

2025 consultation

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Community Power Agency Submission

Re: [Net Zero Commission 2025 Consultation](#)

11.07.25

Executive Summary

Community Power Agency thanks the Net Zero Commission for the opportunity to provide feedback on the Net Zero Commission 2025 Consultation.

We'd like to recognise the importance of public consultation and engagement as a means to strengthen the transition towards net zero and building greater climate resilience. Deepening collaborative efforts is central to this work, as we describe in our submission here.

We provide the following key recommendations:

Question 2:

- Support community level action in mitigation and adaptation and pilot place-based approaches to climate mitigation and adaptation.

Question 3:

- Ensure that First Nations knowledge in adaptation work is supported while promoting rights, co-production and First Nations led adaptation initiatives.

Question 6:

- Drive investment in renewable energy within REZs to ensure the lowest cost pathway for future energy security, in line with the [NSW Electricity Infrastructure Roadmap](#).
- Support social licence for the energy transition by deploying Local Energy Hubs.
- Facilitate and resource more co-ordinated deployment of community energy projects on the distribution network.

Question 7:

- Implement best practice community engagement and adopt place-based approaches to enable collaboration and unlock opportunities.
- Do not limit management of benefit sharing approaches to councils and consider alternative benefit-sharing agreement approaches between developers and council.
- Implement best practice benefit sharing and foster opportunities for clean energy co-ownership with communities.

Question 8:

- Collaborate with leaders in the First Nations energy transition space to develop a more wholistic approach to First Nations engagement and benefit sharing.

- Prioritise genuine engagement, consultation and partnerships with First Nations communities.

CPA Capability

Community Power Agency is a not-for-profit organisation that works with a range of stakeholders to facilitate a faster and fairer transition to clean energy. Our staff currently work across four different REZ contexts: Queensland, New South Wales, Victoria and Tasmania. Community Power Agency has been working with the renewables sector for over a decade to build capacity and improve practice around building social licence, community engagement, benefit sharing, co-investment and co-ownership models.

We have authored industry guides for the Tasmanian, ACT and Victorian governments; along with other specialist publications for bodies such as the Clean Energy Council and the Institute of Sustainable Futures. Notably, we recently authored a discussion paper and Guide on Regional Benefit Sharing¹², focused on creating strategic impacts for regions that host multiple renewable energy projects.

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?

Recommendation 1: Activating communities in climate mitigation and adaptation through:

- Listening and seeking to understand the needs, aspirations, barriers, and opportunities that communities face, and appreciate the diversity within and between communities.
- Learning from those already doing this work, the community groups, organisations and individuals that are leading climate and mitigation actions.
- Resourcing and supporting the development of trusted, clear and accessible information that is tailored to the needs of specific stakeholder groups within communities.

Recommendation 2: Call on the NSW Government to support community level action in mitigation and adaptation by:

¹Hicks, J & Mallee K, [Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects](#), (2023) Community Power Agency, Sydney.

²Mallee K, Hodge C, [Guide to Regional Benefit Sharing](#) (2025), Community Power Agency.

- Funding and resourcing projects and programs tailored to community needs, using co-design where appropriate.
- Regulating or introducing standards where knowledge, resources, and other interventions are insufficient. For instance, increasing rental standards to ensure that rental housing stock is energy efficient and affordable for tenants.
- Integrating principles of social justice into climate and energy policy frameworks, programs and projects.

Recommendation 3: Call on the NSW Government to pilot place-based approaches to climate mitigation and adaptation

One way to support and enable community action on climate change is to recommend government investment in place-based approaches to mitigation and adaptation. This funding could facilitate the development and piloting of place-based initiatives that work with local communities to identify local emission sources and adaptation challenges, and co-design strategies to address these. This approach would support the development of trusted and meaningful plans to mitigate emissions and consider opportunities for adaptation.

Examples of this work already exist. For instance, in Victoria the collaborative partnership *Hepburn Z-NET* has worked with community members, council, local groups and Traditional Owners to work towards integrated mitigation and adaptation activities³. These activities have included a Community Transition Plan that built a blueprint of local emissions and then co-designed priority strategies for emissions mitigation⁴. These projects span agriculture, stationary energy, transport and waste sectors. Many of these strategies are already underway, delivered by different community organisations and council, supported by the collaborative partnership. In addition, in 2024 this work grew to include adaptation, with a co-designed adaptation guide available online⁵.

