

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

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Term of reference (a)

REZs are a vital way 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 NSW Net Zero Commission's 2024 annual report outlines 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.

The focus of the NSW government should be to continue rolling out utility-scale renewable energy developments in a timely manner in REZs.

REZs have numerous positive impacts on rural and regional communities. It is expected that large-scale wind and solar projects in NSW will deliver \$715 million between 2024 and 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.

REZs are also strengthening the long-term security of regional farmers by providing them with opportunities 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 and \$3.3 billion in direct landholder payments between 2024 and 2050.

In addition, the development of renewable energy projects within REZs has an overall positive impact on the environment by helping NSW get to net zero and mitigating the devastating environmental impacts of climate change. The renewable energy transition presents opportunities to protect and restore nature. One example is the SA Water & Seeding Natives revegetation project, which involves the planting of almost a tonne 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.

NSW's nature protection laws need to be strengthened and the planning system reformed to ensure that future developments in regions are nature positive.

Term of reference (b)

The NSW Department of Planning, Housing and Infrastructure has recently clarified that renewable energy does not increase the risk or impact of fires.

Term of reference (g)

REZs are unlikely to have a major impact on the number of people who visit regional areas with REZs as they will involve minimal changes to land use. Analysis by the Clean Energy Council shows that less than 0.027% of land used for agricultural production would be needed to power the east coast states with solar projects. Implementing dual land use practices where agricultural practices exist alongside renewable energy generation can further reduce land use change in regions.

Term of reference (h)

There are no viable alternatives to renewables if we are to take the urgent action needed to avoid the devastating impacts of climate change on the environment and humanity. Transitioning to renewable energy is the fastest and most efficient way for NSW to reduce its greenhouse gas emissions and achieve net zero by 2050, and we are well underway. Nationally there is already almost 40% renewable energy capacity and in NSW there is 53%. A mix of utility scale renewables including those in REZs, rooftop solar, and large-scale and household batteries is needed to achieve a reliable modern energy system.

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. 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.

Term of reference (i)

Genuine engagement and consulting with First Nations communities must remain a central part of the planning, construction, operations and decommissioning of renewable energy projects.