

2025 consultation

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Net Zero Commission 2025 Consultation

11 July 2025



CENTRAL NSW
JOINT ORGANISATION

Bathurst
Blayney
Cabonne
Cowra
Forbes
Lachlan
Lithgow
Oberon
Orange
Parkes
Weddin

11 July 2025

Ms Meg McDonald
Chair of the Net Zero Commission

Uploaded via website

Re: Net Zero Commission - 2025 Consultation

Central NSW Joint Organisation speaks with a unified voice for its collective priorities. This region has a proud history of working collaboratively, representing over 182,000 people covering an area of more than 63,000sq kms comprising the local government areas of its membership- Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes, Weddin.

Tasked with intergovernmental cooperation, leadership and prioritisation, CNSWJO has consulted with its stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here - www.centraljo.nsw.gov.au.

Thank you for the opportunity to provide feedback to the Net Zero Commission 2025 Consultation. This region has been involved in emissions reduction activities for many years now, and this direction is led from the top. During the review of the region's Statement of Strategic Regional Priorities in 2021, the CNSWJO Board decided that net zero was of such importance to the region that it was made it a standalone priority of the 7 regional priorities.

This response is informed by policy developed in the region, and much of the response echoes the submissions lodged by other Joint Organisations.

By way of background, we provide the following information:

This region has been progressively making headway towards net zero for the past decade or more. The following examples of initiatives and projects highlight the region's appetite and commitment to lead their communities by example:

- A pilot region with the Office of Environment and Heritage (now NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW)) in 2020-22 prior to the launch of the [Joint Organisation Net Zero Accelerator \(JONZA\) Program](#) which is now in its third year.
- [Programs](#) under the Disaster Risk Reduction Fund (DRRF) program through the NSW Reconstruction Authority and the National Emergency Management Agency (NEMA), followed by programming under the Disaster Ready Fund Round 2.

- Development of a [Climate Change IP&R Framework](#) which supports councils to integrate climate change actions into their legislated reporting framework.
- A partnership with NSW DCCEEW over the past 2 years and continuing through to 2027 to support member councils with [water loss management](#), knowing that reducing water loss will save electricity, money and importantly, water.
- Through the JONZA program, the following has been achieved:
 - All 11 councils have renewable energy action plans, or similar
 - Many councils have adopted renewable energy and net zero targets
 - All 11 councils have developed an emissions reduction plan, which has then led to the creation of the [regional plan](#)
 - All 11 councils have developed fleet transition plans, culminating in a regional strategy
 - From January 2023, ten of the 11 member councils are purchasing renewable electricity for large market sites which includes purchasing the LGCs from the Flyers Creek Wind Farm. Three councils opted with 100% renewables, and the remainder chose 50%.
 - From July 2025, three councils are purchasing 100% GreenPower for the small market sites, and 6 are purchasing 50%.

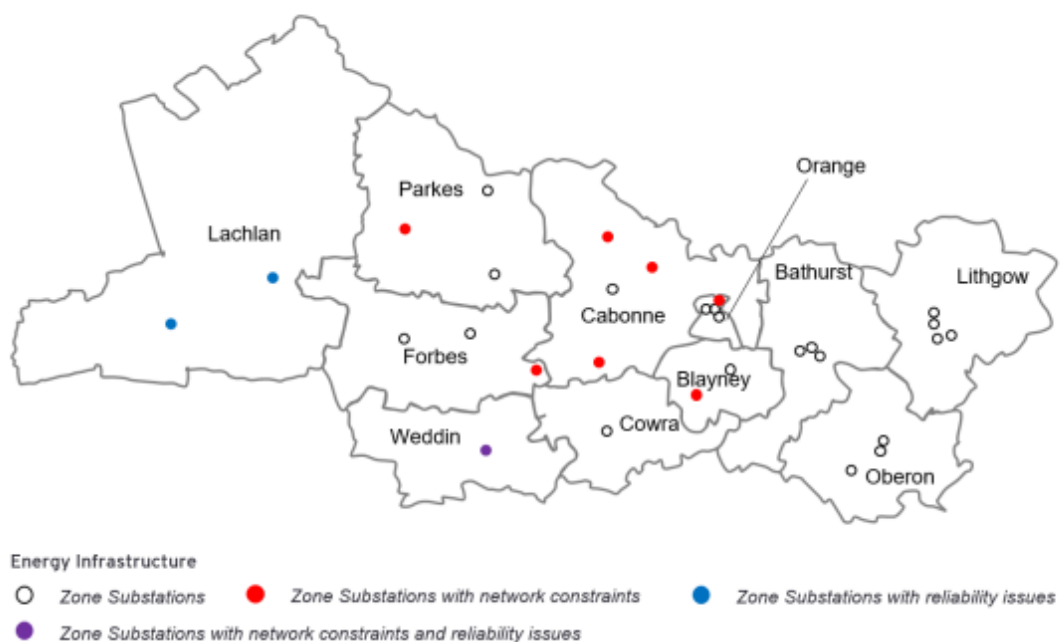
More information on the JO's activities in net zero can be found on our [website](#).

