

2025 consultation

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Net Zero Commission

NSW Government

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To whom it may concern,

RE: Net Zero Commission 2025 consultation

The Next Economy (TNE) is a not-for-profit regional economic development agency that supports regions across Australia to take advantage of emerging opportunities in the transition to a climate-safe, equitable and regenerative economy.

Since 2018, The Next Economy has partnered with regional communities in New South Wales and across Australia to better understand the impacts and opportunities associated with the net zero transition. We have engaged directly with those who are navigating change, including people representing local governments, industry, small to medium-sized businesses, workers, First Nations groups, environmental organisations, young people, migrant communities, social services, education/training institutions, and community groups. Engagement activities have included workshops, interviews, surveys, focus groups and roundtable discussions. This work provides us with insights into trends, opportunities, issues and perspectives in regional areas relating to climate change, decarbonisation and economic transition. We have documented our insights from this extensive local and international experience in submissions on the establishment of state and federal transition authorities¹ and through a range of reports, including;

- What Regions need on a path to Net Zero Emissions²;
- The Gladstone Region Economic Transition Roadmap³ supporting Central Queensland to respond to once in a generation changes in the energy sector;
- The Striking a New Deal Partnership with Uralla Shire Council, supporting regions achieve positive local outcomes from the development of renewable and infrastructure projects⁴;
- Inclusive Clean Energy Workforce Project, exploring approaches to enhance diversity, equity and inclusion in Australia's clean energy workforce to close the workforce gap ⁵;
- The Mount Isa Future Ready Economy Roadmap⁶, supporting the Mount Isa City Council to address increasing challenges and develop a stronger, more resilient future and
- The Resilience Plan and Economic Transition Roadmap for Hay in NSW, developing strategies and actions to develop a future ready regional economy.⁷

¹ The Next Economy, April 2024. 'Net Zero Economy Authority Bill 2024 [Provisions] and the Net Zero Economy (Transitional Provisions) Bill 2024 – Submission 26'. <https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/NetZeroBills2024/Submissions>.

² The Next Economy, 2022. 'What Regions Need on the Path to Net Zero Emissions'. <<https://nexteconomy.com.au/work/what-regions-need-on-the-path-to-net-zero-2/>>.

³ Gladstone Region Economic Transition Roadmap. <<https://nexteconomy.com.au/work/gladstone-regions-economic-transition-10-year-roadmap/>>.

⁴ Striking a New Deal Partnership. <<https://nexteconomy.com.au/work/driving-better-community-outcomes-from-renewable-projects/>>.

⁵ Inclusive Clean Energy Workforce Project. <<https://nexteconomy.com.au/work/can-we-improve-inclusiveness-in-the-clean-energy-workforce/>>.

⁶ Mount Isa Future Ready Economy Roadmap. <<https://www.mountisa.qld.gov.au/Latest-News/Future-Ready-Economy-Roadmap-Released/>>.

⁷ Resilient Economy Roadmap. <<https://nexteconomy.com.au/work/community-unites-more-than-85-people-collaborate-on-resilient-economy-roadmap/>>.

We welcome the opportunity to contribute to the development of the Net Zero Commissions work and advice on climate change and adaptation to the NSW Government.

Shifts toward decarbonising global supply chains and Australia's economy are affecting regional industries, local infrastructure, services, ecosystems, and communities, while the increasing impacts of climate change, such as more frequent extreme weather events, add further complexity. These converging trends are creating significant uncertainty and placing cumulative, cascading pressures on regional communities, who are being called upon to take substantial risks to address climate change and biodiversity loss. How these transitions are managed and supported locally will shape the future of a region and play a critical role in the success of Australia's sectoral transitions such as Energy, Agriculture and Land, manufacturing, minerals and mining, and transport.

Strategic planning and coordination at the regional level creates opportunities to address complex pressures that cannot be managed by individual efforts alone. Building resilience and achieving effective climate adaptation and mitigation, however, is a shared responsibility that demands sustained and ongoing action from all sectors and stakeholders. Governments at every level, alongside businesses, communities, and individuals, all play a crucial role in addressing community needs and vulnerabilities, as well as supporting regional aspirations for a more sustainable and resilient future.

