Submission No 34

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

Organisation: The Nature Conservation Council NSW

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Nature Conservation Council

The voice for nature in NSW

Submission on the Impact of Renewable Energy Zones (REZs) on rural and regional communities and industries in New South Wales

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About NCC

The Nature Conservation Council of New South Wales (NCC) is the state's peak environment organisation. We represent over 200 environment groups across NSW. Together we are dedicated to protecting and conserving the wildlife, landscapes and natural resources of NSW.

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For further information about this submission, please contact:

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Acknowledgement

The Nature Conservation Council NSW acknowledges that we live and work on the land of First Nations . This land has been cared for since time immemorial by Traditional Owners, whose sovereignty was never ceded. We pay our respects to the Traditional Owners past and present of the many Countries within so-called New South Wales.

We respect the leadership of Traditional Owners in caring for Country, and support the development of treaties that meaningfully empower them to do so. We acknowledge the dispossession of First Nations People and the harm inflicted on people and Country since colonisation began. We acknowledge that colonisation is an unjust and brutal process that continues to impact First Nations people today. As people living and working on First Nations Country it is incumbent on us to play our part in righting the historical and ongoing wrongs of colonisation. Indeed, our vision of a society in which nature and communities thrive together depends upon it.

The Nature Conservation Council of NSW (NCC) respects and supports all First Nations people's right to self-determination as outlined by the UN Declaration of the Rights of Indigenous Peoples (UNDRIP), which extends to recognising the many different First Nations within Australia and the Torres Strait Islands. NCC commits to maintain open lines of communication and to build respectful mutual relationships with First Nations people in all the work we do and wherever possible, seek aligned outcomes with and support the goals of First Nations groups.

We commit, as an organisation, to empower and work together with First Nations people to protect, conserve and restore the land, waters, air, wildlife, climate and culture of the many First Nations people in NSW.

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To whom it may concern,

Submission: Inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales

NCC welcomes the opportunity to contribute to the Inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales.

The build of renewable energy through REZs is a once in a generation opportunity to transform rural and regional communities in NSW for the better through economic community benefits, the ability to diversify industry and income streams for farmers, and increased nature restoration and protection opportunities.

Climate change poses one of the biggest risks 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. NSW has 1000 plant and animal species and ecological communities that are at risk of extinction due primarily to climate change and habitat destruction.

The bushfires and floods over the last few years gave us a taste of what is to come if we don't take action to prevent climate change. The Paris accord states that to limit global warming to 1.5 degrees and prevent catastrophic climate events and mass extinction we must reduce emissions by 43% by 2030.

The NSW Net Zero Commission's 2024 annual report 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. For example, heatwaves across Sydney in late November 2024 led to sudden soaring demand of electricity as households and workplaces increased air-conditioning use to manage the almost 40-degree days. Out of the 12 coal power-generation units across the state, 4 were offline for maintenance or breakdowns, 2 of which were unplanned, leading to risk of blackouts. Ageing coal-fired power is unable to meet NSW's electricity demands.

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.

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The REZ system was established by the previous NSW government to deliver the vast amount of utility-scale renewable energy needed and the build is well on the way – in NSW there is 53% and nationally there is almost 40% renewable energy capacity.

The focus of the NSW government should be to continue rolling out renewable energy developments in a timely manner in REZs. There is opportunity to further improve outcomes for communities and the environment, but it is imperative to maintain and indeed pick up the pace of the renewable energy build out.

Socioeconomic benefits within REZs in NSW

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 as a result of the broad impacts of climate change, if serious action 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. NCC recognises the recently released NSW Renewable Energy Planning Framework which provides updated guidance around community consultation, engagement, and benefit sharing. While we welcome these updates and look forward to seeing how they bring further socioeconomic benefits to the regions, there is still improvements to be made to be made as outlined in the 'community consultation and engagement' section below.

Community consultation and engagement should be prioritised in REZs

Early and genuine consultation and engagement with communities is essential in any development, whether renewable energy or otherwise. 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 is opportunity to improve outcomes for communities and the environment through prioritisation of best practice consultation. More guidance and regulation from the NSW government, in addition to the recently updated Renewable Energy Planning Framework, can ensure the standard is lifted to be consistent in all communities.

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Recommendations:

- Regional community benefits plans should be developed, outlining 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 as to what "early and meaningful" community engagement looks like. For example:
    - Early: some regional community members 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 the options for defining 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

Agricultural opportunities within REZs in NSW

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.