Central to any place-based approach is to first assess local interest, desire and capacity as not all regions will desire or benefit from this approach⁶. However, some key principles in this work are relevant, such as; information sharing and knowledge development, understanding local capacities and interests, co-designing locally relevant approaches⁷ to mitigation and adaptation and supporting program delivery with appropriate funding streams.

³Hepburn Z-NET, [Tracking progress](#), website, accessed on July 10 2025.

⁴Hepburn Z-NET, [Community Transition Plan](#), (2019).

⁵Hepburn Z-NET, [Guide to adaptation action](#), website, accessed on July 10 2025.

⁶See e.g. Lyn Simpson, Leanne Wood, and Leonie Daws, 'Community capacity building: Starting with people not projects', *Community Development Journal*, 38(4) (2003), 277–286, <https://doi.org/10.1093/cdj/38.4.277>.

⁷QCOSS, [Place based approaches for community change](#) (2019), accessed on July 10 2025.

Question 3:

How should the commission best engage with First Nations people to learn about cultural knowledge and practices to support adaptation, and what information and evidence should it draw on to inform its understanding of these practices?

Recommendation 4: Ethical integration of First Nations knowledge requires listing, promoting rights and Caring for Country and engagement on these matters should always adhere to FPIC principles

First Nations' knowledge systems could play a vital role in shaping adaptation strategies. However, there is a long history of transactional knowledge exchange between western science disciplines and First Nations peoples that must be learned from and ameliorated⁸. Better practice knowledge sharing must be underpinned by principles of data sovereignty, enabling greater self-determination and fostering leadership in adaptation practice.

Future Earth Australia, in their [National Strategy for Just Adaptation](#), note that engaging with Traditional Owners and First Nations peoples' knowledges in the context of adaptation work requires⁹:

- *“Deep listening to and embedding of Indigenous Peoples’ knowledges.*
- *Promotion of Indigenous Peoples’ rights to Country, including resources, livelihoods, and lifeways.*
- *Promotion of Indigenous voices in all levels of government.*
- *Development of a national Indigenous-led climate change mitigation and adaptation strategy.*
- *Support for Indigenous Caring for Country programs, including for strengthened capabilities of Indigenous rangers to include specific adaptation actions and projects in their work.*
- *Development of Indigenous-led and inter-cultural collaborative approaches to adaptation that deliver more just outcomes.”*

Furthermore, engagement with Traditional Owners and First Nations peoples on traditional knowledges should always embed FPIC principles, ensuring free, prior informed consent¹⁰.

⁸See e.g. Nicole Latulippe and Nicole Klenk, ‘Making room and moving over: knowledge co-production, Indigenous knowledge sovereignty and the politics of global environmental change decision-making’, *Current Opinion in Environmental Sustainability*, Volume 42, (2020), pg.7-14, <https://doi.org/10.1016/j.cosust.2019.10.010>.

⁹Future Earth Australia, [National Strategy for Just Adaptation](#) (2022), Australian Academy of Science, Canberra, Australia, pg. 10.

¹⁰DCCEEW, [First Nations Engagement: the principles of Free, Prior and Informed Consent: Better practice engagement with First Nations communities and people](#) (2025), Department of Climate Change, Energy, the Environment and Water, Canberra.

Recommendation 5: Support co-production and First Nations led adaptation initiatives

There are excellent examples of co-production and First Nations led adaptation initiatives that have supported knowledge sharing and fostered self-determination¹¹. For instance, on the World Heritage Listed island, Kgari, the Butchulla people, partnered with the Climate Systems Hub to pilot the development of a climate change adaptation plan. The K'gari Climate Adaptation Plan (CAP) is based on a set of cultural and natural values meaningful to the Butchulla people and local community¹².

These efforts will require greater resourcing and funding to be delivered successfully and ensure that the skills, knowledge and contributions of First Nations peoples and Traditional Owners are fully recognised.

