

**Discussion
paper response
Submission
No 38**

INQUIRY INTO REGIONAL DEVELOPMENT AND A GLOBAL SYDNEY

Organisation: NCOSS
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Regional Development and a Global
Sydney

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About NCOSS

The NSW Council of Social Service (NCOSS) works with and for people experiencing poverty and disadvantage in NSW to make positive change in our communities. As the peak body for health and community services in NSW for over 80 years we support the sector to deliver crucial services that make a difference to people's lives. We work directly with communities to identify the challenges they face and the solutions that will allow them to overcome those challenges.

Through collaboration with communities, services and across government, the private sector and other civil society organisations, we work to see these solutions become a reality.

Together we advocate for a NSW free from poverty and inequality.

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Introduction

NCOSS thanks the Standing Committee on State Development (the Committee) for the opportunity to respond to the Regional Development and a Global Sydney Discussion Paper.

Our submission is presented in two parts:

Part one makes some general comments and observations about the important social and economic contribution the community sector makes to regional development. In this part we bring to the fore some of the issues that we have heard from the sector across regional NSW. Part two of our submission focuses on the questions asked in the discussion paper relating to transport, renewable energy, housing, and workforce planning and development. Some general comments about the discussion paper are also noted in this part.

If you have any questions about our submission, please contact

Summary of Recommendations

Recommendation 1

NCOSS recommends the Committee recognises the breadth, diversity, contribution and needs of the non-profit sector.

Recommendation 2

To ensure the best outcomes for regional communities, the government needs to have a long-term commitment to the sector operating in regional areas by:

- Offering longer-term funding agreements (at least five years) to provide security of tenure and establish longer term programs, initiatives and innovations,
- Investing in the development of workforce planning to address skill shortages, and
- Investing in infrastructure to boost service deliver capacity and efficiency.

Recommendation 3

NCOSS recommends continued investment in services and programs that improve the social and economic outcomes for the people who live in this region. NCOSS recommends that NSW Government support and invest in place-based initiatives and Aboriginal-led decision-making.

Recommendation 4

NCOSS recommends that:

- Where possible, preference be given to organisations with local knowledge and service delivery expertise within the funding process. This could be achieved by weighting applications to preference local organisations, or if the application has merit but not meet all the selection criteria, provision is made to allow the organisation to re-submit their application.

- Organisations that do not have a local presence should either form a consortia with a local service or demonstrate considerable consultation with local services when an organisation provides services via an outreach model.

Recommendation 5

NCOSS recommends that the Government develop a community services sector workforce planning strategy that addresses the issue of low wages, the temporary nature of employment, and the looming skills shortage arising from the rollout of the National Disability Insurance Scheme. In developing such a strategy, NCOSS recommends the Government draw on the strategies developed by NDS and the NSW Government (Carecareers) in raising the profile of careers in the health and community services sectors.

Recommendation 6

NCOSS recommends that the NSW Government make provisions either within funding contracts or as a separate allocation that allow regional organisations to incentivise new employees to the area. Money allocated to fly in/fly out specialists could be diverted to support the financial viability of this option.

Recommendation 7

NCOSS recommends that the NSW Government commence detailed strategic planning, in conjunction with regional communities, and electricity industry and government stakeholders, to facilitate the creation of renewable energy zones, enabled by dedicated investment funds quarantined from the sale and lease of electricity assets.

Part one

Regional Voices

NCOSS regularly visits our member organisations and community groups in rural, regional and remote communities. During our visits we hear about the issues facing communities and use this information to inform our policy and advocacy work. When we talk to people in these communities, we hear about the positive and important contribution the community sector make, not just to the economy of the regions, but to the social fabric and well-being of the people who live there.

We hear about the challenges the sector faces and the deep divide between the range and quality of community services available to people living in Sydney and nearby cities (e.g. Wollongong) and people living in regional parts of the state. Our regional members tell us community services in the regions are not receiving their fair share of the funding 'pie' and that such disparity is impacting adversely on service delivery and their ability to meet the needs of the community.

