

4 October 2024

Hon. Dr Jim Chalmers MP  
Treasurer  
Commonwealth Government  
Lodged online via the [submission portal](#)

Dear Treasurer,

**Response to Commonwealth Government’s consultation paper on Future Made in Australia Front Door**

The Clean Energy Investor Group (CEIG) welcomes the opportunity to provide feedback on the Commonwealth Government’s consultation paper on establishing a Front Door for major investments, published in September 2024.

CEIG represents domestic and global renewable energy developers and investors, with more than 16GW of installed renewable energy capacity across more than 76 power stations and a combined portfolio value of around \$38 billion. CEIG members’ project pipeline is estimated to be more than 46GW across Australia. CEIG strongly advocates for an efficient transition to a clean energy future on behalf of the investors who will provide the low-cost capital required for this transition.

**Key Points**

- **CEIG supports the establishment of a Front Door to facilitate investments in renewable energy.**
- **CEIG is highly supportive of the development of a mechanism that addresses critical coordination challenges** to help investors navigate Australia’s extensive and fragmented regulatory frameworks.
- CEIG believes the **concierge and facilitation service will be particularly effective if it establishes a feedback loop for identifying opportunities for improvement and addressing emerging challenges.**
- **However, CEIG’s support for the Front Door hinges on its ability to simplify the navigation of complex regulatory assessments** across States and Territories, rather than adding another layer of bureaucracy.

- CEIG stresses the need for the Front Door strategy to **align with the Government's climate commitments and AEMO's ISP.**
- **Climate benefits should be a key component of the project selection criteria,** which is a crucial consideration currently missing from the consultation paper.
- **CEIG believes projects spanning State borders should be prioritised** under the Front Door due to their high complexity and need for better coordination.
- **To fully support the Government's FMIA program, the criteria for identifying "major transformational projects" must be favourable to utility-scale renewable energy investments;** CEIG looks forward to reviewing the detailed framework for qualifying such projects.
- CEIG has identified that **the biggest barriers to clean energy investment are regulatory and assessment delays,** including lengthy processes for environmental assessments, planning assessments, grid connection approvals and transmission buildout delays.
- CEIG emphasises that while the **Front Door initiative aims to provide short-term regulatory support, it must not overlook the broader regulatory reforms** needed to effectively address the long-term systemic challenges faced by investors.
- **CEIG, in partnership with HSF, reviewed the statutory planning assessment processes in NSW, Victoria, and Queensland,** resulting in two reports that **inform CEIG's advocacy for key priorities in planning and environmental assessments for the renewable energy sector.**
- **CEIG calls for immediate improvements to the efficiency and timeliness of project assessments pending major EPBC Act reforms.**
- **A dedicated case manager could improve the assessment process by overseeing departmental meetings and advice, and ensuring assessment teams meet reasonable, pre-defined timelines.**
- **CEIG recommends that the Front Door prioritise access to renewable electricity through investment in common user infrastructure.**
- **The success of the Front Door hinges on the outcomes of the proposed foreign resident CGT reforms, which CEIG warns could create a 'Back Door'** by driving foreign investors away, undermining the Future Made in Australia plan and Australia's emissions reduction goals.
- **CEIG recommends deferring decisions on CGT reforms until next Financial Year whilst the Government engages directly with clean energy investors and undertakes further analysis** on the unintended consequences of this proposed tax reform.

## GENERAL COMMENTS

CEIG welcomes the Commonwealth Government's Front Door strategy and its commitment to consulting on how it can facilitate investments in renewable energy. CEIG views the Front Door as a valuable opportunity to attract foreign direct investment by addressing key investor concerns.

CEIG is highly supportive of the development of a mechanism that addresses critical coordination challenges, including the provision of concierge and facilitation services to help navigate Australia's extensive regulatory frameworks. Establishing a clear entry point for complex, large-scale investment proposals will be helpful, especially if these services are integrated within existing government operations.