Addressing many of the key questions put forward in the consultation paper, this submission outlines key areas where action can be taken to support New South Wales transition to a net zero, climate resilient future, and ensure that communities benefit from this transition, including:

- Empowering change through effective and meaningful community engagement
- Supporting First Nations led outcomes
- Addressing workforce needs
- Fit for purpose planning and land use management
- Climate Resilient Development
- Accelerating progress through place-based approaches

Empowering change through effective and meaningful community engagement

To achieve the emissions reduction targets set by the Government, limit global warming, and adapt to a changing climate, our economy and systems must transform at a pace and scale not seen in decades. Achieving these ambitious goals will require strong community support for change and a robust social licence for development and climate action.

Our work makes it clear that communities do not want engagement to be conducted in the same way as in the past. People want to be included in discussions and planning that will support the net zero transition and climate adaptation. They are seeking new ways to engage with all levels of government as part of the climate transition.

We have found that early, transparent, and locally grounded engagement is vital to enabling a fair and effective climate transition. Currently, community engagement is too often delayed, fragmented, or influenced by vested interests, which undermines trust. Residents are frequently asked to participate in project-by-project consultations without a regional framework to guide direction, and with limited information to understand cumulative impacts or make informed decisions. This is especially true in regions experiencing rapid change due to the closure of coal-fired power stations, the rollout of Renewable Energy Zones (REZs), and the development of new transmission corridors. The result is engagement fatigue, duplication of efforts, confusion, and missed opportunities for coordination.

Communities feel that change is happening to them, not with them. There is a clear desire from both communities and local councils to partner in regional planning and climate action, ensuring that new investments and initiatives create shared value by supporting long-term community goals—not just infrastructure delivery. Communities are asking for open and honest conversations about climate change, the net zero transition, and how the impacts of both may affect their lives. There is a strong appetite for consistent, independent information that connects the dots, acknowledges what is unknown, and explains the bigger picture.

People want to contribute meaningfully to decisions and solutions, and to have the opportunity to be involved in inclusive planning approaches that encourage broad engagement from all members of the community, including those who are typically excluded. Early and ongoing processes, designed to accommodate diverse needs and allow time for in-depth discussion, help to limit misinformation, build trusted relationships, and provide decision-makers with valuable insights into adaptation and mitigation measures that will work in specific regions or sectors.

Taking a broad, coordinated approach to engagement will help pre-empt risks and challenges, overcome barriers in a timely manner, and align development with local priorities. This approach will ensure that government and industry can meet emissions reduction targets, support regional adaptation to climate change, and most importantly, ensure that regional communities benefit from the climate transition.

Principles for engagement

In 2023, The Next Economy completed a project with the Latrobe Valley community to better understand local perspectives on the region's energy transition.⁸ During this project, a number of principles were identified regarding effective community participation in transition and adaptation planning, as well as in the development and implementation of related activities. The project involved a series of interviews and workshops with First Nations people, young people, members of the multicultural community, grassroots environmental groups, small businesses, and the social services sector. The resulting report demonstrates how the local community can be a valuable partner in achieving positive transition outcomes. Common principles emerged through our work with other regions and include:

- *Recognise communities as a key partner*
Treat the community as a knowledgeable and influential partner in the climate transition, acknowledging a region's identity, history and ongoing role in development.
- *Ensure transparency and accountability*
Clearly communicate progress, outcomes, and impacts of transition and adaptation plans to the community. This transparency strengthens understanding, builds trust, and ensures accountability in decision-making.
- *Engage diverse voices*
Proactively involve a broad range of community representatives and organisations at every stage of a process. This ensures that different values, experiences, and perspectives inform both the design and implementation of activities.
- *Tailor engagement approaches*
Adapt engagement strategies to meet the unique contexts and needs of different community groups, with a focus on including those who are typically under-represented in community planning processes.
- *Create supported spaces for dialogue*
Provide facilitated and supportive environments where community members can identify their aspirations, acknowledge challenges, and set priorities before participating in broader planning and solution development forums. This enables more confident, informed and aligned participation.
- *Build relationships and trust*
Foster strong relationships and trust between community organisations, industry, and government. Deeper and more frequent conversations lead to increased collaboration and more effective outcomes.
- *Co-design community value*
Collaboratively design and embed strategies that create shared value and deliver tangible community outcomes through transition plans, policies, and agreements—ensuring that short, medium, and long-term gains are created with and for the local community.