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?

Recommendation 6: Drive investment in renewable energy within REZs to ensure the lowest cost pathway for future energy security, in line with the [NSW Electricity Infrastructure Roadmap](#)

The [NSW Electricity Infrastructure Roadmap](#) commits to creating the right investment settings to incentivise private sector delivery of fundamental renewable energy infrastructure at the lowest cost.¹³ We encourage the NSW Government to continue utilising the Electricity Infrastructure Investment Safeguard to drive investment in renewable energy infrastructure in NSW REZs.¹⁴

However, we note that there is a need for greater coordination of the sequencing of REZ projects. This could potentially be led by a NSW Government body like EnergyCo. This sequencing would help give community members greater certainty regarding renewable energy developments, aid in planning for and managing impacts on housing and employment

¹¹Hill et al., '[Knowledge co-production for Indigenous adaptation pathways: Transform post-colonial articulation complexes to empower local decision-making](#)', *Global Environmental Change*, Volume 65 (2020), <https://doi.org/10.1016/j.gloenvcha.2020.102161>.

¹²Boulter, S., Gould, J., Thwaites, T., Sheppard, M., Bullio, R. '[Developing an Indigenous co-designed adaptation plan for K'gari World Heritage Area](#)' (2024), Climate Systems Hub. National Environmental Science Program, Australia.

¹³NSW Government, [NSW Electricity Infrastructure Roadmap – Overview](#), NSW Department of Planning, Industry and Environment (November 2020), pg. 12.

¹⁴NSW Government, [NSW Electricity Infrastructure Roadmap – Overview](#), NSW Department of Planning, Industry and Environment (November 2020), pg. 24-31.

(i.e. reduce the peak and trough in employment opportunities and housing availability), and identify efficiencies in REZ deployment that could improve delivery timeframes. [Ref](#)

Recommendation 7: Support social licence for the energy transition by deploying Local Energy Hubs

To help build stronger social licence for the energy transition, we recommend that the NSW Government support communities to engage meaningfully and strategically with renewable energy consultation processes, such as through [Local Energy Hubs](#). Our coalition of civil society organisations have developed a proposed [Local Energy Hubs model](#),¹⁵ to establish a network of 50 independent outreach centres in regional areas, empowering locals to actively participate in and benefit from the clean energy shift underway.¹⁶ As trusted local hubs for information, these outreach centres would ensure that accessible and independent information is available to host communities, and would work to reduce engagement fatigue by streamlining the consultation process for large scale renewable energy development and resourcing local people to meaningfully engage with developers at a regional scale. In addition, Local Energy Hubs would provide feedback loops between communities, government and the proposed research centre, to assist with directing future activities to best address community concerns around REZ development.

Recommendation 8: Facilitate and resource more co-ordinated deployment of community energy projects on the distribution network

We recommend investigating opportunities for more coordinated development of community-owned mid-scale projects on the distribution network. These initiatives could have shorter delivery timeframes than large-scale projects (that are contingent on the delivery of transmission-level infrastructure) while sharing benefits from the energy transition with local communities and building social license.

Community energy is where “a community group initiates, develops, operates and benefits from a renewable energy resource or energy efficiency initiative”¹⁷. Specifically, community mid-scale projects are comparatively small, ranging from 1MW to 10MW . Due to their smaller scale, they can often be hosted on the distribution network¹⁸ in closer proximity to populated areas.

¹⁵Re-Alliance, Community Power Agency, Australian Conservation Agency, and Yes2Renewables, [Policy Summary: Renewables: Local Energy Hubs](#) (2024).

¹⁶Visit www.localenergyhubs.org.au.

¹⁷Victorian Government, [Guide to Community-Owned Renewable Energy For Victorians](#) (November 2015)

¹⁸Pollination, [Community Energy: Hope and Headwinds](#) (July 2024)

The upcoming 2026 Integrated System Plan (ISP) will address distribution-level opportunities¹⁹. These inputs could be used to assess the opportunity of mid-scale projects on the distribution network and their potential contribution to achieving the state's emission reduction targets.