Notably, the CNSWJO received funding from the NSW Government in 2022 to develop a [Business Case on the Nexus Between Energy Security and Emissions Reduction](#). This pivotal piece of work has highlighted that in this region, and likely far beyond our boundaries, Distributed Energy Resources (DER) is the key to ensuring long-term energy capacity and security while reducing emissions.

The Business Case found that of the region's 30 distribution zone substations, one-third and their surrounding areas are currently experiencing:

- Network constraints – where electricity demand exceeds the rated infrastructure capacity; and
- Reliability issues – where supply interruptions in minutes are unacceptably high.

Figure 1: Map of zone substations with network constraints and reliability issues



In relation to emissions, the emissions profile for each council in our region has been measured, and our regional profile is as follows:

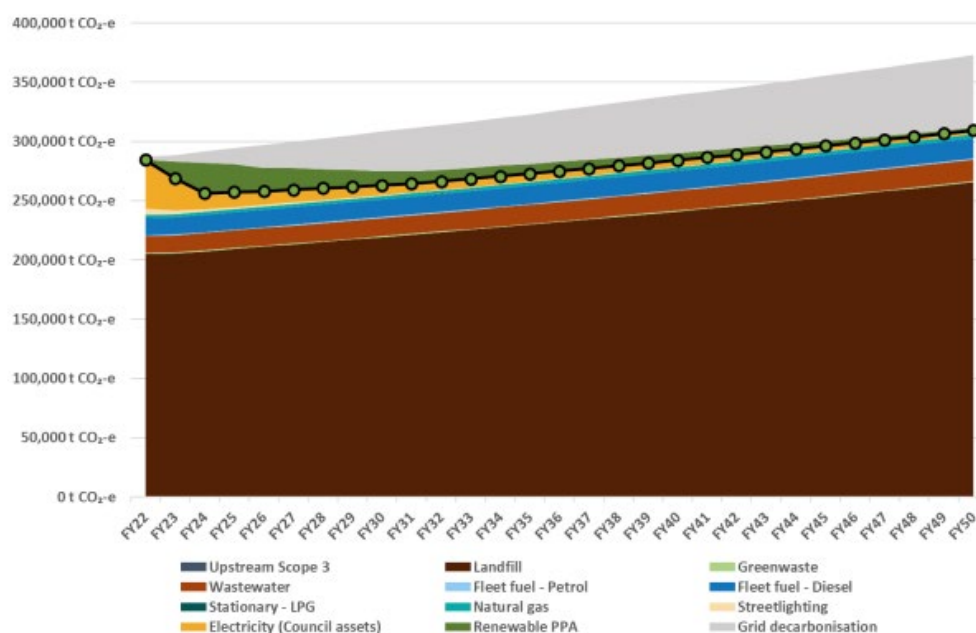


FIGURE 1: EMISSIONS FOR CNSWJO COUNCILS IN FY2022 AND BAU FORECAST TO 2050 BY SOURCE – SCOPE 1+2

We know from this emissions profile analysis that the most significant contributor to emissions is landfill. We have recently been successful in receiving funding from the NSW EPA to embed an 18-month resource into the JO to support councils to identify solutions for reducing landfill emissions, however this does not come with funding to implement projects that will reduce the emissions.

Where this region knows what the solution (at least in part) looks like, funding is the missing piece of the puzzle. The Commission will be aware of the various inquiries into Local Government financial sustainability and the impact of net zero, cost-shifting and other legislative requirements that are impacting councils' budgets.

Local Government NSW (LGNSW) recently released their cost shifting report which highlighted the estimated cost shifting to councils reached \$1.5b in 2023/24, which equates to an average of \$497.40 per ratepayer per year, and up to \$571.10 for large rural councils. The estimated cumulative burden of this cost shifting practice has imposed more than \$11.31b onto councils over the last decade which limits councils ability to progress programs and activities beyond the typical "roads, rates and rubbish".

As opportunities arise, member councils in this region are applying for grants to fund the infrastructure needed to support the transition to net zero. For example, CNSWJO and/or its member councils have applied for the following grants:

- Australian Renewable Energy Agency's (ARENA's) community battery grant,
- Community Energy Upgrades Funds (CEUF) Round 1 and 2,

and have the intention of applying for funding under the Grid Enhancing Technologies grant when it opens in mid-July, with a focus on DER which will reduce the impact on the grid during peak demand times.