⁸ The Next Economy; What Next? Community Perspectives on the Energy Transition in the Latrobe Valley. <<https://nexteconomy.com.au/work/what-next-community-perspectives-on-the-energy-transition-in-the-latrobe-valley/>>

- *Strengthen community capacity*
Support the community to participate effectively by:
 - Enhancing understanding of the climate and transition context, as well as options and pathways for community involvement and action
 - Strengthening networks and linkages across the community
 - Providing resources and appropriate remuneration to enable participation
- *Measure and communicate impact*
Track and evaluate the impact of community collaboration on transition outcomes and provide clear feedback to the community about how their input has influenced decisions and results.

What else is needed?

In addition to the engagement principles above, insights from our work with regional communities in NSW suggests a need for the following:

- *Engagement processes that work at the speed of the community*
Well-resourced engagement processes that start well ahead of time and work at the speed of community trust to build capacity for local adaptive management over time. Also to ensure processes are inclusive, promote community participation in regional climate transitions and bring their perspectives together with state, industry, and community stakeholders.
- *A focus on practical outcomes*
Engagement processes that have practical outcomes and provide value to participants. Done well, communities should be able to see their voices reflected in decision making, plans and actions and have a greater understanding and acceptance of the outcomes.
- *Using trusted sources of information*
Trusted sources of information, such as regional universities, Aboriginal Land Councils, Landcare Groups and regional ABC help to explain the bigger picture and to contextualise information for the audience. Ensuring there is a trusted source to explain the climate transition, what is happening, what it means for regions and communities, who is responsible for what, what benefits and risks are expected, and how to raise concerns supports communities to understand and engage in the process in a meaningful way.
- *Using independent professionals to support planning and engagement processes*
Communities want to engage in a meaningful way in the development process, they want the opportunity to raise concerns and improve the long term outcomes of projects using their knowledge and insight of the local area. Developers are seen to have a vested interest in planning and engagement processes that create an environment where open discussion is replaced with people either supporting or opposing the development proposed.

- *Creating space for two-way knowledge sharing*

Allowing appropriate time in program delivery for two-way knowledge sharing is critical for First Nations communities but also with regional and rural communities. These communities have a deep connection to the place in which they live and have deep insights and knowledge regarding the social, environmental and economic systems that support their communities.

- *Monitoring where support is needed*

Monitoring of engagement quality such as consistency, timing, and community sentiment to help identify where trust is breaking down, where engagement processes are lacking, where communities require further bespoke information and where more coordinated outreach is needed.

Consideration of shared value and community benefits

Across Australia communities are also calling for development that delivers more than just football jerseys or one-off payments; they want to shape the future of their regions and share in the value created. Strategic shared value creation can turn short-term projects into long-term valuable legacies⁹, support regional resilience and wellbeing and build the trust and partnerships required to accelerate adaptation and transition activities. For example, community benefit sharing approaches emerging across the renewable energy development space include:

- Creating shared value out of direct investments eg. new workers housing designed so that it can be used for social housing after its short-term use, developing new training facilities in a region, investment in local businesses and procurement.
- Negotiating financial resources from the developer, that will be invested into a community over time such as community funds, grants and scholarships.
- Land-owner and neighbour payments.

A report by Community Power Agency on community and regional benefit sharing¹⁰ outlines that strategic coordination is essential for benefit sharing to enable positive community impact, support progress and cultivate social licence. The lessons learnt from this paper in the context of renewable energy development have the potential to be applied to other sectors and contexts.

