

**Submission  
No 16**

**INQUIRY INTO IMPACT OF RENEWABLE ENERGY  
ZONES (REZ) ON RURAL AND REGIONAL  
COMMUNITIES AND INDUSTRIES IN NEW SOUTH  
WALES**

**Name:** Mr Peter Coughlan

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NSW has a once in a generation opportunity via the build of renewable energy to transform rural and regional communities in NSW for the better. This would come from economic and community benefits, the ability to diversify industry and income streams for farmers, and increased nature restoration and protection opportunities.

To me it's clear that climate change poses the biggest risk to nature, through impacts including drought, bushfires, storms, ocean acidification, sea level rise and global warming. Many plants and animals cannot adapt to the effects of climate change and NSW is no exception.

The NSW Net Zero Commission's 2024 annual report concerningly outlined how, under current trajectories, the most recent projections for NSW's emissions reductions show that the targets for 2030 and 2035 will not be reached. Significant decarbonisation in the electricity and energy sector is central to reaching net zero by 2050.

NSW's continued reliance on coal-fired power is resulting in an energy system that is increasingly unreliable and increasingly expensive for consumers.

We need to build renewable energy in a timely manner to reach our emissions reductions targets, minimise the impacts of climate change on our environment, provide reliable energy for our state, and bring down energy prices to alleviate cost of living pressures.

The focus of the NSW government should be to continue rolling out renewable energy developments in a timely manner in REZs. To ensure the best outcomes for communities and the environment, improvements to the current REZ structure should be made where necessary but this should not come at the cost of slowing down the build of renewable energy.

We are already starting to see the positive economic impacts that REZs are bringing to rural and regional communities through community benefits and economic activity. It's expected that large-scale wind and solar projects in NSW will deliver \$715 million between 2024-2050 in contributions to communities and councils. Modelling by the Regional Australia Institute shows that up to \$68 billion in economic activity could be generated across Australia by 2030 from large scale wind and solar projects.

There is also the economic risk of not acting and delaying the transition to renewable energy, significantly impacting not just rural and regional communities but all of Australia.

New modelling shows that Australia's GDP will take a hit of \$6.8 trillion between 2024 and 2050 if serious action on climate change is not taken.

This is a once in a generation opportunity for economic investment in NSW's regions.

Strong consultation processes are needed to ensure communities reap the full social, economic and environmental benefits of renewable energy developments in their areas.

### Agricultural impacts

REZs are strengthening long-term security for regional farmers. The ability for farmers to host renewable energy projects on their land allows for the opportunity to diversify their income. Analysis by Farmers for Climate Action and the Clean Energy Council shows that

large-scale wind and solar projects in NSW are expected to deliver between \$2.6 – \$3.3 billion between 2024-2050 in direct landholder payments.

There are also opportunities for dual land use, allowing farmers to retain agricultural practices while hosting renewable energy. Colocation of solar farming and sheep grazing is an increasingly common practice and successful model of dual land use. Not only does it benefit farmers who can continue to graze sheep but also benefits developers who save costs as they don't need to trim the grass on the solar farms themselves. A recent study on sheep grazing on solar farms found no negative impact on wool production and even an improvement in the quality of wool produced.

The impacts of climate change pose the biggest threat to the environment. The development of renewable energy projects within renewable energy zones has an overall positive impact on the environment by helping NSW get to net zero and mitigating the devastating impacts of climate change. The renewable energy transition presents opportunities to protect and restore nature. To ensure practices of protecting and restoring nature through renewable energy developments in REZs are commonplace, the NSW government should identify ecological protection and restoration priorities for each REZ and require developers to contribute to nature positive environmental regional outcomes.

There is always a risk that any form of development can negatively impact the environment. The best way to ensure our environment is properly protected is to strengthen NSW's nature laws and reform the planning system to increase nature positive developments, as recommended in the Independent Review of the Biodiversity Conservation Act 2016.

As a resident of the Hunter Valley I continually see the way in which regional communities such as ours are transitioning away from coal mining and becoming industrial hubs for renewable energy generation and green manufacturing, and in that regard REZ's have the potential to solidify post-mining land use plans. The NSW government should prioritise the development of region-wide post-mining land use plans that have positive biodiversity outcomes and do not allow mining companies to evade rehabilitation obligations as set out in their development consents.

There is not expected to be a major impact on visitation to regional areas with REZs, as the amount of changes to land use predicted are minimal. Analysis by the Clean Energy Council shows that less than 0.027% of land used for agriculture production would be needed to power the east coast states with solar projects. Implementing dual land use practices as outlined in (a) where agricultural practices can exist alongside renewable energy generation can further reduce land use change in regions.

Strategic siting of renewable energy projects can prioritise the development of renewable energy projects on degraded land and ensure that projects locations will not change the reason why people enjoy visiting regional areas.

A mix of utility scale renewables, rooftop solar, large-scale and household batteries are needed to achieve a reliable modern energy system. It is beyond my comprehension that certain sectors in Australia are even considering nuclear energy which would worsen climate change impacts by delaying the renewable energy transition and furthering the lifetime of carbon polluting coal-fired power generation.

Nuclear energy is a dangerous distraction from the urgent need for governments at all levels to make every effort to tackle climate change by furthering the pace of the renewable energy rollout.

Early and genuine consultation and engagement with communities is essential in any development. There has not been a consistent standard for community consultation across REZs, with some developers following good practice and others doing the bare minimum. There are improvements that could be made in consultation practices and more guidance and regulation from the NSW government can ensure the standard is lifted to be consistent in all communities.

A regional community benefits plan should be developed, which prioritises the aspirations of both the local and broader communities of impact and include benefits such as discounted power for residents and co-ownership of assets like community batteries.

The NSW Renewable Energy Planning Framework should provide clearer guidance to what “early and meaningful” community engagement looks like. For example:

- Early: many regional communities face barriers for participating in consultation processes, such as lack of internet access. When providing notice for a community meeting, developers need to take the specific barriers and needs for that community into consideration and ensure plenty of notice is given to allow full community participation. Early consultation also means early education for communities on the process and what options are for benefits and how they work.
- Meaningful: developers can demonstrate a culture of genuine community consultation through providing financial assistance for community participation in the assessment of projects, including consideration of nature and cumulative impacts. Community consultation should also incorporate opportunities for capacity building and engage diverse representatives from across the regions

I'm aware that some community members in REZs have expressed concerns around the plans and processes for the decommissioning of renewable energy projects. In that regard I welcome the NSW Government's new private landholder agreement guideline and decommissioning calculators to help provide more information to landholders on how to best negotiate matters related to decommissioning in private agreements with developers.

The latest Renewable Energy Transition update provides a reasonable explanation as to why the NSW government has decided not to introduce

decommissioning bonds, mainly due to the significant cost of bonds to both industry and energy consumers because of the interest such bonds would incur over time.

While these updates are great resources for landholders, communities nearby renewable energy developments need more reassurance on the plans for decommissioning. Decommissioning agreements should be made publicly available to provide transparency to impacted communities.

As a final area of concern to me there must be genuine engagement and consulting with First Nations communities as a central part of the planning, construction, operations and decommissioning of renewable energy projects. First Nations communities have cared for Country, sustainably looking after the land, waters, air, wildlife, climate and culture, for over 60,000 years. Genuine engagement and consulting with First Nations communities is essential to achieving positive environmental and cultural outcomes through the transition to renewable energy.