When we speak directly to community leaders from the regions we learn about the enduring challenges they face. We hear about the need for more early intervention support for young and vulnerable children and their families, the need for more housing for people experiencing homelessness or are at risk of homelessness, and the need for more investment in services helping victims of domestic and family violence.

The scale of the issues felt throughout regional NSW, and the solutions our members have identified have been captured in our [Pre-budget Submission](#) (PBS). The PBS further identifies the priorities that the NSW Government should implement to ensure the greatest influence.

PBS Priority	Investment
Give all children and young people the best start in life	Establish a \$250 million Early Childhood Education Investment Fund to ensure vulnerable children access the full benefits of quality early education.
Create homes for our most vulnerable	Allocate an additional \$97 million over four years to create homes that meet the needs of people experiencing or at risk of homelessness.
Build a fair justice system for Aboriginal communities	Invest \$44 million over four years to help Aboriginal communities reduce contact with the justice system.
Make energy more affordable	Invest an additional \$39 million in 2018/19 to reform energy rebates and deliver a single, expanded Low Income Household Energy Rebate equivalent to 17.5% of eligible household's electricity bills.
Boost support for people with mental health issues	Invest \$25 million over four years to expand the mental health peer workforce and support people at specific 'pressure points' in the mental healthcare system.

Give a voice to all people with disability	Invest \$13 million to maintain funding beyond June 2018 to organisations providing representation, advocacy and information to people with disability and their families.
Empower communities in the Far West ¹	\$54 million over four years to fund preventative services (e.g. Targeted Early Intervention, court diversionary programs) and invest in transport options to increase access to vital services.

Social and Economic Challenges Faced by People Living in Regional NSW

People who live in regional areas face greater social and economic challenges and disadvantage than people who live in city and metropolitan areas. The reasons for this are manifold:

- Declining employment opportunities,
- Reduced access to services such as health, housing, education and transport,
- Generally lower incomes because of uncertainty in regional economy, and
- Great distances to travel.

It is instructive to note that while NSW is predominately an urban state with most of its population living in city and metropolitan centres (e.g. Sydney, Parramatta and Wollongong), some 40% of the state's population (3 million people) live outside these urban centres in regional, rural and remote centre areas. According to the latest ABS census, the overwhelming majority of towns in NSW are small: 455 have less than 5000 people and around 290 have less than 1000.² Many of these small towns are home to 20% of Aboriginal people living in NSW.³ As these facts suggest, the geographical spread of the state's population can create substantial barriers for people living in regional communities and distinct challenges for the community services sector. Some of these issues and challenges have been captured in internal research and is presented below.⁴

Employment: Those who live in regional NSW have less opportunities for employment and are more likely to be out of work longer than their counterparts in city areas. Opportunities of employment are particularly limited for young people under 25 years of age. Communities in regions with single sector industries are particularly vulnerable to changes in policy reducing the viability of those industries and opportunities for employment.

Health: Those living in rural and remote areas are likely to have poorer health outcomes due to a combination of access and higher costs of health services. Higher costs are generally imposed due to a lack of services in a local area forcing those individuals to travel further to access healthcare. Compounding this issue is the affordability and reliability of transport options in many regional areas.

Housing: There is a general lack of appropriate and affordable housing in regional locations for people experiencing disadvantage. People with disabilities and mental health conditions, families in domestic violence

¹ NSW Council of Social Service 'Investing in Communities: Pre-budget Submission 2016-17' <https://www.ncoss.org.au/sites/default/files/public/policy/NCOSS_Pre_Budget26-09-2016.pdf>.

² Australian Bureau of Statistics Census Population 2016.

³ Creative Spirits Aboriginal Population in Australia <<https://www.creativespirits.info/aboriginalculture/people/aboriginal-population-in-australia>>.

⁴ Poverty in New South Wales: Anyone of us is just one step away (Report NSW Council of Social Service 2014) <https://www.ncoss.org.au/sites/default/files/public/ncoss_antipoverty_final_2.pdf>.

situations, and single older women struggle to find appropriate affordable housing or are at risk of becoming homeless. There are particular difficulties for Aboriginal people where overcrowding is an issue and increases significantly with remoteness. Aboriginal people also face various levels of discrimination in accessing private rentals.