Additionally, many regional communities are exploring community ownership and equity models, that go beyond benefit sharing and empowering communities to take a more active role in the climate transition and share in long-term returns. For example, Lismore Community Solar Farm (NSW) owns and operates two 100kW installations largely funded by community members under the “Farming the Sun” initiative, which combines community funds with council.¹¹

⁹ Community Power Agency: Regional Benefit Sharing Discussion Paper. <<https://cpagency.org.au/wp-content/uploads/2023/10/Regional-benefit-sharing-paper-2023.pdf/>>

¹⁰ Community Power Agency: Regional Benefit Sharing Discussion Paper. <<https://cpagency.org.au/wp-content/uploads/2023/10/Regional-benefit-sharing-paper-2023.pdf/>>

¹¹ Renew Economy: Lismore opens Australia’s largest floating solar farm. <<https://reneweconomy.com.au/lismore-opens-australias-largest-floating-solar-farm-add-storage-10939/>>

Supporting First Nations led outcomes

Australia's First Nations communities can play a key role in addressing both the climate and biodiversity crises,¹² when they are included in decisions regarding land use, ecosystem management, climate adaptation and the net zero transition¹³. First Nations communities have acknowledged rights and cultural links with local ecosystems for livelihoods and identity which necessitate participation in decision making processes. Merging First Nations knowledge and western knowledge through respectful collaboration provides the opportunity for communities and entrepreneurs to contribute to innovative approaches that accelerate the transition to a net zero, climate resilient future and pursue new opportunities for self-determination.

To foster greater involvement and partnership with First Nations communities and organisations, the Commission can play a pivotal role in the following areas:

- Strengthening policy and regulatory frameworks*

Ensure that national policies, regulations, and frameworks clearly emphasise the importance of, and expectations for meaningful First Nations engagement, such as free, prior, and informed consent¹⁴, agreement-making around access and benefit sharing, effective mechanisms to object to development, and early and ongoing consultation. Organisations such as The First Nations Clean Energy Network play a pivotal role publishing First Nations led information, including “Leading Principles: First Nations and Renewable Energy Projects” and “Best Practice Principles for Clean Energy Projects”¹⁵ to support meaningful First Nations engagement.
- Supporting First Nations leadership and participation*

Support active participation and meaningful involvement of First Nations leaders in decision-making processes. Mechanisms of support that ease the demands placed on individuals, organisations and communities include promoting adequate resourcing for Country-based engagement and First Nations-led co-design of initiatives; as well as the adopting practices such as sitting fees and cultural authority payments. Measures such as these, help ensure that First Nations voices are central to shaping policies and projects that affect their lands and futures. For example, Indigenous Energy Australia are actively supporting communities to develop the capability and capacity to understand and engage in decision making processes.
- Building on First Nations-led programs and enterprises*

Encourage partnership and investment in existing organisations, enterprises, and programs that are led and co-designed by First Nations peoples. For example, investors in Far North Queensland are increasingly recognising the potential of First Nations innovation and enterprises across the Torres Strait and Cooktown to contribute to climate adaptation and a just net zero transition, with the support of Esparq Ventures¹⁶.

¹² Seddon N, Smith A, Smith P, et al. 2021, Getting the message right on nature-based solutions to climate change. Global Change Biology. <<https://doi.org/10.1111/gcb.15513>>

¹³ Bayrak, M.M.; Marafa, L.M. 2016, Ten Years of REDD+: A Critical Review of the Impact of REDD+ on Forest-Dependent Communities. Sustainability; <<https://doi.org/10.3390/su8070620>>

¹⁴ For example, the recent First Nations Clean Energy Strategy highlights the need for consent-based, long-term partnerships with First Nations peoples in renewable energy development. <https://www.firstnationscleanenergy.org.au/first_nations_clean_energy_strategy/>

¹⁵ First Nations Clean Energy Network. <https://www.firstnationscleanenergy.org.au/network_guides/>

¹⁶ Esparq Ventures. <<https://www.esparq.com.au/>>

- *Expanding Indigenous-led land management*

Adapt government policies and invest in initiatives that combine First Nations and Western knowledges through respectful collaboration. For example, strengthening and expanding Caring for Country programs, Healthy Land and Sea Country Planning, Indigenous natural resource management (NRM) services, cultural water and Indigenous fire management practices, and Indigenous-led renewable energy project development. Nari Nari Tribal Council have demonstrated there are significant opportunities to blend traditional knowledge and modern techniques to create a sustainable future, supporting nature positive outcomes through appropriately managed renewable energy development.

