

2025 consultation

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Friends of the Earth Australia Submission

New South Wales Net Zero Commission 2025 Consultation

Submitted: 11 July, 2025

About Us: Friends of the Earth Australia is a national environmental justice organisation consisting of seven local member groups and thirteen affiliate members, with over 65,000 supporters throughout the country. We are a member of Friends of the Earth International, the world's largest network of grassroots environmental organisations, uniting 77 national member groups and some 5,000 local organising groups on every continent. We are committed to the creation of an environmentally sustainable and socially equitable future, and campaign for a world where environmental protection, social justice and economic welfare for all people, go hand in hand.

Acknowledgement

Friends of the Earth Australia meet and work on stolen lands of Aboriginal & Torres Strait Islander people and respect that sovereignty of those lands was never ceded. We pay respect to Elders, past and present, and acknowledge the pivotal role that Aboriginal & Torres Strait Islander people continue to play within the Australian community.

Introduction

Friends of the Earth Australia welcomes the opportunity to make a submission to the New South Wales Net Zero Commission 2025 Consultation.

Friends of the Earth has a long history of working alongside communities to organise for action on climate change and advocate for emissions reduction across a number of sectors.

In light of our recent work with communities at the centre of the renewable energy transition, this submission will focus on the role of renewable energy in achieving emissions reductions across the energy and heavy industry sectors, while putting communities at the centre of the renewable energy transition.

We support an energy transition that advances principles of energy justice for rural, regional and marginalised communities, facilitates community empowerment and ownership in the energy system, and reduces the impact of our energy system on the environment and climate.

In 2025, we find ourselves at a key juncture in the shift to renewable energy, and what happens in the next 5-10 years is vital. The energy sector is responsible for 39% of NSW's

total emissions¹ and, as identified in the Commission's 2024 Annual Report, NSW needs to increase total generation capacity by almost 9 GW if we are to meet the 2030 Roadmap target of 12 GW.²

If we are to succeed in halting runaway climate change, there must be an ambitious acceleration of the rollout of renewable energy at all scales, and significant investment in developing and deploying new technologies to decarbonise industry - alongside rapidly ending our reliance on fossil fuels.

Having a robust plan for NSW to reach our net zero targets and ensure that we meet our international obligations to keep warming to 1.5 degrees celsius, is essential. The work of the Net Zero Commission is foundational to developing the pathway forward and driving government action to meet these goals.

In our view, priorities for the rapid reduction of emissions in the NSW energy sector must include:

- strong government leadership on climate action and emissions reduction that centres communities;
- significant public support and investment to accelerate the renewable energy transition and meet projected demand, including working to establish the offshore wind industry in New South Wales;
- reducing barriers to renewable energy development while upholding robust environmental protections;
- a renewable energy transition that helps to realise community aspirations and address inequity such as energy poverty, through First Nations-led and community-led implementation;
- investing in social license by delivering a network of Local Energy Hubs;
- embedding best practice guidelines for engagement and community benefits.

In order to achieve our net zero targets and protect New South Wales residents from the worst impacts of climate change, Friends of the Earth makes the following recommendations for the work of the Net Zero Commission.

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?

Communicating a shared vision and purpose for emissions reduction

¹ NSW EPA, State of the Environment 2024 Report
<<https://www.soe.epa.nsw.gov.au/all-themes/air-and-atmosphere/greenhouse-gas-emissions#nsw-greenhouse-gas-emissions-status-and-trends>>

² NSW Net Zero Commission, 2024 Annual Report
<<https://www.netzerocommission.nsw.gov.au/2024-annual-report>>

Through our work with communities who are experiencing renewable energy development in their regions, it is clear that there is a gap in accessible, trusted information about the need for the energy transition and the role of individual communities and regions in the greater state-wide and national effort to address climate change.

There is a clear need to communicate and promote a shared vision for the future and understanding of the roadmap to achieve emissions reductions across the whole of society, as well as how individual policies and strategies affecting communities will help us get there. There is a role for stronger communication of the risks of climate change, and the action required of communities and society as a whole to achieve a secure future.

The energy transformation already underway is a once-in-a-lifetime opportunity to build a new energy system that ensures reliable, low-cost, and low-emissions energy in NSW. It is also an opportunity to address community needs and aspirations, invest in long-term community benefits, and promote social justice by addressing energy poverty.

If we communicate this opportunity well, we can accelerate the transition while centering rural and regional communities throughout the process and embedding principles of justice and equity throughout the system to create a shared vision for a low-emissions future.

The Net Zero Commission is ideally placed to do this work to engage with NSW communities, and we hope that the Commission will play a proactive role to provide communities with information about the pathway by which we will reduce emissions. Outreach activities to support deeper communication with communities could include community stalls, information days, and promotion in local papers and targeted social media.

Recommendation: Develop a communications and engagement strategy to sit alongside the next Net Zero Plan that defines the role and opportunities for communities in the roadmap to keep warming to 1.5C.