CEIG believes the concierge and facilitation service will be particularly effective if it establishes a feedback loop for identifying opportunities for improvement and addressing emerging challenges.

However, CEIG's support hinges on the Front Door remaining a tool to streamline developers' navigation through the complex regulatory assessment process across States and Territories. Should it become an additional layer of bureaucracy or another department investors must engage with, it would lose its intended value.

### **Alignment with Government targets**

CEIG emphasises the importance of ensuring the Front Door strategy aligns closely with the Government's future 2035 emissions reduction target and the Australian Energy Market Operator's (AEMO) Integrated System Plan (ISP).

CEIG has recommended that the Government's 2035 emissions reduction target be set in line with recent modelling, aiming for an 85% reduction below 2005 levels<sup>1</sup>. Strong alignment with this target is crucial to driving the renewable energy investments needed to meet Australia's climate commitments.

In addition, the ISP has long been a key resource for investors in planning their projects. However, while it provides valuable recommendations, there is currently no central authority overseeing its execution. CEIG therefore advises that the Front Door strategy be centrally aligned with an ISP scenario that is consistent with Australia's climate goals.

### **Identifying and prioritising projects**

CEIG understands that the criteria for determining what qualifies as a "major and transformational" project may include factors such as project size, commercial viability, proposal maturity, alignment with the Government's strategic priorities, and the type of support required from the Front Door.

While CEIG supports these qualifying metrics, we recommend that projects also be assessed on their contribution to helping Australia achieve its climate goals. Climate benefits should be a key component of the project selection criteria, which is a crucial consideration currently missing from the consultation paper.

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<sup>1</sup> CEIG (May-24) [Response to Climate Change Authority's 2024 Issues Paper](#)

CEIG supports these metrics and additionally recommends considering how each project helps support Australia with its 1.5-degree Paris Agreement commitment and emissions reduction targets.

In addition to the proposed metrics and CEIG's suggestions, projects spanning State borders should be prioritised under the Front Door due to their complexity and the benefits they would gain from improved coordination offered by the Front Door.

To fully support the Government's Future Made in Australia (FMIA) program, the criteria for identifying "major transformational projects" must be favourable to utility-scale renewable energy investments; CEIG looks forward to reviewing the detailed framework for qualifying such projects.

### **KEY ISSUES FOR THE RENEWABLE ENERGY SECTOR**

CEIG welcomes the recognition of the fragmented regulatory process for project assessments.

A recent CEIG survey highlights that the biggest barriers to clean energy investment are regulatory and assessment delays, including lengthy processes for environmental assessments, planning assessments, grid connection approvals and transmission buildout delays.

While the Front Door initiative may focus on short-term regulatory facilitation, CEIG advises that it must not overlook the need for broader regulatory reforms to support investors. Without a long-term vision, the Front Door will not address the systemic regulatory challenges faced by CEIG's Members.

#### **Planning assessments**

In collaboration with Hebert Smith Freehills (HSF), CEIG conducted a review of the statutory planning assessment processes in NSW, Victoria, and Queensland, producing two reports that outline challenges and propose recommendations for planning and environmental assessments<sup>2,3</sup>.

CEIG has leveraged the findings and recommendations from these reports to inform its advocacy on planning assessment processes. We have championed the following as key priorities for the renewable energy sector:

- **Centralised assessment process:** Establish a single, streamlined body responsible for coordinating planning and environmental assessments.

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<sup>2</sup> CEIG & HSF (Apr-24) [Delivering Major Clean Energy Projects in Queensland and Victoria | A Review of Statutory Planning Approval Processes](#)

<sup>3</sup> CEIG & HSF (Dec-23) [Delivering major clean energy projects in NSW: Review of NSW Statutory Planning Approvals Processes](#)

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- Clarify and coordinate consultation processes: Develop and implement standardised guidelines for consistency, transparency and coordination between proponents.
  - Facilitate data sharing: Encourage improved data sharing between regulators, proponents, and operators.
  - Coordinated interaction with the Commonwealth Government: Strengthen collaboration with the Commonwealth Government, particularly in strategic assessments and the treatment of REZs.
  - Improve application timeframes: Establish clear timeframes for each step of the planning assessment and approval process.
  - Engagement with First Nations People: Improve understanding of intangible cultural heritage through meaningful consultation with First Nations People.