Addressing workforce needs

Australia faces a significant workforce shortage to support adaptation and transition at the scale and speed required to meet Net Zero commitments and manage climate change impacts. Workforce development is a shared responsibility that requires strategic, collaborative and long-term initiatives that can effectively identify, guide and help fund responses to place-based and shared cross sector workforce challenges. Opportunities to support a coordinated approach to workforce development includes:

- *Reimagining workforce development in ways that promote diversity, equity and inclusion (DEI)*

Marginalised groups - including but not limited to First Nations people, women, people with disabilities, and LGBTIQ communities- continue to face employment barriers in all sectors across Australia. There is a unique opportunity to use the climate transition to foster a diverse and inclusive workforce that unlocks sectors of the community that have historically been underemployed to provide additional workforce capacity. Our research and engagement¹⁷ suggest embedding DEI in workforce development strategies can accelerate efforts, drive innovation, boost productivity, and deliver broader economic and social benefits.

- *Invest in the development of place-based training and education initiatives and partnerships*

Aggregate skill and expertise demand from across sectors and co-design and deliver courses with industry in a region. For example, in the Upper Spencer Gulf, Uni Hub is working with local industries to ensure their needs are connected with training providers and potential students.¹⁸ In the small township of Hay, a Country Universities Centre (CUC) has been established¹⁹ to improve access to higher education and training, reduce the costs of moving away from home for further study and keep students connected to local support networks. There is a particular opportunity for the CUC to collaborate with the clean energy industry and leverage the expertise that will come to Hay during the development and operational phases (as trainers or educators) as well as develop a local clean energy workforce that can service developments and the changing workforce needs of the local Agriculture industry.

- *Prioritise engagement with workers*

¹⁷ The Next Economy, "Powering the transition while championing diversity". <<https://nexteconomy.com.au/work/powering-the-transition-while-championing-diversity/>>

¹⁸ UniHub Spencer Gulf. <<https://unihubsg.org/>>

¹⁹ Region Riverina, 'Game changer': Riverina town Hay to have remote university learning facility'. <<https://regionriverina.com.au/game-changer-riverina-town-hay-to-have-remote-university-learning-facility/82193/>>

To develop place-based workforce solutions that address local workforce needs across multiple sectors, supporting greater migration, attraction and retention strategies to regional areas, engagement with workers, community leaders, and people from historically marginalised groups is required.

Fit for purpose land use planning and land management

In regional Australia, land use is deeply interconnected with local economies and social conditions. To meet national climate and biodiversity goals, Australia must both manage the growing climate impacts affecting land and ecosystems and navigate increasingly complex and competing demands for land use by:

- *Protecting and regenerating critical ecosystems*
Consistent policies and regulations (aligned with international practices) that restrict land clearing and increase requirements for the protection and regeneration of ecosystems is critical to reducing emissions and keeping land carbon sinks functioning. Additionally, co-benefits of ecosystem protection and restoration can increase soil productivity, restore biodiversity, reduce erosion and create 'shelterbelts', supporting local climate adaptation and regeneration of landscapes.
- *Building capacity and reducing the risk of taking action*
It is not possible to sequester emissions at the rate needed to achieve the target of keeping global warming below 1.5°C through ecosystem protection alone. Policies and programs are also required to build the capacity of landholders, producers and land managers to act and promote the adoption of more sustainable land practices while reducing financial risk to do so. Enabling mechanisms include:
 - promoting policy and regulatory changes that enable existing farms to pivot towards regenerative land and agriculture practices.
 - incentivising investment and finance for landholders who prioritise regenerative practices and enhance natural capital.
 - incorporating natural capital accounting in policy, government and regulatory decision-making to better account for the true costs and benefits of production practices.
 - resourcing regional NRMS to have the capacity to participate in and integrate NRM planning in broader regional transition and adaptation planning.
 - promoting opportunities for skilled work in sustainable agriculture and land management.
 - reducing demand side pressures through actions such as informing consumers about seasonal food production, ethical consumption and food value chains.
 - building farmers' skills in climate adaptation and regenerative practices through on-farm training, mentoring, and demonstration sites.
 - investing in programs that provide access to expert and unbiased advisory services;
 - incentivising greater collaboration with researchers to develop practical solutions; and

- promoting innovative technologies and approaches to reduce emissions and enhance carbon sequestration in agriculture such as electrification and renewable energy use on farms, and new approaches to vegetation management to reduce clearing and improve soil carbon.