Education: Students living in regional communities have reduced access to education services compared to metropolitan students. These students attend school less frequently, are less likely to go to university and if they do, are more likely to drop out. Rural and remote communities are home to 20% of the state's Aboriginal population. As a consequence, the educational challenges faced in remote areas have a disproportionate impact on Aboriginal young people.

Transport: Compared with city areas, regional communities often have fewer transport options. Regional NSW has very high car dependence; with fewer public transport options, most people feel their only option is to drive a car. This creates additional disadvantage for people who cannot drive or cannot afford to run a car.

In light of the many complex challenges people in regional communities' face, access to and investment in good and affordable community services is essential to redress some of the imbalances that exist between regional and urban NSW. However, as we note in our submission, existing services in regional areas are under strain and in urgent need of extra investment.

How the Community Services Sector Creates Value in the Regions

The community services sector in NSW is large and complex. There is significant diversity in the scale and scope of operations, range of services, geographical spread, organisational philosophies, dependence on government funding, and sophistication of business models.

The breadth and diversity of work can be illustrated in our regular study of the sector.⁵ The sector that NCOSS represents is comprised of over 7,000 small to medium sized non-government organisations that deliver social services to their communities. They include unfunded self-help groups, children's services, emergency relief agencies, chronic illness and community care organisations, family support agencies, housing and homeless services, mental health, alcohol and other drug organisations, local Aboriginal community organisations, peak organisations, and a range of specific consumer advocacy agencies.

The sector is a major contributor to NSW economy.⁶ For instance in 2016, the sector:

- Comprised 9000 community-based organisations (not-for-profits and charities),
- Employed 300,000 people and received assistance from 685,000 volunteers,
- Injected over \$34 billion to the state's economy,
- Attracted over \$15 billion from all levels of government to provide a range of ongoing social and welfare services NSW communities,⁷ and

⁵ Natasha Cortis and Megan Blaxland, 'Workforce Issues in the NSW Community Services Sector', (Research report prepared by the Social Policy Research Centre on behalf the NSW Council of Social Service 2017).

<https://www.sprc.unsw.edu.au/media/SPRCFile/Workforce_Issues_in_the_NSW_Community_Services_Sector_FINAL.pdf>.

⁶ Based on charities reporting data from the Australian Charities and Not-for-profits Commission's (ACNC) 2016 Annual Information Statement.

⁷ Op cit.

- Purchased more than \$2 billion worth of goods and services from other businesses.⁸

From a regional perspective, the sector contributes to the economic prosperity of regions by offering employment and business opportunities for individuals and families. A look at the economic profiles of the state's 10 regional areas show that health and social assistance service make up nearly a fifth of each regions workforce and ranks in the top three in terms of Gross Regional Product.⁹

The work undertaken by the sector is also diverse with some organisations providing direct assistance to their client base, others working to achieve systemic change, with many organisations doing both. They are in the frontline providing support for vulnerable and disadvantaged people, and play a critical role in strengthening community resilience in times of drought, emergency disasters, and ongoing issues that impact on the daily lives of people experiencing disadvantage and vulnerability.

Research commissioned by NCOSS in 2014 demonstrated the distinctive way the community services sector undertakes its work and creates value in disadvantaged communities, including in regional areas.¹⁰ The sector does this by:

- Working collaboratively, drawing on community strengths and bringing together government, private and philanthropic resources to solve what are often complex problems that cannot be solved by one organisation, government department or program,
- Building relationships and creating trust within the community,
- Providing opportunities for volunteering, learning, sharing, collective action, advocacy, integrated service delivery, community agency and capability,
- Contributing to civil society by generating shared or collective value in ways that market-based mechanisms neither seek nor have the capacity to, and
- Developing human capital, leadership, and sector innovation.

Recommendation 1: NCOSS recommends the Committee recognises the breadth, diversity, contribution and needs of the non-profit sector.