While CEIG recognises that the Front Door will not bypass the separate processes of the States and Territories, we strongly advocate for greater coordination between State and Commonwealth processes to reduce inefficiencies.

### **Environmental assessments**

Across all jurisdictions, the current slow and complex administration of environmental assessments is the most significant challenge for clean energy investors. These challenges create substantial uncertainty for investors, potentially jeopardising investment decisions and the likelihood of meeting Australia's clean energy targets and decarbonisation goals.

CEIG acknowledges the recent *2024-25 Budget* commitment of \$134.2 million to improve environmental assessment processes and make them more efficient, including support for:

- Research on threatened species
- Regional planning to improve environmental decision making
- Strengthen environmental assessments
- Assessments for priority renewable energy projects
- Administration of complex applications and progress on the reform of Australia's cultural heritage laws.

While we acknowledge this positive announcement, further actions are necessary to improve assessment processes. Engaging with industry stakeholders, such as CEIG, will provide valuable insights into projects' experiences and concerns.

CEIG supports the ongoing major reforms of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) and acknowledges that the Nature Positive Plan and related reforms will take several years to fully achieve their intended impact and efficiencies.

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) can improve the efficiency and timeliness of renewable energy project assessments in the short term by implementing interim process improvements to the EPBC Act.

In addition to CEIG's recommendations for enhancing planning assessment processes – which are also highly applicable to improving the environmental assessment process – CEIG has identified short-term opportunities for improvement, including<sup>4,5,6,7,8</sup>:

- Environmental assessment processes that align with Australia's emission reduction goals.
- Regional planning that provides clear guidance and more efficient assessment pathways for specific locations through mapping and planning, especially in REZs.
- Proactive measures by the Government to secure social licence in areas of lower environmental value.
- Broader, more practical, and cost-effective range of offsetting and restoration measures, leading to measurable environmental benefits for protected matters.
- The requirement for all projects to conduct one year of avifauna surveys during the appropriate seasons for relevant species, with the Minister having the discretion to extend the data collection period to two years on a case-by-case basis.
- Implement standardised guidelines to ensure consistent and transparent application of the EPBC Act and assessment framework, including clear criteria for flora and fauna survey and offset requirements.
- Establishment of consistent and transparent criteria for requests for information (RFI) triggers, defining the scope of RFI requests and setting limits on the number of RFIs per project assessment, with flexibility for new issues that may arise.
- Ensure project assessment teams are adequately resourced with skilled staff to conduct assessments within reasonable, pre-defined timelines, minimising personnel changes during the assessment period whenever possible.
- Clarify and codify key terms, such as what constitutes a 'significant' impact or a controlled action.
- Consistent bird and bat survey requirements across State and Commonwealth Governments.
- Improved transparency and consultation, along with clear and consistent mechanisms for the renewables sector to engage in planning and conservation efforts that address the sectors' needs, such as through regional plan development and environmental offset measures.
- Consideration of the climate change benefits of renewable energy projects through the assessment process.

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<sup>4</sup> CEIG (Mar-24) [Response to Commonwealth Government's consultation on environmental law reforms](#)

<sup>5</sup> CEIG (Jun-24) [Response to Commonwealth Government's consultation paper on Onshore Wind Farm Guidance](#)

<sup>6</sup> CEIG (Mar-24) [Response to Commonwealth Government's consultation on environmental law reforms](#)

<sup>7</sup> CEIG (Jul-24) [Response to Commonwealth Parliament's Senate Inquiry: Nature Positive Bill](#)

<sup>8</sup> CEIG (Jul-24) [Commonwealth Government's consultation on Nature Positive Law Reform](#)

While CEIG recognises the need for broader reforms to offset markets, they nevertheless pose a significant barrier in several States that require attention from the Front Door process. For instance, in NSW biodiversity offsets are a major concern, particular regarding the integrity, transparency, and sustainability of the offsetting scheme<sup>9</sup>.