Questions 3, 4, and 8:

Engaging and empowering First Nations people in climate mitigation strategies, and in sharing the benefits of the energy transition

Climate mitigation must centre First Nations communities

Genuine, early and ongoing consultation and co-design with First Nations communities and Traditional Owner groups should remain a priority throughout the planning and implementation of all climate mitigation strategies, with outcomes driven by First Nations people. By recognising First Nations' historical and ongoing care for Country and incorporating their unique knowledge of land care and cultural heritage into climate mitigation work, the NSW government can achieve positive outcomes for people, land and environment, as well as for climate.

To ensure that the renewable energy transition achieves positive outcomes for First Nations communities the NSW government should work with the First Nations Clean Energy Network

to implement the First Nations Clean Energy Strategy³ in NSW, including powering First Nations communities with clean energy, enabling equitable partnerships, and achieving economic benefits with First Nations peoples.

Recommendation: Advise the NSW government about opportunities to support ongoing engagement with First Nations communities and organisations in the design and implementation of climate mitigation strategies, including the First Nations Clean Energy Strategy

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 fasttrack deployment?

Investing in communities and social licence through Local Energy Hubs

In lieu of trusted, accessible, evidence-backed information about renewable energy in NSW regions, there has been a proliferation of bad faith actors spreading anti-renewables disinformation in an attempt to confuse the public and delay the transition. As a result, social licence for renewable energy development is at risk across the state, presenting a serious barrier to the energy transition and associated emissions reductions.

Addressing social licence is a key step in reducing barriers to individual renewable energy projects. By investing in resources for communities and facilitating community involvement, NSW can reduce opposition to large-scale renewable energy projects and infrastructure, reduce delays and cancellations, and improve support for the renewable energy transition overall by delivering positive outcomes for communities.

A network of Local Energy Hubs⁴ in NSW communities at the centre of the energy transition would deliver clear and transparent information for communities and inoculate against further misinformation and disinformation. By providing high quality factual information, helping people to understand proposed large-scale projects in their areas, and supporting greater energy literacy, Local Energy Hubs would help communities to reap the benefits of renewable energy.

Hubs could play a particularly essential role in supporting the delivery of transmission infrastructure, which is suffering from a lack of social licence nationwide⁵, and which is delaying timelines for large-scale generation to connect to the grid.

³ DCCEEW, 'The First Nations Clean Energy Strategy', 2024
<<https://www.energy.gov.au/sites/default/files/2024-12/First%20Nations%20Clean%20Energy%20Strategy.pdf>>

⁴ RE-Alliance, 'Local Energy Hubs Policy Summary' briefing note, 2024
<<https://www.localenergyhubs.org.au/briefing-note>>

⁵ RE-Alliance, 'Building Trust for Transmission: Earning the social licence needed to plug in Australia's Renewable Energy Zones,' 2021
<https://d3n8a8pro7vhmx.cloudfront.net/vicwind/pages/2616/attachments/original/1628044697/RE-Alliance_July_21_Building_Trust_for_Transmission_Earning_the_social_licence_needed_to_plug_in_Australia's_Renewable_Energy_Zones-compressed.pdf?1628044697>

Recommendation: Advocate to the NSW Government to deliver Local Energy Hubs in regions hosting the renewable energy transition

Support mid-scale renewable energy and community ownership models

The NSW government can promote energy justice and community empowerment by developing strategies to support community energy projects and community ownership. There is currently an opportunity that exists between household-scale solar and batteries, and large-scale commercial projects, to build mid-scale renewable energy projects on the distribution network.

Projects of this size are suited to community ownership or co-ownership models, enabling communities to exercise control over their energy, and share the benefits of the renewable energy transition directly with communities. Well designed projects of this kind can help to address equity issues such as energy poverty, by increasing access to marginalised groups such as renters. They can also be developed in much shorter timeframes than commercial projects, helping to increase renewable generation in the meantime.

Recommendation: Identify opportunities to support and promote mid-scale community energy projects and co-ownership models

Reducing financial and process barriers for large-scale projects

Renewable energy projects in NSW face the longest processing times of any state, with a Nexa Advisory report finding that “the planning approval process in NSW is 2-3 times slower than other states, adding 4-7 years to project progression and 25 times more expensive for developers compared to an equivalent project than in Queensland.”⁶ This creates uncertainty and increases the financial burden on proponents, making NSW a less competitive investment environment for renewable energy than other states.

NSW can accelerate the rollout of large-scale projects by streamlining the approval process, and reducing financial costs accrued through the approval process. However, it is important to ensure that while reducing these barriers, the NSW government continues to uphold robust regulation to ensure strong environmental protections and community support.