Sector Challenges in Regional Areas

Evidence that we receive consistently during our regional visits emphasised that community service organisations in regional NSW face particular challenges establishing and delivering their services. The following is a snapshot of the challenges we hear about when we visit regional communities:

- Community services in the regions have high establishment and running costs because of the geographic areas their services have to cover. The lack of quality support infrastructure (e.g. office space, telecommunications) compounds the problem.

⁸ Community Services Sector Overview (Report Productivity Commission 2016) <http://www.pc.gov.au/research/ongoing/report-on-government-services/2016/community-services/rogs-2016-volumef-sectorf.pdf>.

⁹ By Family and Community Services districts. Excludes the five Sydney-metropolitan districts.

¹⁰ The Contribution of NSW Community Services Organisations (Report NSW Council of Social Service 2015) https://www.ncoss.org.au/sites/default/files/public/policy/EY_Final_Report.pdf

- Some community service organisations do not have the economies of scale to establish and operate a service in rural and remote areas, and some areas are impossible to enter into because of insufficient demand.
- Recruitment is also a major issue. Some remote areas cannot attract and keep qualified staff. This issue directly affects service quality. A significant impediment to recruiting people is that funding agreements are short-term.
- Government funding does not increase at the same rate as demand for services or the cost of service provision. As a result, organisations have to seek alternative sources of revenue.
- Similarly, funding is not provided for ongoing training and support or fair pay outcomes for community sector workers for the sector; and,
- Many small community-based organisation service providers face challenges with competitive and onerous tendering processes that do not necessarily recognise the value of local expertise.

NCOSS recognises the significant and positive reform in the service sector over the last few years. NCOSS values the Governments continued commitment to work with the social service sector on positive reform through the Social Innovation Council.

Recommendation 2: To ensure the best outcomes for regional communities, the government needs to have a long-term commitment to the sector operating in regional areas by:

- Offering longer-term funding agreements (at least five years) to provide security of tenure and establish longer term programs, initiatives and innovations,
- Investing in the development of workforce planning to address skill shortages, and
- Investing in infrastructure to boost service deliver capacity and efficiency.

Part two

General Comments about the Discussion Paper

The report is an important starting point for exploring ways for regional NSW to benefit from Sydney's economy and its growing prominence as a global city. We agree with many of the propositions contained in the report that focus on the types of economic linkages that can be forged between Sydney and regional NSW through existing assets and investment in infrastructure, transport, telecommunications and energy.

We acknowledge that a strength of the report is that it documents the specific challenges faced by different regions of NSW, and that while many of these challenges are common across all regions, each has its own unique characteristics that can give rise to different problems, as well as opportunities. These differences need to be recognised if the particular challenges of regional communities are to be met.

However, we believe the Committee has missed an important opportunity by not highlighting or acknowledging the important contributions of the community sector in regional development as an employer and a mitigating force against the worst effects of entrenched poverty and social exclusion.

NCOSS is deeply disappointed to note that the submission and recommendations made by the NSW Aboriginal Lands Council (NSWALC) appears to have been overlooked by the Committee, as the discussion paper fails to acknowledge NSWALC's recommendations. As the Committee is no doubt aware, Aboriginal people living in rural and remote communities experience a significant level of disadvantage in relation to education and employment, health and wellbeing, housing, and involvement in the criminal justice system. Time and again we learn that solutions to Aboriginal disadvantage needs to be directed by Aboriginal people. The NSWALC has put forward a modest set of recommendations which we believe if implemented fully could deliver greater economic independence and prosperity to large numbers of Aboriginal people and their families. As such, NCOSS strongly supports the following NSWALC recommendations:

- Invest in Aboriginal communities and enterprises to drive regional economic development.¹¹
- Work with peak Aboriginal organisations and Aboriginal peoples to develop more comprehensive targets relating to Aboriginal employment, training and education.¹²
- Consider whole-of-government opportunities to support a range of Aboriginal businesses and LALCs to achieve their economic potential, including promoting genuinely Aboriginal owned businesses, goods and services.¹³

The Far West

We are encouraged to see that the Committee has acknowledged some of the economic challenges facing regional communities in the Far West. We agree with the views expressed by Broken Hill City Council that urgent investment in infrastructure is needed to improve road access for adjoining remote communities to main centres. While it is important to emphasise the economic importance and social benefits that can accrue from

¹¹ NSW Aboriginal Land Council (Submission to Inquiry into Regional Development and a Global Sydney 2017)

¹² Ibid

¹³ Ibid

increased infrastructure investment to communities in this part of the state, we believe the Committee needs to be aware of the high levels of stress that people and families in these communities are under and the need for urgent action to address their entrenched disadvantage.