At the same time, it is essential to consider the livelihoods and wellbeing of the regional communities who manage, live on, and are directly impacted by these landscapes. Australia's current land use planning systems have not kept pace with the rapidly evolving demands placed on land. These systems often lack the capacity to:

- Integrate cumulative impacts across sectors and developments
- Adapt to new land use drivers such as renewable energy infrastructure or carbon farming
- Support regional planning efforts that align economic, environmental, and social values
- Enable meaningful local engagement and input into land use change processes

Whilst there are ongoing efforts to streamline environmental and planning processes at the national and state level, policies have considered one development proposal and its impact, we now need to balance competing pressures on land use, including decarbonisation, carbon sequestration, renewable energy development, urban expansion, and food and fibre production as well as their cumulative impacts.

At a local level Local Governments such as the Uralla Shire Council are undertaking critical work to update community strategic plans and local environmental plans, to ensure they support the communities economic, environmental and social values, as well as provision for new industries such as renewable energy generation.

The Council has invested in additional capacity and capability to support the local government and community to understand and plan for complex land use change. Sustained funding and institutional support is needed to enable collaborative, place-based planning that brings together landholders, community members, Traditional Owners, industry, and all levels of government.

Climate resilient development

Climate resilient development is a process of implementing greenhouse gas mitigation and adaptation options to support sustainable development for all.²⁰ It can spur economic growth, viability and resilience across a region. Proactive efforts to build regional resilience within a broader agenda of decarbonisation and climate adaptation can minimise the costs and impacts of both climate and transition risk.

For example in Hay,²¹ incorporating clean energy generation, appropriate land-use planning, sustainable and accessible transport, appropriate housing, and accessible services were identified by many community members and regional stakeholders as crucial for supporting health and wellbeing, as well as the community's capacity to respond and recover from adversity brought on by a changing climate and other disruptions such as the energy transition.

²⁰ Intergovernmental Panel on Climate Change (IPCC). (2012). Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation. A Special Report of Working Groups I and II of the Intergovernmental Panel on Climate Change [Field, C.B., V. Barros, T.F. Stocker, D. Qin, D.J. Dokken, K.L. Ebi, M.D. Mastrandrea, K.J. Mach, G.-K. Plattner, S.K. Allen, M. Tignor, and P.M. Midgley (eds.)]. Cambridge University Press, Cambridge, UK, and New York, NY, USA. <https://www.ipcc.ch/site/assets/uploads/2018/03/SREX_Full_Report-1.pdf>

²¹ Hay and Carrathool Regional Drought Resilience Plan. <<https://www.agriculture.gov.au/sites/default/files/documents/hay-and-carrathool-rdr-plan.pdf>>

The Commission has an opportunity to support regions to *consider transition risk and climate risk and make informed decisions*. Communities and regions do not experience the impacts of physical and transition risks separately. Programs and funding that support regional planning and implementation can facilitate integrated approaches to help people understand the interconnections between climate and transition risk and map the impacts in their region so they can create solutions and interventions that help mitigate impact on local livelihoods, the environment and local economy. To take an integrated approach communities require downscaled local data; translated information that outlines the limitations, assumptions and sources of data; and frameworks and tools for contextualising risk information alongside local capacities, actions and priorities.

For example, in 2024 the Hay and Carrathool Shire Councils alongside community members, regional stakeholders and state government representatives developed the Hay and Carrathool Regional Drought Resilience Plan (The Plan) - a community-driven blueprint to guide the region toward a stronger, more adaptable future. With engagement of over 300 stakeholders, the Plan focussed on coordinated action for climate resilient development – taking a holistic view of how to manage the impacts of climate adaptation, the net zero transition and other regional pressures for a future that the region wants. Already, The Plan is influencing regional planning, investment and renewable energy negotiations. The Hay Region Economic Transition Roadmap (The Roadmap) is a key Priority Action from The Plan. Currently in development, it builds on previous work with insights from local engagement are being used in real-time to support economic diversification, climate adaptation, shared value creation and long-term sustainability for the region.

