

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

Organisation: Lake Macquarie City Council

Date Received: 31 January 2025



30 January 2025

The Hon. Mark Banasiak MLC
Chair, Portfolio Committee No. 4 - Regional NSW
52 Martin Place
SYDNEY NSW 2001

Submitted via portal

Dear Chair,

Subject: Lake Macquarie City Council staff submission - Inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities

Lake Macquarie City Council (Council) staff appreciate the opportunity to provide input to the *Inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities*. The Lake Macquarie Local Government Area (LGA), located in the Hunter-Central Coast Renewable Energy Zone, is the largest LGA in the Hunter region by population and one of the largest regional councils in NSW, with more than 220,000 residents.

While the city does not presently contain extensive renewable energy generation or transmission projects, such as those of the subject of this inquiry, Council has a strong interest in the impact of REZ's due to their role in the broader transition away from carbon-intensive industries.

The LGA hosts two operational underground coal mines, and the Eraring Power Station (Australia's largest power station), which is scheduled for closure in 2027. Coal mining, and coal fired energy generation, directly employ an estimated 1800 people, contributing about 15 per cent of the city's economic output. These industries have provided stable, high-income jobs and supported local supply chains for over a century.

Council has been proactively working to diversify the city's economy for more than a decade, recognising that a global shift away from carbon-intensive industries will force significant structural adjustment within the local workforce and economy. The possible economic benefits of renewable energy will be crucial for Lake Macquarie's future prosperity.

Council staff have prepared the following selected response to item (a) and (l) of the inquiry Terms of Reference.

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(a) Current and projected socioeconomic, cultural, agricultural and environmental impacts of projects within renewable energy zones in New South Wales including the cumulative impacts

(l) any other related matters.

The REZ, within the broader context of the Commonwealth Government's Net Zero Plan, represents the most significant historical shift in the nation's energy generation landscape. It is redefining the structure and culture of the economy, creating new workforces, displacing others, and shifting the geographies of socio-economic activity.

Although the environmental planning and assessment process often considers the individual and cumulative impacts of projects within a defined REZ, it tends to overlook the broader structural impacts of transitioning the energy generation system. This oversight affects people and communities beyond the scope of individual projects. For example, structural changes in the energy generation sector, such as the closure of Eraring, are anticipated to have a significant impact on the local economy of Lake Macquarie.

Council has previously raised in a submission to the NSW Parliamentary 'Inquiry into beneficial and productive post-mining land use', and to the public exhibition of the 'Future Jobs and Investment Authorities' (refer attached), that the level of support afforded to transitioning coal-related industries is inadequate. Council has also been engaging with the NSW and Federal Government to propose innovative solutions to post-mining land use within the LGA. Providing ways to leverage the economic benefits associated with the REZ will be crucial for the growth and development of areas like Lake Macquarie.

Recommendation: That increased support be provided for transitioning coal-related industries to mitigate the economic impact on local communities, such as those in Lake Macquarie, due to the closure of major facilities like the Eraring Power Station. Leveraging the economic benefits of REZ to support transitioning carbon-intensive industries will be essential for sustainable and equitable outcomes in regional communities.

If you have any questions on this submission, please contact Council's Manager Integrated Planning Wesley Hain on

Yours Sincerely,

David Antcliff
Director Development Planning and Regulation