NCOSS has visited communities in the Far West including Broken Hill and Wilcannia in recent years. When we talk to people on the ground about their concerns, we hear sobering stories about how hard it is for many people, especially Aboriginal people, to find suitable and affordable housing and employment because of discrimination and employers preferencing travellers with working visas over local Aboriginal people. It is a region characterised by high mortality rates, substance abuse, domestic violence, and involvement in the justice system.

The solutions to the challenges faced by people in these communities are not insurmountable. They need to be place-based, harness community capacity, including government and local businesses, and properly resourced and funded.

Recommendation 3: NCOSS recommends continued investment in services and programs that improve the social and economic outcomes for the people who live in this region. NCOSS recommends that NSW Government support and invest in place-based initiatives and Aboriginal-led decision-making.

Our response to specific questions in the discussion paper

Question 5 - How can the NSW Government work with local councils and other regional stakeholders to develop a more accessible and responsive funding application process?

Community service organisations received over \$4 billion worth of contracts from the NSW Government in 2017.¹⁴ Until now, different agencies have different contracts, different reporting requirements and different expectations about how a contract will be managed. The cost of compliance with these contracts and their terms impact on the sustainability of organisations. NCOSS has been working closely with the NSW Government through the Social Innovation Council (SIC) to deliver reform in the social service sector to build a better funding and engagement relationship. This collaborative partnership has delivered the new Human Service Agreement, which will streamline contracting arrangements and make it easier for the sector to do business with Government.

NCOSS encourages the NSW Government to continue to engage with the social service sector through the SIC. While there has been great headway there is more that can still be done. NCOSS believes further steps need to be taken to ensure smaller regional organisations are able to secure funding through an accessible and responsive funding application process. In the [State of the Community Service Sector in NSW 2015 Report](#), commissioned by NCOSS, organisations reported an overall inadequacy in regards to communication around tendering and procurement processes, little feedback sought by the NSW Government, and a lack of timely information provided throughout the process. The most recent iteration of this report, [Workforce Issues in the](#)

¹⁴ NSW Government, ProcurePoint NGOs Providing Human Services <<https://www.procurepoint.nsw.gov.au/before-you-supply/ngos-providing-human-services>>.

Community Services Sector, indicated little had changed and organisations continue to feel that the tendering process was difficult.¹⁵

Applying for funding requires time and expertise which many small community-based organisations do not always have available in-house. For these organisations, the application process is seen to be too onerous that it puts the viability of their organisation at risk. NCOSS members report that contracts are often won by larger organisations who, despite the fact that they can demonstrate greater financial capacity, do not necessarily have the expertise or local knowledge to provide high quality services. Smaller organisations are often naturally more innovative, diverse and agile which positions them to be more responsive to local needs. These larger organisations tend to provide outreach services from larger hubs, and regional members in particular are concerned about the decline in quality of services that such outreach models can cause.

...make funding applications easier without the implications of having to employ professional tender writers to apply for funding. (NCOSS Sector Development Survey p18)

Recommendation 4: NCOSS recommends that:

- Where possible, preference be given to organisations with local knowledge and service delivery expertise within the funding process. This could be achieved by weighting applications to preference local organisations, or if the application has merit but not meet all the selection criteria, provision is made to allow the organisation to re-submit their application.
- Organisations that do not have a local presence should either form a consortia with a local service or demonstrate considerable consultation with local services when an organisation provides services via an outreach model.

Question 20

a) What action can the NSW Government take to raise the profile of a career in the health and support sector, particularly in aged care and disability services?