Accelerating progress through place-based approaches

Regional communities across Australia are facing multiple, cumulative, and cascading pressures. These communities are increasingly being asked to shoulder significant risks and responsibilities in addressing climate change and biodiversity loss. How these transitions are managed at the local and regional level will shape the future of these communities and directly influence Australia's ability to meet its emissions reduction targets across all sectors.

Transition pathways must recognise that while drivers for change such as decarbonisation, new market expectations, and value chain shifts, often originate at the national or global level, real change is enacted in place. It is the characteristics of regional systems, their landscapes, cultures, economies, and institutions, that ultimately determine the feasibility and success of these transitions. Place-based decision-making is therefore central to delivering on-the-ground emissions reductions and climate adaptation.

The importance of regional planning and place-based approaches

The Next Economy's work with local governments, community and industry across Australia has made it clear that effective net zero and adaptation efforts depend on planning and action that is grounded in local realities.

Regions that are navigating change well are working with local public, private and community stakeholders to take direct action that improves economic opportunities, livelihoods and quality of life. They are broadening who is involved in and benefits from infrastructure development and actions to manage change - using participatory processes that support place-based planning, coordination and community leadership.

A localised, ground-up and strength- based approach to regional development allows communities to define what matters, build on strengths, foster the enabling conditions for local change, and identify what's needed to make their region a better place to live. More specifically, this approach incorporates:

- Ground-up development: identifying existing activities, skills and behaviours that already contribute to wellbeing and sustainable livelihoods
- Local strengths as building blocks: helping shape visions and plans for the future that build on what's already working and addresses what's not
- Connecting inside and out: linking local assets and ideas with external partners and resources to explore new opportunities and co-create change
- Navigating the transition: deepening understanding of the real economy to better accept and manage transition and pursue new directions that support wellbeing

For example, TNE has seen the benefit of developing a comprehensive place-based plan through in-depth community engagement through our work with Gladstone Regional Council to develop the Gladstone 10-year Economic Transition Roadmap. Completed in 2022 after two years' of engagement, the roadmap provided the clarity of vision and framework for action that has led to a range of positive and tangible outcomes for the region, including better informed stakeholders on expected changes and their impacts, the attraction of significant levels of public and private finance to support industrial development; confidence to industry to accelerate action to decarbonise their operations; stronger leadership and capacity from local government to coordinate and advocate for regional priorities; and a strong social license for the energy transition across the community and workers.

The Commission can support regional and rural communities to develop place- based approaches that support climate adaptation and the transition to Net Zero by:

- Highlighting the critical role of local governments and the resourcing their active involvement
Regional local governments are at the centre of Australia's new energy infrastructure development and are a critical actor in efforts to manage and coordinate regional transition and adaptation activities in an integrated approach. Many local governments are navigating development and infrastructure projects of a scale and complexity not seen in their region for decades associated with the net zero transition and climate adaptation. Yet they are having to put significant resources towards these activities, in some cases diverting attention away from other 'business as usual' operations because of the limited financial and human resources to manage both. Additional funding and specialised expertise and skills to manage the technical, legal and managerial elements of these additional responsibilities are required.

A NSW Government initiative²² which is providing \$250,000 of funding for local governments to carry out planning over the next 3 years is an example of the type of support required; however additional and enduring funding (for the duration of the energy infrastructure development in the region) is necessary to cover the true cost that local governments will bear to manage the energy transformation effectively in their region.

²² Energy Co. Multi-million dollar boost for councils to help deliver NSW renewable energy future. <<https://www.energyco.nsw.gov.au/news/multi-million-dollar-boost-councils-help-deliver-nsw-renewable-energy-future#:~:text=Six%20councils%20involved%20with%20the,of%20the%20renewable%20energy%20transition.>>

On the ground, upfront resourcing is required to carry out the feasibility and business planning activities necessary to develop the case for investment in local services, coordination activities and infrastructure that supports local adaptation efforts and transition activities. For example, in the Cradle Coast Region, developers are working together to address housing shortages as they understand it is a key constraint to renewable energy development.

