

25 August, 2025

NSW PARLIAMENTARY INQUIRY – *Impact of Renewable Energy Zones on Rural and Regional Communities and Industries.*

**QUESTIONS ON NOTICE and SUPPLEMENTARY QUESTIONS - Climate Action
Armidale & REEACH Group – Ms Annette Kilarr and Dr. Sanaz Alian**

QUESTIONS ON NOTICE

QUESTION 1:

The CHAIR: Would your group support strengthening protections around where these projects can go—not just environmentally sensitive land, but also strategic agricultural land as well? In terms of that, has your local environmental group done any local work to understand where those suitable areas might be or not be within the New England REZ area? Is there anything physically, in terms of a document or a map, that could be provided to the Committee on notice that would show that?

ANNETTE KILARR QoN 1. RESPONSE:

As we have mentioned, the New England Biodiversity Reference Group has been undertaking liaison work with EnergyCo and the group has been able to provide local research and information relevant to EnergyCo's planned transmission route variations, along with suggestions for mitigations. I am providing the Committee here the following document authored by the New England Biodiversity Reference Group and provided to EnergyCo as a baseline for their ongoing conversations. The document encompasses eleven recommendations which are contextualised to our local circumstances and with respect to where suitable areas for development might be or not be in the New England REZ area. It is titled [*Recommendations for Transmission Line Planning & Management To Reduce Local Biodiversity Impacts*](#)

QUESTION ON NOTICE 2.

The CHAIR: Your submission obviously makes a whole series of recommendations, some around the local hub, some around regulatory reform, some about biodiversity networks, workforce training and education. Which do you think should actually be prioritised, if budgets are tight? I'm looking to my right, and they will tell you that budgets are tight. If you had to prioritise some of those recommendations, let's say, in the next six months, what do you think should be prioritised out of those recommendations that you've put forward?

SANAZ ALIAN QON 2. RESPONSE:

The number one priority for me as a planner is strategic planning, which is something that in my view hasn't really been done well in the REZ context. Good strategic planning for a SSD project entails a comprehensive evaluation of the project's justification, its potential

cumulative impacts, and its alignment with overarching government strategies at different levels. If these were done before declaration of REZ perhaps there was no need to provide (m)any recommendations. If I have to choose one from the above – as stated by the chair – it would be local hubs. This would encapsulate many of the other recommendations.

I would also like to re-iterate attention to the objects of the *Environmental Planning and Assessment Act 1979* which is s the primary legislation for land use planning and development assessment in NSW. There are quite a few objects for that, and I would like to see that these developments align and are accountable with the objects of that Act. Have they been aligned, or haven't they? It would be good to find out. There is a whole list of objects, and have they been done by the developers or not?

The objects of this Act are (See Part 1, clause 1.3 of the Act):

- (a) to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources,
- (b) to facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment,
- (c) to promote the orderly and economic use and development of land,
- (d) to promote the delivery and maintenance of affordable housing,
- (e) to protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats,
- (f) to promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage),
- (g) to promote good design and amenity of the built environment,
- (h) to promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants,
- (i) to promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State,
- (j) to provide increased opportunity for community participation in environmental planning and assessment.

Attention to all these objectives are integral to a cohesive development program relating to the REZ.

ANNETTE KILARR QON 2. RESPONSE.

Following on from my answer at the hearing I would re-iterate that the question of potential development siting is a top priority for the next 6 months. With respect to strengthening protections around where projects can go, and identifying environmentally sensitive land, our group supports the work of the Nature Conservation Council and its call on the NSW Government to identify ecological protection and restoration priorities for each Renewable Energy Zone as soon as possible, with local input, and to encourage developers to contribute to nature positive environmental regional outcomes through as many levers as possible.

QUESTION ON NOTICE 3.

The Hon. JACQUI MUNRO: To follow up on my questions about community benefits, are there specific community benefits that you would like to see? Or even frameworks that you think would be most appropriate. I know you've said that different councils can choose the ways they want to deliver a scheme— maybe in tandem with one another— but are there any specific desires that you might have?