Approximately 5% of Australians are employed in the community sector. It is a high growth sector, evident in the 54% increase in the workforce between 2004 and 2014. Much has been said about the systemic issues faced by the sector, including gender based undervaluation which has been a driver of low wages, funding arrangements contributing to a casualised workforce, a lack of resources to upskill staff, and the difficulty in recruiting and retaining skilled staff, particularly in regional and remote areas.

¹⁵ Natasha Cortis and Megan Blaxland, 'Workforce Issues in the NSW Community Services Sector', (Research report prepared by the Social Policy Research Centre on behalf the NSW Council of Social Service 2017)
<https://www.sprc.unsw.edu.au/media/SPRCFile/Workforce_Issues_in_the_NSW_Community_Services_Sector_FINAL.pdf>.

Addressing these systemic issues should be a priority in order to raise the profile of a career in the community sector. First and foremost, low wages associated with employment within the sector needs addressing. The Equal Remuneration Order has contributed to an increase across the sector, however much dissatisfaction still remains with wages and employment conditions.¹⁶ Allied health workers are subject to additional wage disparity if they choose to work for a not-for-profit organisation, as opposed to a role in government or private industry. This impacts on community organisations' ability to attract and retain skilled allied workers.

“We hired a social worker but she didn't stay long because she was offered a job in Health... She's probably making about \$20,000 more a year there” - Far West organisation.

It is difficult for community organisations to offer competitive employment conditions because of time limited funding that often results in short term contracts for employees. Further, organisations report dissatisfaction with the lack of consideration of training costs factored into funding that is needed in upskilling newer staff and retaining skilled staff, particularly in regional and remote areas.¹⁷ This results in a workforce that does not have the skills and knowledge of their metro counterparts or the need for organisations to try and attract new, skilled staff to the area. For regional organisations, this is often difficult as they are unable to incentivise skilled staff to the area, for example by offering to cover the costs of relocation.

With the introduction of the National Disability Insurance Scheme (NDIS), demand for workers in the disability and aged care sectors has increased rapidly and inadequate employment conditions are making it increasingly difficult for organisations to fill vacant positions. Organisations cited pricing under the NDIS as a factor in making it difficult for organisations to offer attractive employment conditions. The inability to offer part time or full time employment were also contributing factors to the recruiting and retaining skilled staff within disability organisations.¹⁸

National Disability Services (NDS), the peak body for disability services across Australia, has advocated for multiple changes such as a price review that would raise the profile of a career in the disability sector specifically. NCOSS supports the recommendations set out by NDS to enable and help build a robust workforce within the disability sector. However, there are additional measures that could be taken to make a career more attractive across the broader community sector.

There are initiatives already in place that focus on raising the profile of a career in the community sector that the NSW Government could support. For example, [Carecareers](#) is an initiative that offers an online platform for connecting job seekers and employers. This initiative offers more than other traditional job boards by offering career advice and basic training for those entering the sector. This is an example of showcasing the positive aspects of entering the sector that would help raise the profile of the disability and aged care sectors.

Recommendation 5: NCOSS recommends that the Government develop a community services sector workforce planning strategy that addresses the issue of low wages, the temporary nature of employment, and the looming skills shortage arising from the rollout of the National Disability Insurance Scheme. In developing such a strategy,

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ State of the Disability Sector (Report by National Disability Services 2017) <<https://www.nds.org.au/news/state-of-the-disability-sector-report-2017-reflects-sector-under-pressure>>.

NCOSS recommends the Government draw on the strategies developed by NDS and the NSW Government (Carecareers) in raising the profile of careers in the health and community services sectors.

How can the NSW Government encourage specialist service providers and practitioners into the regions?

Regional and remote communities often find it difficult to recruit and retain specialists in the community. Relocating to regional areas needs to be an attractive opportunity and for some smaller regional areas this in itself can be a barrier to encouraging specialists to the community. As mentioned above, adequate employment conditions that organisations can offer to attract and retain skilled staff is another barrier to attracting specialists to regional areas. This often leads to fly in/fly out specialists servicing areas in lieu of locally based staff which has huge financial implications for the NSW Government and inadequate provision of service delivery for the communities they serve.