Australian farmers are already farming with renewable energy and transmission on their land and seeing the benefits. Several of these cases have been captured by Farmer's for Climate Action, including:

- Brent, a Merino and Wind Farmer in Darling Downs, Queensland: A former National Farmers Federation President, Brent's been farming for most of his life. He's always run beef cattle and sheep and now hosts wind turbines to help drought-proof his income.
- Andrew, a Grazier and Solar Farmer in Darling Downs, Queensland: Andrew's a fifth-generation farmer in Queensland, continuing the family tradition running beef cattle and

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sheep. He added solar to guarantee his farm into the future, and now it's nearly a third of his income.

- Sandra, a Dairy, Wind and Solar Farmer in Gippsland, Victoria: Sandra runs an organic and regenerative dairy farm in Eastern Gippsland where they milk 350 cows year round. Sandra's farm was becoming unsustainable due to the energy needed to irrigate pasture and milk cows, so they looked into renewables to lower costs, solar has meant that the farm's energy costs can come down by up to 80%.

Environmental restoration within REZs in NSW

The impacts of climate change pose one of the biggest threats to the environment. The energy transition – moving from fossil fuels to renewable energy – is critical to safeguarding a future for our environment and NSW threatened species The development of renewable energy projects within renewable energy zones is a crucial step in this transition and 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. There are several case studies across Australia that demonstrate these opportunities:

- Neon Energy establishment of World's End Gorge National Park as part of the vegetation offset strategy for the Goyder South wind farm.
- SA Water & Seeding Natives revegetation project, involving the planting of almost a ton of native grass and saltbush seed under thousands of solar panels across the state to secure the return of native scrub vegetation and local jobs.
- Cattle Hill wind farm use of Identiflight AI technology as part of their mitigation strategy to protect eagles from turbine blade strike. Since implementing this technology, there have been no impacts involving endangered and protected eagles at the project for more than a year, despite eagle activity being higher than ever.

Recommendation: 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. NCC has welcomed the important first step taken by the NSW government in reforming our nature laws through the passage of the NSW Biodiversity Conservation Amendment (Biodiversity Offsets Scheme) Bill 2024, though there is still a lot more work to be done.

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Post mining land use opportunities

For regional communities that already are industrial hubs but are transitioning away from coal mining and towards renewable energy generation and green manufacturing, such as in the Hunter and Illawarra, the rollout of REZs should include the development of post-mining land use plans.

Recommendation: 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.

Opportunities for First Nations communities

Genuine engagement and consulting with First Nations communities must remain 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.

Recommendations:

- Policy mechanisms to achieve genuine engagement and consulting can include weighted criteria for local First Nations business participation, and resourcing First Nations ranger programs.
- The NSW government should continue working with the Federal government and directly with First Nations communities to meaningfully implement an impactful and well-resourced rollout of the First Nations Clean Energy Strategy in NSW. This includes the three focus areas of:
    - Power First Nations communities with clean energy
    - Enable equitable partnerships
    - Achieve economic benefits with First Nations peoples

No implications for fire risk or insurance

The NSW Department of Planning, Housing and Infrastructure has recently addressed various risks and hazards that are considered when assessing renewable energy projects. This includes clarification that renewable energy does not increase the risk or impact of fires.

Regarding insurance, the Insurance Council of Australia (ICA) has stated that insurers do not have specific concerns related to neighbouring clean energy infrastructure. Rather, the increase in extreme and intense weather events due to climate change has led to a rising cost of home insurance. Australians are collectively paying $30 billion more today on insurance than 10 years

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ago. An August 2024 report by the Actuaries Institute shows that Australian households experiencing home insurance affordability stress increased by 30% in the past year. Households in areas at higher risk of extreme weather, including many regional areas in NSW, are even being priced out of accessing insurance altogether.

The financial cost for everyday Australians of failing to address climate change is high. We need a timely transition in NSW to renewable energy to alleviate the impacts of climate change and reduce financial stress on households.

Projected impact on visitation to regional areas with renewable energy zones resulting from changes to land use

There is unlikely to be a major impact on visitation to regional areas within REZs, as the extent 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 earlier, means that land can continue to be used for agriculture alongside renewable energy generation. While there is some change to the land through the introduction of renewable energy generation, the main function of the land being for agriculture would remain. As mentioned above, hosting renewable energy on agricultural land is an opportunity to strengthen long-term security for farmers by allowing them to diversify their income and there are many Australian farmers who are already successfully doing so.

