

We Need Overriding Public Interest Test to Break Approval Logjam

Australia has to look at the global benefits of green projects, not just local impacts. The alternative might be stagnation, or worse.

Alan Finkel, *Former Chief Scientist*, 12 August 2024



Powdered lithium: Australia is losing out to other green metal exporters.

A key goal for Australia is to rapidly decarbonise our domestic economy. But we lie far behind other countries.

If land-use offsets are not included, by the end of 2023, Australia's emissions were only 2.5 per cent down on the 2005 baseline.

Another Australian ambition is to become an electrostate of the future, a green energy superpower exporting decarbonised, value-added strategic metals and critical minerals that will simultaneously be income earners for Australia and contribute to global decarbonisation.

In this, too, we see other countries making faster progress than Australia, despite our ambitious intentions.

We had a graphic illustration of the barriers Australia faces this month. Global lithium giant Albemarle, reacting to changed market conditions exacerbated by the cost inefficiencies of our slow and complex regulatory approvals regime and lack of common-user power infrastructure, announced it would dramatically curtail its [lithium processing operations in the south of Western Australia](#).

The epicentre of our opportunity to add value is in Western Australia, in the remote Pilbara region in the state's north-west. It is the global leader in exports of iron ore, and has world-scale reserves of lithium, strategic metals and other energy transition materials.

There is enormous potential to process these materials onshore using our abundant solar and wind power so that we export "embodied decarbonisation" in the form of green iron and other metals and minerals.

However, less than 2 per cent of energy consumed by the resources industry in the region is from solar and wind power. The majority comprises high-emissions diesel for trucks and trains, and natural gas for mining machinery.

One year ago, under its [flagship \\$20 billion Rewiring the Nation program](#), the Albanese government committed \$3 billion in concessional financing for upgrades to Western Australia's power infrastructure, including the Pilbara's North West Interconnected System to support new solar and wind power in the NWIS.

There has been no progress under this partnership to date.

The consequences of acting too slowly or inefficiently will be severe.

[As Climate Energy Finance argues in a new report](#), the decarbonisation and electrification of the Pilbara should be a national priority.

Part of this focus should be investment in common user infrastructure for the electricity grid to enable the rollout of large-scale solar and wind projects, and part should be initiatives such as co-location of solar and wind power with green metals refining to reduce the size of the challenge in expanding the electricity grid in the Pilbara.

The consequences of acting too slowly or inefficiently will be severe. The international competition will be fierce. Brazil, South Africa and other countries can dig and ship their iron ore to [countries in the Middle East](#), where they will use low-cost, zero emissions electricity to convert the crude iron ore into refined green iron.

The CEF report makes many important recommendations. First, and foremost in the context of the impact on land use required for transmission lines and solar and wind farms, is to work closely with traditional custodians of the land. From my own visits to the Pilbara, it is clear that traditional custodians want to work with developers for mutual benefit.

Possibly, the biggest problem is that our regulatory systems at the state and federal levels are too complex, unbalanced, and slow.

I was pleased the CEF report recommend that Australia should also consider introducing the Overriding Public Interest requirement recently adopted in Europe.

Under the European Renewable Energy Directive of October 2023, regulators and courts must ensure that the time taken to approve solar, wind, storage and transmission projects in renewable energy zones will not exceed 12 months. For offshore wind projects, the

approval time must not exceed 24 months. To ensure these rapid approvals, the regulators and the courts must consider the overriding public interest.

The OPI is a powerful concept, requiring that global climate benefits must be taken into account. For impacts on biodiversity, developers must take the whole population of a species into consideration instead of individual animals. Australia's Environment Protection and Biodiversity Conservation Act gives no consideration to global biodiversity, even if it would clearly benefit from the project under review.

The application of OPI has already proven effective in expediting several projects entangled in legal disputes in Germany, France, and Portugal, and Austria has followed suit by incorporating OPI into its legal frameworks.

In the absence of national adoption of an OPI consideration, the West Australian government could incorporate an OPI requirement into its [Green Energy Approvals Initiative](#), which aims to reduce approval times for job-creating green energy projects by creating dedicated environmental assessment and major projects facilitation teams.

If we follow a business-as-usual trajectory, we will not just suffer from stagnation. Worse, we will suffer from a decline in our mineral resources exports at the same time that our fossil fuel exports start a slow but terminal decline. This is a major risk to Australia's economic security.

The alternative, which we should pursue without delay, is a future "Made in Australia" in which our zero emissions, low-cost, value-added resource exports are globally competitive because they are produced under a regulatory system that protects the environment while facilitating the overriding public interest.

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