While these programs are examples of funding opportunities at a federal level, there is very limited, if any, funding available for infrastructure installations or upgrades at the state level. The funding allocations under these programs is a fraction of what is needed. For instance, the CEUF (rounds 1 and 2 combined) had a total available funding of \$100m across the 537 councils in Australia; it is simply not enough.

Applying for grants is time-consuming and costly for councils, particularly those in regional areas who are experiencing workforce shortages. In most cases, councils are aware of what is needed to reduce their emissions, but the funding is not available to implement the projects and the competitive grant environment pits councils against each other, all competing for the same outcome – to reduce emissions to support the Government’s targets to reach net zero by 2050. An alternate funding approach is needed.

Question 1: What can you tell us about your experience of the impacts of climate change and how can the commission seek to reflect and respond to this in its work?

Climate modelling predicts an increase in climate extremes including longer, hotter, dryer periods interspersed with destructive storms and periods of intense rainfall. In recent years our region has faced each of these extremes of droughts and flooding with devastating impacts on our communities. Climate change is impacting all regions, states and countries, and our region is committed to taking a lead role for its communities as we transition to net zero.

The above background provides advice to the Commission on what this region has been doing to drive emissions down. The Commission could provide further support to these initiatives by acknowledging the role of local government, and Joint Organisations, in the revised Net Zero Plan to ensure local government is in a position to receive funding and be part of other initiatives which may not currently be available to them.

Further, a long-term commitment by the NSW Government to an ongoing JONZA program (min 5 years) would ensure that councils continue to receive the support they require to progress on their net zero journeys. The current JONZA model has been year-by-year funding, with the most recent found an 18-month program. Emissions reduction is a long-game and the JONZA funding should recognise that long-term funding is needed to making lasting change and embed programs and initiatives into council practices.

Investment is needed *now* in tangible long-term solutions to improve outcomes for Central NSW communities in the context of climate change and alternate energy opportunities. This includes funding to implement the projects that we know is needed from the work undertaken in the development of the various strategies and plans.

Question 2: What actions can the commission take to engage across the community to help drive the shifts needed for the net zero transition and for effective climate change mitigation and adaptation?

The Commission can support the transition to net zero and climate resilience is by working with councils and Joint Organisations, using the legislated Integrated Planning and Reporting (IP&R) framework. Councils are already required to engage their communities and set long-term strategic directions through IP&R, embedding climate priorities into this process makes the response meaningful, measurable, and aligned with existing governance.

Embedding climate change in planning is only part of the solution. Councils also need targeted capacity building and funding to move from planning to delivery, particularly in smaller and resource-constrained councils. Support for regional coordination, shared tools and resources, and peer learning will support councils implement practical actions and deliver outcomes on the ground.

Further, achieving a net zero future requires strong community support and a sense of shared ownership in the outcomes. Currently, there is confusion about what actions are being taken, what is planned, who is responsible, and how the community will benefit. This arises because this information is across multiple departments with varying levels of communications support.

This lack of integration and oversight across agencies is also impacting NSW Government staff within various agencies, who are not consistently aware of other agency priorities or activities, or of their obligations to incorporate net zero policies into their work, undermining the state's overall ability to deliver its net zero targets.

The NSW Government bring together and simplify information on all relevant State and Federal Government net zero plans and initiatives occurring across multiple agencies to provide clear and consistent messaging that improves community awareness, understanding and participation in the net zero journey.

Question 5: What additional information and evidence should the commission consider when assessing progress towards NSW's targets for reducing net greenhouse gas emissions?

Councils are a logical and willing participant to support the NSW Government to reach its net zero targets, however in the current iteration of the NSW Government's Net Zero Plan, local government is not acknowledged. It is strongly encouraged that this be reconsidered, and the role of local government be included, which will then also hopefully unlock funding opportunities.

Other Joint Organisation submissions, namely from the Hunter Joint Organisation, provide excellent recommendations of how the Net Zero Commission can further support the progress towards net zero targets. CNSWJO endorses these recommendations.

Question 6: The speed of deployment of electricity generation and infrastructure is a key risk to emissions reduction targets. What more could be done to fast-track deployment?

The traditional grid is not set up to accommodate Distributed Energy Resources (DER), like rooftop solar and battery storage. Investment in the electricity grid is not progressing quickly enough to enable DER integration without creating power quality issues or curtailing exports.

As strongly outlined in the abovementioned Business Case on the Nexus Between Energy Security and Emissions Reduction:

“To contribute towards 82% renewable energy in the electricity grid by 2035, adopting DER beyond the boundaries of the Renewable Energy Zones (REZs) will be critical”.

