

Submission  
No 39

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

**Organisation:** Hunter Jobs Alliance

**Date Received:** 31 January 2025

---



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

Submission from the Hunter Jobs Alliance

**31st January 2025**

Submitted via- [NSW Parliament Inquiries Page](#)

Thank you for the opportunity to make a submission.

The Hunter Jobs Alliance is an coalition of unions and environment organisations in the Hunter region, working together to create a future for our region with full employment, good union jobs, a thriving and healthy living environment, an equitable society, a stable climate, and renewable prosperity. The members and supporters of our organisations are workers, conservationists, local businesses people with deep ties to the Hunter region and a shared commitment to its fair and sustainable future.

For inquiries contact: Justin Page, Coordinator - Hunter Jobs Alliance

### **Hunter Jobs Alliance affiliate member organisations:**

<ul style="list-style-type: none"> <li>● Australian Manufacturing Workers’ Union NSW &amp; ACT Branch (AMWU)</li> <li>● Electrical Trades Union NSW &amp; ACT Branch (ETU)</li> <li>● United Workers Union (UWU)</li> <li>● Australian Municipal, Administrative, Clerical and Services Union NSW &amp; ACT Services Branch (ASU)</li> <li>● Community and Public Sector Union (CPSU)</li> <li>● National Tertiary Education Union (NTEU)</li> </ul>	<ul style="list-style-type: none"> <li>● New South Wales Teachers Federation (NSWTF)</li> <li>● Independent Education Union of Australia NSW/ACT Branch (IEU)</li> <li>● New South Wales Nurses and Midwives’ Association (NSWNMA)</li> <li>● Labor Environment Action Network (LEAN)</li> <li>● Lock the Gate Alliance</li> <li>● Hunter Community Environment Centre (HCEC)</li> <li>● Nature Conservation Council of New South Wales</li> </ul>
--	--



## **Introduction**

The Hunter Jobs Alliance (HJA) welcomes the opportunity to make a submission to the NSW Legislative Council inquiry into the impact of Renewable Energy Zones (REZ's) on rural and regional communities and industries in New South Wales. The transition to renewable energy is changing rural and regional Australia, and for regions like the Hunter of NSW where the Hunter Jobs Alliance is focused, communities face significant shifts. Across NSW, REZs represent a critical opportunity to ensure an orderly energy transition that prioritises the needs of workers and communities, fostering sustainable growth and resilience. By placing communities and workers at the centre of the renewable's rollout, the government can build social licence and ensure long-term benefits for those most affected by REZs.

The Hunter Jobs Alliance supports the transition to renewable energy, and our submission focuses on recommendations to ensure positive socioeconomic impacts, including job creation, local content, community benefits, and the growth of Australian manufacturing.

### **KEY RECOMMENDATIONS**

#### **Recommendation 1**

The NSW Government should ensure that the development of REZs maximise local content, job creation, and training opportunities.

#### **Recommendation 2**

Identify ecological protection and restoration priorities for each Renewable Energy Zone and require developers to contribute to specific nature positive environmental regional outcomes.

#### **Recommendation 3**

The NSW Government must prioritize renewable energy development in NSW REZs, as it is more cost-effective and driven by market demand compared to other energy options.

#### **Recommendation 4**

The NSW Government must provide targeted support to local councils with limited experience in renewable energy projects and community benefit-sharing, recognising the variation in capacity among councils within the Renewable Energy Zones (REZs).



**Recommendation 5**

The Benefit Sharing Guidelines must be expanded to include initiatives that promote and link benefit-sharing agreements with local job creation, supply chain development, and infrastructure improvements.

**Recommendation 6**

The NSW Government must incentivise local manufacturing across renewable energy supply chains to create jobs, support economic growth, and accelerate the development of Renewable Energy Zones.

**Recommendation 7**

The NSW Government must continue the transition to Renewable Energy to meet our state's target of net zero emissions by 2050 and ensure a clean, affordable and reliable electricity supply.

**Recommendation 8**

Genuine early consultation with communities is essential throughout planning, construction, operations and decommissioning of renewable energy projects. Government and industry must ensure consistent, high-quality engagement, supported by regulatory improvements to ensure this standard.

**Recommendation 9**

The NSW Government should ensure collaboration between the NSW Renewable Energy Board, the Future Jobs and Investment Authorities, and the Net Zero Economy Agency, all of which have mandates to encourage jobs and investment. This will minimize overlap and achieve best outcomes for workers and communities in regions undergoing significant socioeconomic transition.