NCOSS supports the Evocities model of promoting regional living and supported relocation as a means of building a vibrant and sustainable regional NSW. Evocities has seen 2995 people relocate to an Evocity as a result of their marketing campaign.¹⁹ NCOSS would see benefit in Evocities expanding the promotion of employment opportunities to include jobs in the health and community sector.

Recommendation 6: NCOSS recommends that the NSW Government make provisions either within funding contracts or as a separate allocation that allow regional organisations to incentivise new employees to the area. Money allocated to fly in/fly out specialists could be diverted to support the financial viability of this option.

Questions 31 – What action can the NSW Government take to assist regional communities to attract investment for renewable energy projects?

Transgrid, the company responsible for the network connecting NSW to local sources of generation and to the rest of the country, has long been on the record for highlighting that 100% renewable energy generation is not only possible in NSW, but is a significant opportunity to lock in lower cost energy, and build a lucrative and sustainable new industry based throughout key regional areas of the state.²⁰ This is an opportunity the NSW Government cannot ignore, but one which cannot be accommodated without a significant change in the way that we think about the electricity network, that change must involve a strategic plan, with significant investment from the NSW Government.

As it stands, renewable energy investment projects, particularly those in regional NSW, can only occur in areas where transmission lines exist. These lines, legacies of over one hundred years of development, exist where there are coal mines (and the generators that they feed), and where there are major population centres. In most cases these lines do not run through or to the regions where we know the most significant opportunities for renewable generation exist. The result is that while there is a booming desire for renewable investment, the opportunities to proceed are limited by the existing network and where it runs. While there is a desire from companies such as Transgrid to invest in a network that could support a significant expansion of renewable energy generation, such an expansion would involve the investment of billions of dollars, which would have to

¹⁹ Inquiry into Regional Development and a Global Sydney (Submission by Evocities 2017)

<<https://www.parliament.nsw.gov.au/committees/DBAssets/InquirySubmission/Body/58173/0009%20Evocities.pdf>>.

²⁰ Renew Economy Transgrid: 100% Renewables is Feasible and Affordable <<http://reneweconomy.com.au/transgrid-100-renewables-is-feasible-and-affordable-92062/>>.

be paid for through the electricity bills of people in NSW. When we see mounting evidence, such as that in our recent Cost of Living report,²¹ that electricity prices have already risen beyond the capacity for too many people in our community to pay, anything that would lead to further increases is not acceptable.

However, the recent sale and lease of more than 50% of the electricity network businesses, by the NSW Government has resulted in over \$23 billion (billions more than was expected or budgeted for).²² NCOSS, and many within the community, have consistently recommended that the sale and lease of these assets places upon the NSW Government an obligation to ensure that a substantial proportion of the funds generated should be invested in ensuring that energy remains affordable for all in the state, and that communities across NSW can benefit from the opportunity that sustainable, renewable energy can facilitate. In this context, NCOSS strongly recommends that the NSW Government commence work immediately, in cooperation with Transgrid, the distribution networks, renewable generators, regional community organisations, and neighbouring state governments, to drive the creation of a strategic plan for the creation of renewable energy zones in key areas across the state. This plan should be backed by significant budget resources, to ensure that the necessary network investment to facilitate the zones, can be undertaken without impacting further upon energy bills.

Recommendation 7: NCOSS recommends that the NSW Government commence detailed strategic planning, in conjunction with regional communities, and electricity industry and government stakeholders, to facilitate the creation of renewable energy zones, enabled by dedicated investment funds quarantined from the sale and lease of electricity assets.

²¹ Turning off the Lights: Cost of Living in NSW (Report by NSW Council of Social Service, 2017) <https://www.ncoss.org.au/sites/default/files/Cost-of-Living-Report-16-06-2017-FINAL.pdf>.

²² ABC News, Lease of NSW Electricity Poles and Wires Raking in \$2 Billion More than Expected <[http://www.abc.net.au/news/2017-05-11/nsw-poles-and-wires-raking-in-\\$2-billion-more-than-expected/8517330](http://www.abc.net.au/news/2017-05-11/nsw-poles-and-wires-raking-in-$2-billion-more-than-expected/8517330)>.