

Submission  
No 55

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

**Organisation:** The Next Economy

**Date Received:** 31 January 2025

---

31 January 2025

Parliament of New South Wales  
Legislative Council  
Portfolio Committee No. 4 – Regional NSW

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

The Next Economy is a not-for-profit regional economic development agency that supports regional areas across Australia. We work with communities to develop strategies to manage economic change and accelerate the transition to a climate-safe, equitable and regenerative economy.

We welcome the opportunity to share insights from our experience working with communities across the South West and New England Renewable Energy Zones in responding to the NSW Parliamentary Inquiry into the impact of REZ on rural and regional communities.

The Renewable Energy Zones play an important role in coordinating the development of renewable energy infrastructure critical to Australia's energy future and Net Zero targets. Through our engagement we have seen rural and regional communities keen to engage with government and industry regarding the development of renewable energy infrastructure in their local areas.

- a) Current and projected socioeconomic, cultural, agricultural and environmental impacts of projects within renewable energy zones in NSW including the cumulative impacts.
- Many landholders and residents see the development of renewable infrastructure within REZ as a significant opportunity to contribute to the long-term viability of their farm and local community. Analysis by Farmers for Climate Action and the Clean Energy Council, *Billions in the Bush* notes that large-scale wind and solar projects in NSW are expected to contribute between \$2.6-\$3.3 billion between 2024-205 in direct landholder payments.
  - Rural and regional communities and local governments are keen to play a positive role in development of renewable infrastructure, providing local knowledge to improve project design and delivery and develop constructive approaches to manage the anticipated impacts on their communities during the construction phase. Farmers for Climate Action conducted a survey of people living in Renewable Energy Zones (REZs) in late 2024, which found that around 70% support clean energy projects on farmland in their local community and 73% of those with a connection to farming support clean energy projects on local farmland.
  - Improvements in the NSW Government planning framework for renewable energy and transmission has provided greater clarity for developers and communities regarding the expectations relating to community engagement, landholder payments and benefit

sharing guidelines. Whilst further improvements can be made regarding the transparency of landholder payment schemes and the governance for community benefit sharing schemes, it is essential communities have the flexibility to develop place-based solutions in conjunction with government and developers.

- Where Local governments have the capacity to lead place-based approaches, conducting community planning and engagement activities, providing accurate information on development and engaging the community in the development of long-term benefit programs, significant benefits have been achieved. These communities have countered misinformation, they have maintained community cohesion and built a sense of agency in the decision-making process.
- Funds made available by Energy Co to support Local Government manage the additional administrative and planning workload associated with REZ development is welcomed as a critical enabling mechanism.
- As is the role Energy Co is undertaking to determine the cumulative impacts of the New England REZ infrastructure project and wider REZ across social infrastructure, housing and accommodation, traffic and transportation, water and wastewater security, local supply chain, training and skills, telecommunications and waste and circular economies. It will be essential for Energy Co to have the authority and funding support to engage the relevant NSW government departments and Local Governments to address the cumulative impacts identified.

We support the NSW Government's commitment to the development of renewable energy infrastructure within energy zones and reinforce the need for coordination and investment across NSW government departments to address the cumulative impacts in conjunction with Local Government, rural and regional communities.

We welcome the opportunity to engage further on this issue and please get in contact if you have any questions about this submission.

Kind regards,

Dr Amanda Cahill

Chief Executive Officer  
The Next Economy