Recommendation: Explore opportunities to streamline the approvals process and reduce associated financial costs for developers, in line with other states and territories

Building the capacity of a renewable energy workforce

⁶ Nexa Advisory, ‘Delays of planning of renewable projects in NSW’, 2023
<<https://nexaadvisory.com.au/web/wp-content/uploads/2024/02/Nexa-Advisory-NSW-Planning-delays-and-opportunities.pdf>>

Current modelling identifies a gap between the existing renewable energy workforce and the human resource needed to deliver the transition,⁷ with an estimated two million workers required to work in renewable industries between now and 2050 nationally.⁸ While initially the majority of new jobs are expected to be in construction, skills shortages have been identified across many aspects of the workforce, particularly in engineering and electrical roles. This presents a risk to the development and deployment of renewable energy at the speed required to reduce emissions.

To address this, the NSW government should continue to invest in jobs and training across a range of skill areas, to ready the workforce to meet this increasing demand. Investment in training should consider just transition principles and prioritise opportunities for workers transitioning from jobs in fossil fuels. Workload planning across the state will also help to streamline project delivery and reduce delays.

Recommendation: Develop a strategy to address skills shortages for the renewable energy industry in New South Wales

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?

Developing the architecture for meaningful engagement and benefit sharing

Feedback from communities experiencing renewable energy development in their areas demonstrates that consultation with both government (for example, in Renewable Energy Zones) and proponents has been inconsistent, with some communities reporting that they were not consulted at all about a proposed local development.

Improving opportunities for meaningful engagement and input will ensure communities have access to necessary information, and advocate for conditions and benefits that are relevant for their community and region. Communities can also provide valuable local knowledge and insight into environmental and conservation impacts and opportunities presented by proposed projects.

A community-driven approach to benefit sharing will help to deliver long-term outcomes for communities, who know best their own aspirations and needs, and the appropriateness of solutions for their region. By engaging communities as active participants and beneficiaries in the rollout of renewable energy, NSW can help to empower communities to harness the benefits of renewable energy, from subsidised electricity to employment and training opportunities, to investment in local infrastructure.

⁷ Australian Industry Energy Transitions Initiative, 'Skilling Australian industry for the energy transition', 2023

<<https://arena.gov.au/assets/2023/02/skilling-australian-industry-for-the-energy-transition-accenture-report-for-australian-industry-eti-phase-3.pdf>>

⁸ 'Australia's workforce shortage: A potential obstacle on the road to net zero', Australian Energy Council, 25 July 2024

<<https://www.energycouncil.com.au/analysis/australia-s-workforce-shortage-a-potential-obstacle-on-the-road-to-net-zero/>>

The NSW Benefit Sharing Guideline⁹ has provided a good framework for proponents and communities to inform benefit sharing agreements, however communities can be better supported to secure meaningful benefits from the renewable energy transition through further promotion of benefit sharing models, and enforcement of the guidelines through the approval process. There is also a role for the government to support coordination of community benefit sharing across projects, for example through a regional benefit sharing approach.

Recommendation: Provide advice to the NSW government to promote and enforce guidelines that ensure best practice engagement and community benefit sharing

Question 13:

What policies or programs at a sectoral level could complement the Safeguard Mechanism to support the accelerated decarbonisation of heavy industry in NSW?

Harnessing the potential of offshore wind for NSW

Decarbonising heavy industry presents a significant challenge for NSW, but also an opportunity, with just 6 industrial facilities accounting for two-thirds of industry sector emissions. Action to reduce emissions in this sector requires targeted funding support to overcome barriers to investment.

In addition to replacing existing capacity, projections show that the total electricity generation needed to account for the electrification of industry will grow substantially. This presents an opportunity for NSW to develop a decarbonisation plan for heavy industry that incorporates technologies with high-capacity generation potential to meet industrial levels of electricity demand in the medium to long term.

The development of offshore wind in NSW is an obvious source of generation for heavy industry due to its scale and ability to be located close to coastal load centres. Additionally, offshore wind can support the production of green hydrogen, and consequently green steel and iron¹⁰, opening up a pathway to decarbonise heavy industry and other sectors.

While offshore wind is likely to take around a decade to start generating, forward planning for how to meet projected demand will be crucial in ensuring NSW can meet its emissions reduction targets beyond 2035.

More support is needed to ensure the establishment of this industry, and the unique potential of offshore wind to reduce industry emissions is at risk. The NSW government should work with the Federal government to identify and address barriers to the offshore wind industry in New South Wales

⁹ Department of Planning, Housing and Infrastructure, 'Benefit-Sharing Guideline', 2024
<<https://www.planning.nsw.gov.au/sites/default/files/2024-11/benefit-sharing-guideline.pdf>>

¹⁰ Australian Government, 'Budget Paper 2024-25: A Future Made in Australia'
<<https://archive.budget.gov.au/2024-25/factsheets/download/factsheet-fmia.pdf>>

Recommendation: Identify opportunities for the NSW government to support the establishment of an offshore wind industry in New South Wales

Conclusion

Thank you for the opportunity to contribute to this consultation. We welcome opportunities for further discussion of these points and look forward to seeing the recommendations of the Commission to the NSW Government.

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