Programs like the proposed Local Energy Hubs (see Recommendation 7) could help facilitate the development of these community mid-scale projects, while seeking to build local knowledge, capacity and participation in the energy transition.

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?

Community Power Agency has a wealth of experience in community engagement and benefit sharing best practice in NSW and various other states. As detailed in CPA's submission to the NSW Parliamentary Inquiry into the Impact of REZs (see here) we have made several recommendations for opportunities to improve the approach to community engagement and benefit sharing to enable social licence and the delivery of a fast and fair energy transition.

Community engagement

Recommendation 9: Implement best practice community engagement

As captured in the AEIC's [Community Engagement Review \(a.k.a. 'Dyer Review'\)](#), community engagement and benefit sharing processes associated with renewable energy development and REZ coordination can contribute toward both positive and negative socio-economic impacts on host communities. For this reason, it is vital that the NSW Government promote and enforce best practice standards for community engagement and benefit sharing in the renewable energy sector. This will help to mitigate negative impacts of recurrent consultation, such as engagement fatigue among community members, and maximise the positive impacts, including community empowerment and co-designed, fit-for-purpose benefit sharing arrangements. Approaches that seek to coordinate and harmonise diverse threads of engagement and benefit-sharing opportunities are essential to enable this.

Recommendation 10: Adopt place-based approaches to enable collaboration and unlock opportunities

Our experience in Renewable Energy Zones has demonstrated that place-based work is needed to enable the collaboration that underpins regional development opportunities,

¹⁹AEMO, [Draft 2025 Electricity Network Options Report](#) (May 2025)

aligning them with local aspirations and capabilities and reducing engagement fatigue. These approaches emphasise cooperative relationships between communities, governments, and industries,²⁰ building on local assets and involving participatory processes to empower local stakeholders²¹. However, to be effective, they require coordination and resourcing²².

Investing in on-the-ground community development staff in REZs who are embedded in the community and have the cultural and social knowledge required to build trust and foster meaningful relationships is essential. Their role would include facilitating open communication between developers, government bodies, and community members, addressing concerns, and identifying opportunities for local benefits.

Additionally, ensuring that REZ oversight committees and reference groups include representation from the community development sector and First Nations organisations is a critical step toward inclusive decision-making. Representatives from these sectors bring expertise in social equity and cultural preservation, ensuring that renewable energy projects are designed and implemented with respect for local knowledge and social well-being.

Benefit sharing

Recommendation 11: Do not limit management of benefit sharing approaches to councils

In the [NSW Benefit Sharing Guideline](#), councils are recommended as the appropriate stakeholder for establishing and administering benefit sharing programs.²³ Specifically, the guidelines recommend Voluntary Planning Agreements (VPAs) between renewable energy project proponents/developers and local councils (or other planning authorities). We suggest that the NSW Government go further to recognise that benefit sharing programs at local and regional scales are not always best managed by Councils. The most appropriate management structure should be determined according to local circumstances and informed by community consultation with the local community.

Furthermore, the proposed community reference groups intended to oversee these benefit-sharing programs do not establish a meaningful process for co-design with these community

²⁰Fergus Green, 'Transition policy for climate change mitigation: who, what, why and how', [CCEP Working Paper 1807](#), (July 2018) Crawford School of Public Policy, The Australian National University, pg. 14.

²¹Tom Bedford, Philip Catney, and Zoe Robinson, 'Going down the Local: The Challenges of Place-Based Net Zero Governance', *Journal of the British Academy* 11s4 (2023) pg. 126, <https://doi.org/10.5871/jba/011s4.125>; P. McCann, 'The Recent Place-Based Shift in US Green Industrial and Technological Policies', European Commission (2023), JRC134097; Regional Australia Institute (2024), *Towards Net Zero: Empowering Regional Communities*, ISBN: 978-0-6459363-5-3.

²²Community Power Agency, [Submission to Inquiry into the impact of Renewable Energy Zones \(REZs\) on rural and regional communities and industries in New South Wales](#) (January 2025)

²³NSW Government Department of Planning, Housing and Infrastructure, [Benefit-Sharing Guideline: Guidance for large-scale renewable energy projects](#) (November 2024), pg. 17.

stakeholders and limit the likelihood of genuine empowerment through these channels, which could dilute the impact, relevance and legacy of such funds.