SANAZ ALIAN QON 3. RESPONSE:

Following on from my answer at the hearing I would re-iterate that Community Benefits should be attentive to something that is for the future—and something along the lines of the intergenerational community benefit-sharing model that Armidale Regional Council (ARC) is working on.

For details of the direction that ARC has been forging please see the following:

- Council endorsed, in principle, the concept of a New England Future Fund (NEFF) at its [27 September 2023 meeting](#) (see pp. 28-30).
- Council endorsed further details of the NEFF structure at its [24 April 2024 meeting](#) (see pp. 33-36).
- Council endorsed an updated Renewable Energy Community Benefit Framework at its [22 May 2024 meeting](#) (see pp. 45-50) and [Attachments of Ordinary Council](#) (see p. 444)
- And Council endorsed the establishment of a reserve for the NEFF and for the commencement of early-stage consultation with the NSW Government regarding Ministerial approval for investment of the VPA Contributions outside the current Ministerial order at its [28 May 2025 meeting](#) (see pp. 27-30).

The kind of community benefits delineated in the ARC Renewable Energy Community Benefit Framework (see p. 444) include the following:

“funds will be applied to include works to embellish public spaces, the provision of spaces for public recreation and community facilities, the provision of affordable housing and works to rehabilitate or conserve biodiversity values,

options to improve energy efficiency, community batteries. low-cost electricity deals to allow local use of renewable energy, low-cost electricity deals for local manufacturers and supply chains or some other public purpose if the Council reasonably considers that the public interest would be better served by applying the funds towards that other purpose.”

REEACH agrees with this kind of delineation as a start but would want to be further informed as to the cumulative impact studies of the renewable energy development going forward and with and with strengthened and mandated involvement of community voices in Council decision making processes.

With respect to more details about “appropriate frameworks” as was asked here by the Hon JACQIE MUNRO here, please refer to the answers provided by myself and Annette Kilarr to Supplementary Questions 3 and 4 as outlined below.

SUPPLEMENTARY QUESTIONS FROM MEMBERS Climate Action Armidale & REEACH Group

SUPPLEMENTARY QUESTION 1.

(1) You want developers to “build long-term social relationships” with communities and stay engaged across generations. Given most developers are commercial entities, how do you propose this vision would be enforced?

ANNETTE KILARR AND SANAZ ALIAN SQ 1. RESPONSE:

We commend the committee for raising such a thoughtful and important question.

Enforcement of best practice among developers can be advanced through several mechanisms. Here we can include the planning and approvals process as well as merit-based criteria embedded in underwriting schemes such as the NSW Long Term Energy Service Agreements (LTESAs), Renewable Energy Zone (REZ) access rights, and the federal Capacity Investment Scheme. In New South Wales, the planning and approvals process provides a key avenue for developers to make commitments to social impact mitigation and benefit-sharing. These commitments are enforced through conditions of consent and ongoing compliance monitoring by the Department of Planning, Housing and Infrastructure and local councils. This framework offers an important mechanism for embedding best practice in long-term, ongoing engagement with communities to foster strong and durable social relationships.

The assumption that commercial entities, by virtue of their ability to sell or divest assets, are exempt from community expectations regarding the cultivation of long-term social relationships requires direct and coordinated intervention. Cohesive support from all levels of government is necessary to ensure accountability and to embed these expectations within industry practice.

At the federal level, the Department of Climate Change, Energy, the Environment and Water (DCCEEW) is leading the development of the Renewable Energy Developer Rating Scheme. This scheme seeks to improve community engagement among large-scale renewable energy and transmission developers by providing transparent, objective assessments of their performance, track record, and engagement practices. Originating as a key recommendation of the Australian Energy Infrastructure Commissioner's 2024 *Community Engagement Review* (the Dyer Review), the scheme represents a significant step forward. Nonetheless, its "opt-in" design raises questions about its effectiveness. From a local perspective, communities expect higher standards of accountability and call for state-level support to reinforce these expectations.