Strategic siting of renewable energy projects can prioritise the development of renewable energy projects on degraded land to minimise changes to land use and protect local biodiversity.

Recommendation: Strategic siting of renewable energy projects can be achieved through bioregional planning and thorough implementation of the mitigation hierarchy. Existing planning rules require developers to implement the mitigation hierarchy. However, in practice local communities often identify missed opportunities for more strategic site selection, nature impacts mitigation, protection and/or restoration. To remedy this, developers should consult with local environment organisations, ecologists and community groups in determining how best to apply the mitigation hierarchy throughout all aspects of the development. This includes, but is not limited to:

- Well-considered site selection, such as on predominantly cleared land
- Implementing mitigation strategies and technologies
- Pursuing on-site ecological restoration opportunities
- Using offsets as a last resort

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It should be a requirement for environmental data to be shared between developers and local environment groups, and for developers to align their offset strategies with the region's environmental priorities.

The NSW government should update relevant guidelines and work with developers to ensure the above recommendations are implemented.

Alternatives to renewable energy sources should not be pursued

As previously stated, urgent action is needed to reduce our emissions and achieve net zero by 2050 to avoid devasting impacts of climate change on the environment and humanity. Transitioning to renewable energy is the fastest and most efficient way for NSW to achieve this and we are well underway. Nationally there is almost 40% renewable energy capacity and in NSW there is 53%.

A mix of utility scale renewables, rooftop solar, large-scale and household batteries are needed to achieve a reliable modern energy system.

Pursuing alternatives to renewable energy, such as nuclear energy, 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 not a viable alternative to renewable energy in Australia for numerous reasons, such as:

- Nuclear energy is not zero emission technology: Whilst touted as a clean energy source by proponents, nuclear energy is not carbonneutral. Significant amounts of fossil fuel energy are required to mine and process uranium, operate nuclear power plants and transport waste.
- Nuclear energy is expensive: The CSIRO estimates that electricity from nuclear power would be at least 50% more expensive than electricity from solar or wind.
- Nuclear energy generates toxic waste: The extent of radioactive spent fuel waste from nuclear reactors has been understated. Australia does not have any national radioactive waste facilities. There is a legacy of accidents in transport of nuclear waste in other countries.
- Nuclear energy uses huge volumes of water: Nuclear is one of the most water-intensive energy systems, far thirstier than coal. In comparison, water demand for solar and wind power is near zero
- Nuclear energy is a risk to habitat and ecological values: The land footprint of nuclear energy is not constrained to generation sites. Land is needed for uranium mining and disposal of toxic waste, with risks of environmental contamination at each stage of the value chain.

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.

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Management of decommissioning bonds

Some community members in REZs have expressed concerns around the plans and processes for the decommissioning of renewable energy projects. To address these concerns, NCC welcomes 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.

Recommendation: 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.

Role and responsibility of the Net Zero Commission

The NSW Net Zero Commission is an important independent body established to provide expert advice on the steps NSW should take to achieve our legislated climate goals. NSW has legislated targets to reduce emissions by at least 50% by 2030, 70% by 2035 and reach net zero emissions by 2050.

The first annual report released in November 2024 highlights the need for urgent climate action, with the average temperate in NSW in 2023-2024 being the fourth highest recorded in more than a century. The report highlighted 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. This independent and expert reporting is crucial to hold the NSW government accountable and get us back on track to achieving our emissions reduction targets.

The necessity and benefits of clean energy are often poorly communicated with the regions most affected by the transition. A recent study by the Climate Council has highlighted this knowledge gap across Australia, including that only 8% of Australians realise that about 40% of our electricity is already being generated from renewable energy. Further, 39% of Australians mistakenly think that declining industries like coal and gas can generate a lot of jobs when the opposite is true – jobs in these industries will decline as the economy decarbonises, and jobs in clean energy and associated supply chains will increase.

Recommendation: Thanks to its up-to-date expertise and independence, the Net Zero Commission is well equipped to communicate its findings on these matters to regional NSW by

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being present in regional areas through events and media engagements, and producing communications materials tailored to regions playing an active role in the transition.

Thank you for the opportunity to participate in this consultation.

Your key contact point for further questions and correspondence is Eve Altman, Clean Energy Campaigner, available via and . We welcome further conversation on this matter.

Yours sincerely,

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