**Terms of Reference (a) *current and projected socioeconomic, cultural, agricultural and environmental impacts of projects within renewable energy zones in New South Wales including the cumulative impacts***

**Maximising Local Content for Renewable Energy Development in NSW**

The Hunter Jobs Alliance supports the [NSW Renewable Energy Sector Board's \(2024\)](#) requirements under the Act to:

- Maximise the use of locally produced and supplied goods and services
- Maximise employment of suitable and qualified local workers
- Foster opportunities for apprentices and trainees



Achieving these objectives through the development of Renewable Energy Zones (REZs) is critical. The Hunter Jobs Alliance urges the NSW Government to ensure these requirements are met to maximise the benefits for local communities and industries.

The announcement of the Tighes Hill TAFE Net Zero Manufacturing Centre of Excellence in October 2024 is an important step in addressing workforce demands. However, the structural shortage of skilled workers remains a critical roadblock to the development of REZs. The [Institute for Regionals Futures](#) finds that by 2030, approximately 51% of the 43,200 workers required will be in occupations already facing national shortages, particularly in electricians and engineering professions. Projections indicate significant peaks in labour demand in 2028 and 2035, posing a substantial risk to the pace of the clean energy build-out.

[A survey](#) of supply chain businesses has highlighted skills shortages as the "number one barrier" to realising the opportunities created by the REZs. The NSW Government must prioritise workforce development to overcome this challenge.

The NSW Government should expand training infrastructure and increase investment in workforce development to address the structural skills shortages. This includes providing additional support for training facilities, apprenticeships, and targeted skill development in key sectors such as electrical and engineering professions, to ensure local workers can meet the growing demands of the renewable energy industry.

### **Recommendation 1**

The NSW Government should ensure that the development of REZs maximize local content, job creation, and training opportunities.

The Hunter Jobs Alliance also had the opportunity to work with our affiliate member organisation the Nature Conservation Council of NSW (NCC) and support its recommendations. In particular, we support their expertise with their recommendation 2: *Identify ecological protection and restoration priorities for each Renewable Energy Zone and require developers to contribute to specific nature positive environmental regional outcomes.*

This will ensure that opportunities to protect and restore nature are considered from the beginning of the planning process, rather than waiting until the environmental impact statement stage. Nature positive means there has been an improvement in the diversity, abundance, resilience and integrity of ecosystems from an agreed baseline.



### **Recommendation 2**

Identify ecological protection and restoration priorities for each Renewable Energy Zone and require developers to contribute to specific nature positive environmental regional outcomes.

### ***Terms of Reference (c) the historical, current and projected future financial costs associated with construction and maintenance of large scale projects within Renewable Energy Zones***

#### **The economic benefits of transitioning to renewable energy: opportunities within REZs**

The traditional energy generation capacity of NSW has been reliant on coal fired power plants which are ageing and are becoming increasingly unreliable and costly. The Australian Energy Market Operator (AEMO) says 90% of coal-fired power in the National Electricity Market will close by [2035](#). A [report](#) by the Climate Council finds that delaying the closure of Eraring Power Station, Australia's largest coal-fired power generator, could cost NSW taxpayers up to \$225 million per year. Extending the life of coal-fired power stations is a central feature of the Coalition's energy plan, while significantly limiting the development of wind and solar, which are widely recognized as the cheapest forms of energy generation.

Instead, pursuing alternative energy sources such as Nuclear (proposed for Lidell in the Hunter Central Coast REZ), would amount to significant increases in financial costs. Analysis by Australia's leading science agency, the CSIRO, found building nuclear reactors to cost at least twice as much as renewable energy in their [GenCost 2024-25 report](#). A key factor in the economic disparity between nuclear energy and renewables is that nuclear energy in Australia is entirely publicly funded, with no investment from the private sector. In contrast, renewable energy is largely driven by market forces, supported by government schemes that encourage competition and investment within the free market.

### **Recommendation 3**

The NSW Government must prioritise renewable energy development in NSW REZs, as it is more cost-effective and market-driven compared to other energy options.

### ***Terms of Reference (e) adequacy, and management of voluntary planning agreements and payments made to the LGAs impacted by Renewable Energy Zones***

## **Establishing Community Benefit Planning Guidelines**

The Hunter Jobs Alliance welcomed the updated NSW planning guidelines for renewable energy projects, which streamline approvals and foster greater market stability. These changes are critical for meeting renewable energy targets, as NSW must build nearly 2 GW of wind and solar projects annually to stay on track. Predictable planning processes will enable timely project approvals and support local supply chain development.