Across Australia, local governments are adopting innovative approaches to encourage industry best practice. In New South Wales, for example, the six mayors of the New England REZ issued a collective statement of expectations for developers, advocating for standardised contributions to regional legacy benefits. This intervention has influenced state policy by crystallising minimum expectations for financial contributions from developers. Locally ARC has endorsed and Renewable Energy Community Benefit Framework at its [22 May 2024 meeting](#) (see pp. 45-50) and [Attachments of Ordinary Council](#) (see p. 444). That document clearly articulates community expectations:

"Developers who demonstrate involvement with and for the community will be encouraged against those who show no such initiatives. Council requires developers to be responsible members of the community, for example, by supporting an ongoing workforce, discouraging fly-in-fly-out practices, and incorporating landscape rehabilitation into projects" (p. 444).

We therefore call on the State Government to align itself with, and actively support, the leadership shown by local governments in this area.

SUPPLEMENTARY QUESTION 2.

2) You call for "community co-ownership" of renewable energy assets. How would this work in practice? Who takes on the financial risk, and who controls governance?

ANNETTE KILARR AND SANAZ ALIAN SQ 2. RESPONSE:

We support a mix of practical solutions and can look to a range of successful examples both in our region and across the world. In some cases, this approach is mandated, such as in Denmark where the 2008 Renewable Energy Act created a rule that all new renewable energy projects must offer at least 20% ownership of the overall venture to local residents giving them financial returns and decision-making power and leading to high levels of social licence of projects. By 2016 for example, more than half of Denmark's installed wind capacity was owned by citizens or energy cooperatives rather than corporations.

In Australia there is a different and complicated terrain with differences across the States. At our local Armidale Regional Council level our [Renewable Energy Action Plan](#) outlines various models of Council and/or Community owned possibilities (see pp.50, 51). And at the State level Community Power Agency has documented how community co-ownership of renewable energy assets can take a range of practical forms, many of which are already being implemented. As they note characteristics that distinguish different models include:

- Finance: investment stakes can be raised directly from individuals, collectively via a community entity on behalf of members, gifted to communities, or allocated in exchange for in-kind services.
- Financial instruments: equity shares, debt, loans, or grants can all be used, with each carrying different risk-return profiles.
- Legal structures: from co-operatives and community trusts to proprietary companies, each structure has different rules around liability, dividends, membership, and fundraising. For example, Geni.Energy, based in Narrabri in northwest NSW, is a not-for-profit (NFP) organisation that creates locally led, community based renewable energy projects. This NFP structure allows local people to play a governance and decision-making role in projects and provides a way for local advisory groups to also participate in lower-level decision making and governance. The structures in the charity and non-profit sector ensure local people can have a say in how projects are established and managed and how the profits or benefits are distributed.
- Roles and partnerships: projects may be community-led, developer-led, or co-created in partnership.
- Investment models: from joint ventures and split ownership to subscription or revenue-sharing arrangements.

These characteristics influence both the nature of community participation and the distribution of benefits. For example, pooled investment through a community organisation often allows broader participation than models requiring direct individual investment, which can risk limiting access to wealthier members of a community. Similarly, while equity shares may deliver higher financial returns than subscription models (which deliver on-bill credits), they also expose communities to greater policy, market and operational risks. Minimising and managing risk is therefore a critical aspect of co-ownership, and the right model depends on a community's capacity and appetite. Importantly, ownership need not only occur at the early stages of development, it can be gifted, negotiated, or purchased at any stage of a project's life.

There are already Australian examples. CWP Renewables' Sapphire Wind Farm used the Domacom platform to enable local community members to invest directly. More recently, First Nations communities have been leading the way. Project Jinbi in the Pilbara is the first project of the Yindjibarndi Energy Corporation, a partnership between the Yindjibarndi Aboriginal Corporation and ACEN Renewables. The Yindjibarndi hold a 25% equity stake (with potential to increase to 50%), along with decision-making rights, preferential contracting, and training and employment opportunities, embedding both financial and governance participation (see a full list of [First Nations co-ownership projects here](#)).

In terms of risk, communities investing directly bear a share of financial exposure, as with any investment. The Community Power Agency has documented that increasingly, models have been designed to mitigate this through government underwriting, concessional finance, or gifted equity stakes. In such cases, communities benefit from ownership returns and shareholder voting rights while being shielded from upfront capital outlays and significant downside risk.