A 'business-as-usual' approach to energy security and reliability in the region is simply not viable. Residents and businesses are bearing the burden of capacity constrained energy infrastructure and outages, constraining their growth and impacting the quality of their electricity supply. The preferred option will alleviate the issues identified and can be scaled to meet regional growth ambitions, improving energy security and supporting the achievement of local, state and national net zero targets. It is an imperative that action is taken and investment made to support the residents and local businesses of Central NSW.

Several themes arose throughout Business Case consultation, including that DER would be impactful to improve the efficiency of business operations, provide resilience in times of natural disaster, enable growth for the region, and could provide broader benefits to the grid.

It is this region's view that there should be a stronger focus on enabling the roll-out of DER, where the construction and commissioning of DER technology is generally significantly quicker to deploy, ensuring

immediate electricity needs can be addressed. DER technology can often be constructed with significantly less interruptions to local communities and businesses.

“Urgent action is needed to ensure regional communities are empowered to become more energy independent and resilient through distributed energy resources to ensure a there is a sustainable world for future generations”

Existing electricity infrastructure in the region was designed and constructed at a time when electricity distribution managed a one-way flow, from large, centralised power plants to consumers. However, the rise of DER, like rooftop solar PV, has transformed electricity flow into a two-way flow.

This change has introduced new complexities in managing the grid, especially in terms of demand management, voltage control, and electricity system security. This variability in supply can lead to imbalances in the grid if not properly managed. Remedial action to improve network capacity is not progressing fast enough to enable the implementation of DER. This is partly because DNSPs are bound by a strict regulatory environment that only permits intervention under specific circumstances.

Question 7: Are the measures now in place sufficient to ensure community engagement and benefit sharing from the build out of infrastructure for the energy transition?

No. This region is located outside of the Central West Orana Renewable Energy Zone (CWOREZ), despite the name referring to the Central West, and the renewable energy developments within this region is likely to have significant impacts on regional communities.

*“The CNSWJO Board seeks **urgent action** and consideration of regional communities by all levels of Government during the transition to a renewable energy future, with a focus on compensation for the impacts of large-scale renewable generation developments and empowerment to become more energy independent and resilient”.*

Key issues and concerns being experienced across regional communities include:

- Councils and community members feeling that their feedback provided during community consultation processes is not being genuinely considered or incorporated into meaningful action.
- Planned temporary worker housing not being integrated within local communities and economies and not considering the potential to enhance longer term housing supply in regional communities to meet the NSW Government housing targets.
- Traffic disruptions and damage to local road networks with no compensation to fund their repair, further stretching already stressed council road networks and resources.
- Capacity of water utilities and waste management services being insufficient to meet increased demands.
- A lack of local investment or community legacy projects being generated from the construction of renewable energy and/or transmission projects
- Lack of transparency over benefit funds where they exist, and the short-term focus of such funds that do not consider the longer term cumulative social and environmental impacts on local communities.

Consequently, there is a growing frustration in regional communities that community engagement efforts have been performative rather than transformative, leaving communities to bear the brunt of transition pressures without a fair return in community benefits. Frustration of this nature has the significant

potential to inhibit or delay the effective roll out of the renewable energy developments due to a lack of social licence.

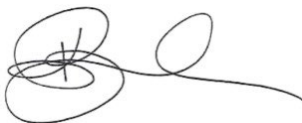
To reduce such resistance and minimise delays in delivering renewable energy infrastructure, a more proactive and coordinated approach is needed. Clear, fair, and transparent frameworks, particularly around community benefits and local planning impacts can build trust and social license. Empowering communities and councils with adequate resources and involvement will also assist implementation and foster collaboration rather than conflict.

Community benefit schemes are programs designed to ensure that development projects, particularly those involving infrastructure or resource extraction, provide tangible benefits to the communities directly or indirectly affected by them. These schemes aim to distribute the economic, social, and environmental advantages of such projects more equitably among stakeholders. They can involve monetary contributions, physical works, or a combination of both.

Community Benefit Schemes have the potential to be transformational enablers. By providing funding to local councils, these schemes can directly support place-based planning, infrastructure readiness, business attraction, and skills development. Councils are well placed to align these initiatives with local needs, enabling communities to maximise the socio-economic opportunities created by the renewables rollout.

Again, we thank you for providing the opportunity to engage with this consultation process. If you require further information or clarification on comments in this submission, please do not hesitate to contact me on [REDACTED].

Yours sincerely,

A handwritten signature in black ink, consisting of a stylized 'K' followed by a long horizontal stroke and a loop.

Kate Barker
Interim Executive Officer
Central NSW Joint Organisation (CNSWJO)