The benefit-sharing guidelines further ensure communities reap significant economic rewards from hosting renewable energy projects. The [NSW Government estimates](#) these projects will share over \$400 million in benefits with councils and communities over 25 years. REZs are strengthening long-term security for regional farmers, allowing for the opportunity to diversify their income. [Payments](#) to landholders for hosting renewable energy infrastructure could reach \$1 billion by 2030 and up to \$10 billion by 2050, providing vital support for farming operations.

Community opposition has been recognized as a significant barrier to the development of renewable energy across Australia. Its potential impact on Renewable Energy Zones (REZs) must be addressed through best practices that ensure outcomes benefit affected communities, while simultaneously accelerating development. The establishment of community benefit plans is crucial in the ongoing development of Renewable Energy Zones (REZs).

Whilst compensation to effective landholders can be beneficial, they can be equally complex, with perceived unfairness amongst the broader community potentially increasing levels of community opposition. To minimise such impacts, benefits should extend beyond compensation to landholders to include wider community scale benefits. [A successful example](#) can be found in Hay Shire in the Southwest REZ, where the local council created negotiation principles with developers. This led to agreements providing cheaper electricity for the town, as well as long-term projects in education, housing, and healthcare. The NSW Government should support local councils by providing guidelines for implementing similar initiatives.

Acknowledging the wide variation in capacity of local councils across the state, The NSW Government should ensure its Benefits Sharing Guidelines are transparent and adaptable. Aiding with the establishment of clear principles for community negotiations will promote fair, consistent, and transparent agreements. Community benefit plans should encourage developers to implement co-ownership offers to communities, invest in local infrastructure, education, healthcare, and other long-term community priorities, and promote initiatives that link benefit-sharing agreements with local job creation, supply chain development, and infrastructure improvements.



#### **Recommendation 4**

The NSW Government must provide targeted support to local councils with limited experience in renewable energy projects and community benefit-sharing, recognizing the variation in capacity among councils within the Renewable Energy Zones (REZs).

#### **Recommendation 5**

The Benefit Sharing Guidelines must be expanded to include initiatives that promote and link benefit-sharing agreements with local job creation, supply chain development, and infrastructure improvements.

### ***Terms of Reference (f) current and projected supply and demand levels of manufactured products, raw materials, and human resources required for completion of Renewable Energy Zones and their source***

#### **Opportunities to leverage the REZs to support Australian manufacturing**

The NSW Renewable Energy Sector Board's [Plan](#) highlights the socioeconomic opportunities for NSW through local manufacturing of REZ infrastructure. The Plan identifies significant opportunities to create jobs through:

1. Solar farm infrastructure,
2. Wind tower manufacturing,
3. Wind farm manufacturing (non-tower),
4. Battery energy storage supply chain,
5. Offshore wind,
6. Electrical balance of plant,
7. Transmission tower manufacturing, and,
8. End-of-life reuse and recycling.

However, a survey of supply chain businesses identified skills shortages as the primary barrier to realizing these opportunities. This challenge stems from broader labour market pressures, renewable energy sector uncertainties, and gaps in training infrastructure. Without a clear signal to invest, the local supply chain will not develop and expand. In the absence of a clear incentive to change, renewable energy developers are likely to continue relying on their existing supply chains, missing opportunities for local economic growth. By establishing sovereign capability in renewable energy supply chains, opportunities for job creation will be bolstered whilst Australia's path to decarbonisation and energy security will be assured.

Australia currently has limited existing cleantech manufacturing capacity, however there are “available and impactful opportunities for expanding Australia's onshore manufacturing area in





wind and batteries” as found in a report by [Beyond Zero Emissions](#). While the greatest opportunities are in wind and battery supply chains, there are also significant opportunities in commercial EVs, solar and heat pumps chains. The report also found that supporting the growth of these five sectors could generate \$215 billion in revenue and create 53,000 jobs.

Onshore and offshore wind is forecasted to play a key role in the future of Australia’s energy mix, however current local supply capacity in NSW is [effectively zero](#). Globally, wind has the biggest projected supply gap of any of the renewable technologies. Given Australia’s well established steel industry and strong manufacturing base, the fabrication of wind towers, as a mature low-medium technology activity, is well within domestic capability. By establishing local supply capacity, local procurement requirements of wind turbines can then be implemented, supporting local industry and benefiting the broader economy.