Overall, community co-ownership works by tailoring financial, legal, and governance structures to local circumstances. The growing body of Australian examples shows these approaches are not only feasible but also capable of delivering stronger, more equitable local outcomes than benefit sharing alone.

Nevertheless, it would be disingenuous to state that community energy projects have been easy to get off the ground or have not met with difficulties. Stronger ongoing State support, initial financial risk and engagement with these models would be beneficial.

To give the Committee an example local to the New England region, following is a summary from the experience of the group [Manilla Community Renewable Energy \(MCRE\) Inc.](#) highlighting the investment of time, the need for values alignment and the potential return and possibilities for the community if some of the structural difficulties and values inconsistencies within the energy system were recognised and realigned:

*“In our model, not for profit group Manilla Community Renewable Energy Inc, (MCRE) was able to fund feasibility study for solar and battery project and anerobic bio-digester. This was possible through NSW State government ‘Growing Community Energy Gran’t, 2016. MCRE received a second grant ‘Regional Community Energy Fund’ in 2019. This grant encouraged community/ commercial partnership, and it's ambition is to develop a 5mW community owned solar + battery project - with a view to create a **blueprint** for other communities to follow. Such a **blueprint** aims to help regional communities to be better understand the process involved, to encourage new projects, to share resources and expertise and support in this once in a generation opportunity. The ultimate goal to build regional sustainability and allow local energy infrastructure to be a community*

asset, improving the social, environmental and economic standing of regional communities.

Both tranches of the state government funding have enabled a group of interested people with a good idea to create a formal group, research suitable technologies, check the feasibility of Renewable Energy (RE) projects, engage with the community about the size and place of the renewable energy asset, then ultimately development the project.

This community led process socialised the idea of the RE project through various community town halls and events, speaking to community groups. An important element in this process was an Expression of Interest, to local landowners, to host the RE asset. This allows people to self-select being host to the project, and educates folks on what suitable locations would be, as well as benefits and timeframes expected.

The MCRE project has met challenges with community co-ownership. It was not possible to meet the cost of developing a RE asset without commercial funds. To risk community funds on a project that may not be approved or be feasible is not palatable. However, trust in commercial funds to align long term with community values was also difficult. In the end our community group took control of the Manilla Solar project and bought out the original project developers.

Our community of shareholders, (85% live within 100 kilometres of Manilla) now control the project. We are able to ensure the project development proceeds and meets community expectations. Generally, this relates to construction, operations, governance and plans for decommissioning. Specifically, important points relate to screening of trees (type of plants / biodiversity opportunities), EPC contractor / local employment, -I ensuring we give local contractors the best opportunity to win contracts, waste stream management, quality of components and installation and the plan for eventual project removal - ensuring we leave the land better off than when we leased it. These concerns have not been understood by commercial developers but are at the heart of community concerns.

Now we control the project, we have confidence these elements are being reviewed with a level of detail that locals are comfortable with. Community led projects can proceed to certain point, but then require a level of commercial funds / and a community minded developer to reach DA and Grid Connection and beyond.

It would be wonderful if the financial risk of development and construction is not held by the community. Once operational, and project returns can be more accurately determined, (through PPA / total construction cost). The community is much more comfortable project investing. An upfront development fund, that is

then repaid by local community/ power users would be the perfect way to ensure regional communities can both host and own RE projects (or a portion there of).

The ability for local communities to utilise the power that the RE generates, is currently not possible, without complex retail arrangements. However, utilisation of power generated would also be a great outcome. This would improve energy literacy and encourage behaviour change in relation to energy use.

Regional RE project like 5mw solar and battery project, also create opportunity to co-locate new industry on these projects plots. Industries like data centres, green houses, - industries that could benefit local amenity, create local employment, and be a long term energy user. They would utilise daytime power when it is at its lowest value. It also generates benefits socially and economically to the region.”
(Emma Stilts, Director, Manilla Solar Project, President, Community Renewable Energy (MCRE) Inc.)

Finally, we would like to add that there are additional community models that focus more on the collective and localised engagement directly with the energy infrastructure. These have strong potential to maximise the efficiency and energy usage in a distributed energy system, enable energy literacy and drive energy cost reductions across the barriers that occur from socioeconomic inequities. Examples here include the current [Pole-Mounted Battery trial by Essential Energy](#) and Neighbourhood Batteries (see the [Neighbourhood Battery Knowledge Hub out of ANU](#)).

