

**Submission
No 97**

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

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Dear Madam/Sir,

I hereby lodge my submission to the inquiry into the Impact of Renewable Energy Zones (REZs) on rural and regional communities and industries in New South Wales.

I fully support the rollout of renewable energy in New South Wales. Our state needs a timely, strong and nature positive transition to renewable energy to bring benefits to our regional communities. Bringing in renewable energy, and getting off coal, is also critical for the New South Wales government to achieve its legislated statewide emissions reductions targets.

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. New South Wales 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 do not 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 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. For example, heatwaves across Sydney in late November 2024 led to sudden soaring demand for electricity as households and workplaces increased air-conditioning use to manage the almost 40°C 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.

The REZ system has been 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, nationally there is almost 40% renewable energy capacity and in NSW there is 53%. 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.

Terms of reference

1. current and projected socioeconomic, cultural, agricultural and environmental impacts of projects within renewable energy zones in New South Wales including the cumulative impacts

Socioeconomic impacts:

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 is 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 do not 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.

Environmental impacts:

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. 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.

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. I welcome 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.

Post mining land use opportunities:

For regional communities that are transitioning away from coal mining and becoming industrial hubs for renewable energy generation and green manufacturing, such as in the Hunter and Illawarra, 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.

2. current and projected considerations needed with regards to fire risk, management and containment and potential implications on insurance for land holders and/or project proponents in and around Renewable Energy Zones

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 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 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.

3. any other related matters

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.

Policy mechanisms to achieve this 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

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.

I thank you for this opportunity to express my opinions on this matter.

For the only planet we have.

Colleen Wysser - Martin