The [NSW Benefit Sharing Guideline](#) states that, for Council-managed benefit sharing programs, “committees should be established to decide how money should be spent and should include representation from different community groups”²⁴. We recommend that these decision-making committees are also governed by terms of reference that make clear how decisions are made, and how community representatives are appointed to the committee.

Recommendation 12: Consider alternative benefit-sharing agreement approaches between developers and council, and learnings from Victoria’s Payments in Lieu of Rates Scheme

Voluntary Planning Agreements (VPAs) provide a mechanism for developers to make contributions of a type or value (i.e. land, infrastructure or other works) that the planning authority could not require the developer to provide by other means. This provides a degree of flexibility to deliver better benefits to LGAs that align with place-based needs and impacts.

However, a high degree of transparency is required through the VPA process. If these processes appear non-transparent, this can lead to perceptions of developers seeking to ‘buy’ the planning authorities’ development consent.

Alternative arrangements for developers to provide contributions of value to LGA’s have been deployed in other states. For instance, in Victoria²⁵ there are legislated requirements for ‘Payments in Lieu of Rates’²⁶. These requirements create a clear mechanism for new renewable energy projects to contribute to the ongoing renewal of public infrastructure managed by Council, separate (and in addition to) community benefit sharing.²⁷ Adopting a similar mechanism in NSW could help to avoid confusion and conflict as to whether renewable energy project contributions are a cost of doing business with Councils, or part of community benefit sharing.²⁸

Where a benefit sharing program is managed by Council and enabled by a VBA, it is vital that communities are made aware of the source of funding as being from local renewable energy projects. Ensuring transparency and community awareness of the source of these benefits

²⁴NSW Government Department of Planning, Housing and Infrastructure, [Benefit-Sharing Guideline: Guidance for large-scale renewable energy projects](#) (November 2024), pg. 17.

²⁵Victorian Government, Department of Energy, Environment and Climate Action, ‘[Payment in lieu of rates for electricity generators](#)’ (webpage) (21 August 2024), accessed January 2025.

²⁶See e.g. [Electricity Industry Act 2000](#) (Vic), s 94.

²⁷Hicks, J & Mallee K (2023), [Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects](#), Community Power Agency, Sydney, pg. 10.

²⁸Hicks, J & Mallee K (2023), [Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects](#), Community Power Agency, Sydney, pg. 10.

will help build trust, foster community support, and highlight the positive contributions of local renewable energy projects.

Recommendation 13: Implement best practice benefit sharing

As stated in the [NSW Benefit Sharing Guideline](#), benefit sharing programs must ensure that “communit[ies] [are] at the forefront of decision-making.”²⁹ Adopting a best practice approach to benefit sharing would require engaging communities in the design of governance and management structures for benefit sharing programs. However, the current Guidelines reduce this scope to consultation regarding the implementation of these funds only and fails to encourage community participation in the design process.

For example, our team at Community Power Agency have been working in partnership with [Western Downs Futures](#) (a place-based community development initiative established by Western Downs Regional Council) and several other local stakeholders, to establish a pilot program for coordinated benefit sharing in the region. This has involved a series of focus group workshops, research and an options paper outlining possible governance models for the benefit sharing program. Such options include an existing or new (purpose-built) community organisation (such as a [Community Foundation](#)), or a dedicated sub-fund hosted by another organisation (such as the [Foundation for Regional & Rural Renewal](#) or the [Australian Communities Foundation](#)). Regardless of what structure a region chooses to coordinate benefit sharing the process undertaken to build community support and buy-in is critical. A detailed roadmap on how to do this well has been published in our [Guide to Regional Benefit Sharing](#).

We strongly suggest that the management structure for any benefit sharing program is co-designed through a similar collaborative process, which may or may not result in a Council-managed benefit sharing program being the preferred option. For more information, we recommend reading our Guide to Regional Benefit sharing³⁰.

