Submission No 105

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

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Renewable Energy Zones are needed because of the increasing negative impacts of climate change that we and the world are experiencing today. The catastrophic bushfires in 2019-2020 were unprecedented in their extent and intensity, with fire grounds in NSW covering 5.5 million hectares (7% of the state), including over 2.7 million hectares of national parks (38% of the NSW national park system) was the worst fire season recorded in NSW history. Nearly three billion animals – mammals, reptiles, birds, and frogs – were killed or displaced by Australia's devastating 2019-20 bushfires. According to WWF Australia the breakdown is 143 million mammals, 2.46 billion reptiles, 180 million birds, and 51 million frogs and countless insects. Nature is still recovering both the flora and fauna. Complex ecosystems are still recovering and re-establishing themselves slowly.

NSW scientists continue to collect data. Science-based decision making is needed to monitor the recovery of nature and protect it and communities from future catastrophic bushfire events. To achieve this our ***government, industry and communities MUST recognise that climate change is a significant problem now and will become worse in the future if we continue to invest in fossil fuel based energy.***

Climate change poses one of the biggest risks to nature and ourselves.

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 and community benefits, and the ability to diversify industry and income streams for farmers. It will increase the restoration of nature.

I wholeheartedly support renewable energy in NSW.

Terms of Reference

I have only addressed some of the 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

Benefits for landowners and farmers-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.

Benefits for nature- 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. As an example, SA Water & Seeding Natives revegetation project, involved 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. This approach could be replicated in NSW.

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. 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 is welcomed with further improvements needed to protect and restore nature.

Socioeconomic benefits- 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.

(b) 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

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. 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. Maintaining healthy regional communities especially as they are the worst affected by natural disasters are dependent on our NSW government urgently addressing negative climate impacts. This can only be achieved by increasing renewable investment. REZs in NSW is one proactive way and a start to achieving better outcomes for regional communities and mitigating the worst effects of climate change and resulting natural disasters.

(g) projected impact on visitation to regional areas with renewable energy zones resulting from changes to land use

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 project locations will not change the reason why people enjoy visiting regional areas, so tourism will still continue.

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

The reality is that nationally 40% of our electricity in the National Electricity Market came from renewables in 2023- a growth of 15.6% from 2017. And only **0.02% of our landmass nationally is required for all our power needs using renewables**. Australia has the best solar resources in the world and some of the best wind resources, giving us the potential to generate huge amounts of electricity affordably using readily available wind and solar technologies. NSW leads the way above national figures with renewable energy capacity of 53%.

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 that would ultimately increase climate change and natural disasters that affects nature and people.

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. Nuclear energy has many disadvantages and creates more problems such as disposal of toxic nuclear waste and increased nuclear accidents. Negatives for nuclear energy are health concerns- cancer, shortage of sites, huge price tag with the cost of renewable energy coming down, whilst nuclear energy is going up. Any nuclear benefits are 20 + years down the track and involves an energy-intense extraction process, of a dangerous hazardous nature. We need to address energy supply now; we do **not** have the luxury of waiting over 20 years. Nuclear energy is neither clean energy nor renewable. It is dangerous and no-one wants it near their backyard.

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

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. Compliance and regulation by the NSW government is highly recommended to ensure high standards are maintained.

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. Those developers not adhering to early and meaningful community engagement should be weeded out and barred from participating. The government must set the rules and standards- non-compliance means that they lose the tenure.

(j) how decommissioning bonds are currently managed and should be managed as part of large scale renewable projects

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

Communities nearby renewable energy developments need more reassurance on decommissioning plans. Decommissioning agreements should be made publicly available to provide transparency to impacted communities to address their concerns.

(k) the role and responsibility of the Net Zero Commission and Commissioner

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. We need to build renewable energy in a timely manner to reach our emissions reductions targets.***

(l) other related matters.

Genuine engagement and consultation with First Nations communities must remain a central part of the planning, construction, operations and decommissioning of renewable energy projects. Encouraging local First Nations business participation and expanding and resourcing First Nations ranger programs should be a priority.

In conclusion, the increase 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. It is a science-based approach. 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. NSW has over 1000 plant and animal species and ecological communities that are at risk of extinction due primarily to climate change and habitat destruction caused primarily by continued fossil fuel investment and deforestation and logging. We must as a matter of urgency increase renewables and end destructive practices to save nature, our climate and communities.

NSW's continued reliance on coal-fired power is resulting in an energy system that is increasingly unreliable and increasingly expensive for consumers. The 12 coal power-generation units across NSW are unreliable due to their age, ongoing maintenance and breakdowns. Ageing coal-fired power is unable to meet NSW's electricity demands and increasing population needs. The REZ system **can** deliver the vast amount of utility-scale renewable energy needed and the build is well on the way and should be continued. 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. I support continued government investment and commitment in renewables through the REZ structure in NSW.

Yours sincerely

Kim Gambrill