A [report](#) by The Centre for Future Work found that domestic wind tower manufacturing could generate \$15 billion in economic benefits and over 4,350 ongoing jobs over the next 17 years. Recognising that wind towers only comprise about 12% of the manufacturing cost of a wind turbine, complete turbine manufacturing will increase these figures dramatically. The implications for the steel industry are also significant. [Research](#) shows that the steel required for the proposed Illawarra offshore zone could represent 10% of Port Kembla’s annual production, supporting thousands of local jobs. However, without clear investment signals, the local supply chain will remain underdeveloped, slowing the pace of project development.

The NSW Government should provide clear policy direction and incentives to develop local supply chains for wind energy infrastructure. This includes investing in manufacturing capabilities for wind towers and turbines and establishing procurement requirements that prioritise local industry. By doing so, the government can ensure the growth of a robust, sustainable supply chain that supports local jobs, strengthens the steel industry, and accelerates the development of REZs.

**Recommendation 6**

The NSW Government must incentivise local manufacturing across renewable energy supply chains to create jobs, support economic growth, and accelerate the development of Renewable Energy Zones.

***Terms of Reference (h) suitable alternatives to traditional renewable energy sources such as large-scale wind and solar***

There are no realistic alternatives to renewable energy for Australia's future. While Peter Dutton promotes nuclear energy, it is not a viable option for Australia. The CSIRO and Australian Energy Market Operator's (AEMO) [GenCost 2024-25 report](#) provides an economic analysis



showing that building nuclear reactors in Australia would cost at least twice as much as renewable power and take a minimum of 15 years to complete. Nuclear projects across the world cannot attract private investment & no insurers will insure Nuclear projects so tax payers bear the entire cost and all the risk.

Transitioning to renewable energy is the fastest and most cost-effective way for NSW to meet its legislated emissions reduction targets and ensure a sustainable energy future, as coal-fired power stations across the state close down in the coming decade. Currently, NSW has about 13,500 megawatts (MW) of renewable energy generation capacity, representing approximately 53% of the state's total capacity. Over the last five years, the share of wind and solar in NSW's electricity ([Source](#)- NSW Climate and Energy website)

**Recommendation 7**

The NSW Government must continue the transition to Renewable Energy to meet our state's target of net zero emissions by 2050 and ensure a clean, affordable and reliable electricity supply.

**Terms of Reference (i) *adequacy of community consultation and engagement in the development of Renewable Energy Zones, and associated projects***

HJA believes that substantial government consultation on the proposed REZs has been conducted in accordance with standard practices for similar regional development projects, with adjustments made to the proposed REZs based on feedback received.

The Electricity Infrastructure Roadmap consultation [documents](#) on the Departments website outline consultation that has taken place since October 2021 on substantive program design, policy detail and regulations made under the Electricity Infrastructure Investment Act 2020.

There is clear evidence that bad faith actors are spreading anti-renewables disinformation to confuse the public and delay the energy transition. These efforts often include the manipulation of community consultations to stall progress. This disinformation campaign undermines the critical need for informed, transparent discussions around renewable energy development.

HJA is disappointed that bad actors have politicised and sought to discredit the consultation process, obstructing the progress of REZs. HJA has consistently and publicly supported the responsible development of renewable energy in the Hunter and throughout Australia. As a credible advocate, HJA has actively engaged in the transition to renewables and consultation processes, reaffirming its commitment to promoting a sustainable energy future.



**Recommendation 8**

Genuine early consultation with communities is essential throughout planning, construction, operations and decommissioning of renewable energy projects. Government and industry must ensure consistent, high-quality engagement, supported by regulatory improvements to ensure this standard.

**Terms of Reference (k) *the role and responsibility of the Net Zero Commission and Commissioner in addressing matters set out above.***

Government bodies, including the NSW Renewable Energy Board, the Future Jobs and Investment Authorities, and the Net Zero Economy Agency, all have mandates that focus on jobs and investment.

Collaboration and coordination between these bodies is essential in transitioning regions like the Hunter Central Coast REZ. To maximize employment of suitable and qualified local workers, it will be crucial to leverage the network of skilled workers transitioning from existing roles in the power sector. This approach will not only help mitigate forecasted skill shortages but also ensure continued opportunities and community prosperity during this period of significant economic transition.

**Recommendation 9**

The NSW Government should ensure collaboration between the NSW Renewable Energy Board, the Future Jobs and Investment Authorities, and the Net Zero Economy Agency, all of which have mandates to encourage jobs and investment. This will minimize overlap and achieve best outcomes for workers and communities in regions undergoing significant socioeconomic transition.