and social licence

The Interim report has identified reforming existing environmental laws as a key component of speeding up the approvals process for renewable energy projects. While the need for such reforms is widely recognised, this cannot come at the expense of genuine and meaningful community engagement. As recognised by the Productivity Commission, the pace of developments can be hampered by poor community engagement.

In the AEIC's case-handling, for example, landholders and community members have consistently expressed to us that the planning process is long, complex and difficult to understand – and, at the same time, that some proponent (and government) consultation processes feel like a “tick-a-box” exercise. These community stakeholders have also noted the short timeframes and limited resources for communities to provide feedback during the planning process relative to the resources available to developers and governments.

We welcome the inclusion of “set[ting] clear expectations about engagement with local communities and Aboriginal and Torres Strait Islander people” in draft recommendation 2.1. However, we believe this could be emphasised more strongly in the final recommendations. There needs to be more acknowledgment of the limited capacity within the community to provide relevant input given the lack of understanding of the planning process, their limited timeframe and competing interests for their time and the lack of agreement on what the much talked about “consultation” actually is. There would be value in improved transparency and agreement on what the consultation on development and planning approvals pragmatically means. In many cases it means some people are not going to have their requests granted or agreed to. This results in a feeling of the consultation not being a consultation but more of an information sharing exercise where at its worst, there is no consultation or flexibility in the conversation – it is all one way and the community feels like they are on the wrong end of the conversation.

We agree that the introduction of national standards for engagement could improve and clarify what the expectations are around community consultation. It is the AEIC's position that, where possible, we should move towards a nationally consistent approach, even if such reforms are implemented at the sub-national (or sub-system) level.

We also support the suggestion that the Developer Rating Scheme (DRS) could be used to strengthen the selection criteria for priority projects. While there are numerous documents proposing to provide guidance on what good practice looks like, there remains a real need for a collaborative approach that builds community capacity, understanding and confidence in the planning, development and operation (and end-of-life responsibilities) of renewable energy infrastructure. The DRS should make significant gains in this space on the basis it has industry, government and community engagement. It is unlikely to be a complete and categoric tool to address all concerns in relation to social license or community confidence, but it should be given every chance to succeed and demonstrate a much-needed improvement in practice.

Information sharing

Our Office supports efforts to improve transparency and information sharing. We agree that better information sharing, including mapping information, would help to better inform developers where appropriate or inappropriate sites should be. Recommendation 3 of the Community Engagement Review called for a nationally consistent approach to land use mapping to improve our understanding of competing interests around land use. First Nations groups also expressed the importance of planning and utilisation of mapping resources to identify cultural heritage areas.

Where relevant, publishing reasons for decisions under the *Environment Protection and Biodiversity Conservation Act 1999* could also provide valuable information to proponents and planning authorities and avoid unnecessarily wasting resources on proposals that are unlikely to progress. Such information sharing would also help communities to understand development decisions, which are not always transparent.

Further information

Thank you again for the opportunity to make a submission on the Productivity Commission's Interim report. We look forward to seeing the further development of these recommendations as the inquiry progresses. I consent to any publication of this submission and may make a copy available through our website at aeic.gov.au.

If you have any questions about this submission or require additional information, please contact us via email at aeic@aeic.gov.au or on 1800 656 395.

Sincerely,

TONY MAHAR

AUSTRALIAN ENERGY INFRASTRUCTURE COMMISSIONER