SUPPLEMENTARY QUESTION 3.

(3) Your submission supports "regional benefit sharing." In real terms, who would administer that? And how would you ensure transparency and equity without it getting caught up in bureaucracy?

ANNETTE KILARR AND SANAZ ALIAN SQ 3. Response:

Regional benefit sharing can be administered in several different ways, depending on the local context at hand. One option, suggested by the Community Power Agency is to establish a new, not-for-profit (NFP) organisation to pool, invest and distribute benefit sharing funds. The governance structure of this NFP org would be specifically crafted to ensure transparency and equity, with members drawn from community organisations, local Councils, and even state government. A clear constitution and terms of reference would be established to govern how funds are managed and distributed.

Another option also suggested is to use an existing organisation, such as Council, a community foundation, or even a national foundation (like the Foundation for Regional and Rural Renewal) to manage and distribute pooled benefit sharing funds. The advantage of this is to maximise efficiency by utilising the existing governance structure and administrative capacity of the chosen organisation, provided that there is broad

community trust in the organisation to act in the best interests of the community. A community reference group may also be established to advise the chosen organisation on the management and distribution of funds.

Climate Action and REEACH have had support from the Community Power Agency across many facets of the renewable energy transition since 2019. Community Power Agency has developed several resources on regional benefit sharing, including a new guide to establishing a regional benefit sharing program, available [here](#).

We have not as a group yet had the opportunity to have input at either Council, EnerCo or other Government body level to be able to determine, at this stage, what would be the best way going forward.

SUPPLEMENTARY QUESTION 4.

(4) On community benefit frameworks – you say they shouldn't be led by state or council alone, but a shared model. Who exactly do you think should sit on these bodies and how would decisions be made

ANNETTE KILARR AND SANAZ ALIAN SQ 4. Response:

Ideally, community benefit frameworks are informed by broad community feedback and are updated periodically to ensure alignment with evolving community needs. The [NSW Benefit Sharing Guideline](#) refers to case study examples of community reference groups (CRGs) as one mechanism for facilitating community input into community benefit sharing, as well as more formal committees such as under Section 355 of the NSW Local Government Act 1993. Regardless of the structure chosen to facilitate community input, it is important that community members have a real say in decisions, beyond a merely advisory role that administrators (whether State Government, Council or industry) may or may not implement.

In practical terms the Committee needs to be on equal footing in terms of its decision-making capacity. The International Association for Public Participation (IAP2) appears to be the model and standard used in Australian and in NSW for its Community Engagement processes. This is an international association which seeks to promote and improve the practice of public participation or community and stakeholder engagement, incorporating individuals, governments, institutions and other entities that affect the public interest throughout the world.

The [IAP2 spectrum of public participation](#) ranges from: 1) Inform to 2) Consult to 3) Involve to 4) Collaborate to 5) Empower. A Shared Model and partnership between State, Council and Community would commit to Levels 3, 4 and 5 i.e. Involve, Collaborate and Empower. Many community engagement processes do not go past Inform and Consult, which would not be sufficient in this case.

Membership of these groups or committees should be broadly representative of the community, ensuring that minority and disadvantaged groups are also equitably represented. Leaders and representatives of civil society organisations, schools and other community groups may be appropriate members, as well as Traditional Owners and other First Nations community leaders. The “community” members would sit in partnership with other selected members from local council(s), members from Department of planning, Regional Development Australia, etc. Decision making should be collaborative and democratic, with clear terms of reference to guide decisions, as well as periodic engagement with the broader community through public exhibition and consultation processes.

In addition, there needs to be a commitment from all members to a baseline of agreed documents from which they are working from (e.g. Local Government’s Community Strategic Plan(s) - if more than one LGA). With respect to actualizing long-term benefits, however an understanding of the cumulative impacts of the Renewable Energy across a 10-year period (for example) would need to be clear to all members to be able to make appropriate decisions surrounding their mitigation, and real community benefit, again, over the long term.