Other examples of initiatives that could be learnt from include: state and federal disaster relief packages which have seen Recovery Officers being placed in disaster affected LGAs to assist local community members, businesses and landholders and coordinate appropriate support; programs where industry has been required to pool funding to resource local coordination and expertise within local government and traditional owner groups; and, partnerships where skilled professionals and trainees are seconded into institutions for a period of time to manage a resourcing need.

- *Promoting greater certainty and transparency in regional areas through place-based information*

In the Hay and Carrathool Shire Councils, work on climate adaptation and economic transition has highlighted that local businesses are interested in implementing decarbonisation strategies and participating in local procurement strategies associated with the transmission and REZ development, however they do not have the capacity or resources to collate the fragmented information presented by multiple government departments, industry bodies and developers.

The existing Riverina Murray Regional Plan 2036²³ has three generic actions identified to promote the diversification of energy supplies through renewable energy generation. The NSW Electricity Infrastructure Roadmap²⁴ coordinates investment in the generation, transmission and firming infrastructure however it does not address the additional enabling infrastructure required to support this development, including transport routes, road upgrades, telecommunications, housing, water and sewage and waste. EnergyCo has published information on the South West REZ on their website, however there is a lack of information on the coordinated plan for both the electricity and enabling infrastructure, the planned timeframes and the process for local procurement. Rather businesses need to invest time in attending roadshows to find out about local supplier opportunities.

Currently the uncertainty surrounding the pipeline of work, contracting arrangements, timing and support available to obtain the qualifications required for tenders, mean local businesses are unable to scale their operations, invest in local workforce development activities or proactively take on new employees or apprentices. Accessible place-based information is required to enable local business to invest their resources and adapt their operations accordingly.

- *Promoting greater coordination amongst NSW Government Departments*

Local Government and not for profit organisations such as the Community Power Agency are leading the coordination on workforce training and development and biodiversity protection and enhancement, bringing together key stakeholders and subject matter experts across the New England Renewable Energy Zone. These structures have been adopted as reference committees by EnergyCo and are

²³ Riverina Murray Regional Plan 2036. <<https://www.planning.nsw.gov.au/sites/default/files/2023-07/riverina-murray-regional-plan-2036.pdf>>

²⁴ NSW Electricity Infrastructure Roadmap <https://www.energy.nsw.gov.au/sites/default/files/2022-08/NSW%20Electricity%20Infrastructure%20Roadmap%20-%20Detailed%20Report.pdf>

seeking to provide local input into the State Government policies and programs. Their experience has been diminished by the lack of understanding various Government Departments of their role in the Net Zero transition and their varying level of priority and commitment to the process. The lack of coordination and alignment between government departments. As well as the disconnect between regionally based staff who understand the context and need with staff based in the city.

- *Supporting coordination across all levels of government*


Local Government are looking for fit-for-purpose joint governance approaches such as regional transition taskforces or intergovernmental working groups to integrate local, state and Commonwealth efforts, to reduce duplication and strengthen alignment and opportunities. International models such as Spain's Just Transition Strategy, can inform NSW approaches to regional governance and funding mechanisms. These examples demonstrate how autonomous bodies and locally negotiated agreements between government, industry and unions can drive long-term planning, ensure accountability, and strengthen regional leadership in the energy transition.

Communities are being asked to support large changes to their region and local economies, but uncertainty around policy, planning processes, and project delivery is making it difficult to do so. The lack of clear transition pathways, or wholistic REZ infrastructure plans, delays and changes in project approvals, unclear project timelines, and inconsistent community engagement practices all create confusion. This makes it hard for people to participate meaningfully, and risks fuelling division and slowing progress on meeting climate adaptation and net zero emissions goals. From our work this context can erode trust and slow action. The Commission has a key role in supporting the creation of greater policy certainty and stability at a state level across targets, adaptation and decarbonisation pathways, as well as how value that is generated will be shared with regions.

There's a clear opportunity for the Commission to strengthen how NSW approaches the climate transition, not only by promoting more coordinated planning and deeper community engagement, but by helping ensure the efforts to adapt to a changing climate and the shift to net zero genuinely improves people's lives. By embedding a place-based approach across Government efforts to adapt to a changing climate and transition to net zero, the Commission can help shape a transition that is not only fast, but fair and widely supported.

We would be happy to answer questions or provide further information as part of the consultation process.

Kind regards,



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