Additionally, frequent staff changes during the assessment process often leads to delays. CEIG believes that assigning a dedicated case manager for specific proposals, as proposed under the Front Door initiative, would greatly improve the overall efficiency of the process.

A dedicated case manager could add further value by providing coordination and oversight of meetings and advice from departmental officers to maintain clear and consistent communication throughout the assessment process, as well as by holding assessment teams accountable to reasonable, pre-defined timelines.

### **Infrastructure development and investment**

CEIG also suggests that the Front Door play a role in driving the development of critical infrastructure required to support the deployment of renewable electricity. Reliable access to renewable electricity requires investments in the physical infrastructure to connect, transport, and deliver energy efficiently. To this end, CEIG recommends that the Front Door prioritise and coordinate the development of common user infrastructure, including key assets such as transmission networks, ports, roads, and rural accommodation.

### **IMPACTS OF PROPOSED FOREIGN CGT REFORMS ON FRONT DOOR**

While CEIG supports the Front Door initiative, we wish to emphasise that Australia is becoming an increasingly less competitive environment for investment, with the proposed foreign resident capital gains tax (CGT) reforms posing a further threat to this competitiveness.

The success of the Front Door will largely hinge on the outcome of the foreign CGT reforms. CEIG cautions that these reforms could unintentionally create a 'Back Door' for investors, driving them to seek opportunities elsewhere due to the investment barriers posed by the CGT changes. This would also undermine the goals of the Future Made in Australia plan and hinder progress toward Australia's emissions reduction targets.

In our recent submission to the proposed foreign resident CGT reforms, we outlined significant concerns that the current design of the reforms may not meet their objectives and could negatively impact foreign investment sentiment towards renewable energy assets in Australia.

CEIG is aware that other comparable investment destinations, such as the U.S. and the

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<sup>9</sup> Audit Office of NSW (Aug-22) [Effectiveness of the Biodiversity Offsets Scheme](#)



U.K., have not imposed CGT on foreign investments in energy transition assets. Implementing these reforms would result in Australia having the highest CGT rate on foreign investors in energy transition assets among Organisation for Economic Cooperation and Development countries. Therefore, CEIG predicts that if the proposed policy becomes legislation, a significant amount of foreign capital could withdraw from supporting Australia's clean energy transition, jeopardising the Government's ability to meet its 2030 renewable energy target.

While the proposed CGT changes may not directly impact all CEIG Members, the broader implications for clean energy investment in Australia will be significant. These changes will substantially depress investor returns across all asset classes, potentially making projects, especially new asset classes such as offshore wind and renewable hydrogen, uninvestible due to the substantial risk and development capital required.

Medium-term foreign investors, who deploy capital over a 5–10-year period and have already made commitments before the introduction of these reforms, will be disproportionately affected. These investors play a crucial role in the energy transition by typically being the early adopters of new technology. Consequently, the proposed reforms will result in the loss of a significant source of capital for new technologies essential to the energy transition, which is unlikely to be offset by domestic investors.

CEIG has recommended that the Commonwealth Government defer any decisions until the next Financial Year whilst they engage directly with clean energy investors and undertake further analysis on the unintended consequences of this proposed tax reform to prevent detrimental impacts.

CEIG thanks the Commonwealth Government for the opportunity to provide feedback on its proposed Front Door for investors and looks forward to continued engagement on those issues. Our Policy Director can be contacted at [marilyne.crestias@ceig.org.au](mailto:marilyne.crestias@ceig.org.au) if you would like to further discuss any elements of this submission.

Yours sincerely,



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