Recommendation 14: Foster opportunities for clean energy co-ownership with communities

We recommend that the NSW Government foster a ‘race to the top’ among renewable energy developers, encouraging co-ownership and equity-holding offers for community members and local community groups. Policies to promote and normalise community ownership in the renewable energy sector may include direction setting (such as targets, voluntary guidelines, and standards), to command and control measures (such as mandates and set-asides), and other incentives like merit criteria and bonus thresholds.

²⁹ NSW Government Department of Planning, Housing and Infrastructure, [Benefit-Sharing Guideline: Guidance for large-scale renewable energy projects](#) (November 2024), pg. 17.

³⁰ Mallee K, Hodge C, [Guide to Regional Benefit Sharing](#) (2025), Community Power Agency.

Question 8:

Are First Nations communities adequately engaged and included in sharing the benefits of the transition? What more could be done, and by whom?

Recommendation 15: Collaborate with leaders in the First Nations energy transition space to develop a more holistic approach to First Nations engagement and benefit sharing.

While we commend the NSW Government for the development of overarching and location specific benefit sharing guidelines with First Nations peoples and the consideration of First Nations engagement, involvement and benefits in merit criteria for renewable energy tenders we note that these efforts have not been seen to greatly shift outcomes for First Nations people ³¹:

“First Peoples’ participation in NSW energy projects has been limited to date. Employment and procurement targets have not been met, and no equity and/or ownership examples exist at the time of writing.”

The Australian Government’s [First Nations Clean Energy Strategy 2024 - 2030](#), provides useful guidance on social, cultural, environmental and economic opportunities from renewable energy for Indigenous businesses and communities. The strategy, which received significant guidance and advice from the [First Nations Clean Energy Network](#), takes a holistic perspective of current barriers and opportunities in benefit sharing and opportunities stemming from the energy transition.

Key opportunities for greater benefit sharing and realising other workforce and economic opportunities in the energy transition include:³²

- Looking to address barriers that limit First Nations peoples access to renewable energy through; researching and piloting projects that support access and affordability of clean energy, improving housing stock for energy efficiency and sustainability.
- Working towards equitable partnerships through; providing clear and accessible information, empowering First-Nations-led coordination and capacity development, enacting best practice community engagement, recognising and celebrating First-Nations peoples’ cultural heritage and environmental values.

³¹Heidi Norman, Chris Briggs, Ed Langham, Therese Apolonio, Saori Miyake, Sarah Niklas and Sven Teske, ‘[Local Aboriginal Land Council Powershift](#)’ APPI Policy Insights Paper (2025), pg. 8.

³²Australian Government, [The First Nations Clean Energy Strategy 2024 - 2030](#) (2024)

- Unlocking economic opportunities in First Nations businesses, workforce development and facilitating First Nations programs and projects, including those that are owned or co-owned with First Nations communities.

We recommend seeking out existing leaders in the First Nations clean energy space to refine and develop engagement and benefit sharing approaches tailored to the NSWs context.

Recommendation 16: Prioritise genuine engagement, consultation and partnerships with First Nations communities

Principles of good engagement with First Nations peoples should be adhered to to improve engagement outcomes, build trust and foster benefits with meaning and relevance to First Nations peoples. These include:

- Engagement with local First Nations communities should begin early, during project site selection, so that cultural impacts and opportunities are considered before, and alongside, other factors such as energy generation capacity and feasibility.
- Encouraging project proponents or developers to consider Traditional Owners as rights-holders, rather than stakeholders, even where individual land titles do not sit with local First Nations peoples.
- Engagement of Registered Aboriginal Parties for cultural heritage assessments required for the project approval process is another opportunity to plan on-going land management arrangements that incorporate Traditional Owners and their communities.
- Supporting First Nations-led businesses are uniquely positioned to manage cultural impacts of renewable energy projects and should be prioritised for land management partnerships. This could include capacity-building support from government and industry to grow skills and workforce to meet project needs.

Conclusion

We thank you for the opportunity to produce a submission for the Net Zero Commission Consultation. We would welcome the opportunity to follow up and provide additional details on any of the points made herein, if desired. We look forward to seeing the final recommendations taken to the NSW Government.

Regards,

[Redacted signature]

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