Net Zero Commission

Pathways Call for Evidence Submission

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Dear Commissioners

RE: Submission on the Net Zero Commission's Project - Decarbonisation Pathways for NSW

The Mid North Coast Joint Organisation (MNCJO) welcomes the opportunity to provide regionally focussed input to the Net Zero Commission's 2026 consultation and calls for evidence on Decarbonisation Pathways for NSW. This submission is provided through the lens of MNCJO's *Statement of Strategic Regional Priorities 2025–2029,* particularly regional collaboration, infrastructure and connectivity, environmental sustainability and resilience, economic development, community wellbeing and practical delivery capacity.

MNCJO's primary interest is ensuring that future NSW policy settings recognise the practical realities facing regional councils: infrastructure renewal, energy affordability and reliability, disaster recovery costs, waste and resource recovery challenges, workforce shortages, and the need for long-term place-based investment.

The MNCJO represents a collaboration of five local governments across a diverse and regionally significant part of NSW. Clarence Valley Council, City of Coffs Harbour Council, Bellingen Shire Council, Kempsey Shire Council and Port Macquarie Hastings Council, as the MNCJO, are collectively responsible for a growing population in excess of 275,000 across a land area of over 20,0000 square kilometres and work together to strengthen regional strategic planning, economic development and collaborative sustainability outcomes.

The Mid North Coast (MNC) is one of NSW's most environmentally significant regions, characterised by nationally important biodiversity assets, significant koala habitat, and extensive forests and national parks (including the Great Koala National Park) which support a strong tourism economy. The region includes extensive productive agricultural land, major transport corridors, rapidly growing regional centres and coastal communities. With strong solar resources, high household uptake of rooftop solar and increasing interest in energy affordability, reliability and local resilience, the MNC is well positioned to contribute practical regional evidence to NSW's future energy and emissions policy settings.

However, the Mid North Coast is increasingly exposed to natural hazards and extreme weather events that impose significant social, economic and infrastructure costs across the region, including: flooding, storms, bushfire risk, coastal erosion, heat events and impacts on public assets, private property, water security, agriculture, tourism and biodiversity.

NSW Reconstruction Authority records indicate that the five MNCJO member councils have been included in more than 15 major natural disaster declarations since 2018, including the Black Summer bushfires, the 2021 and 2022 flood disasters and multiple severe storm and flood events. The cumulative impacts of these events continue to place substantial pressure on council finances, infrastructure resilience, economic recovery and community wellbeing.

MNC regional councils are therefore managing growing infrastructure renewal needs, disaster recovery costs, disaster resilience, infrastructure renewal and preparedness responsibilities and workforce shortages, while also meeting rising expectations for emissions reduction and sustainability outcomes within significant financial and capacity constraints. While regional progress towards Net Zero (NZ) is underway, it remains in its early stages and is limited by access to funding and technical capability, workforce capacity, and gaps in regional resilience infrastructure and recovery capacity. Achieving NZ in a way that is effective, durable, and equitable therefore requires a deliberate focus on regional realities including;

- investment in regional energy infrastructure, grid capacity and other infrastructure gaps, such as waste processing or circular economy initiatives
- addressing workforce constraints through training and building regional technical expertise
- providing long-term, multi-year and place-based funding, with reduced or waived co-contribution requirements for smaller and financially constrained councils, together with strong implementation support
- integrating accountable climate adaptation and resilience into all decarbonisation pathways.

This submission responds to the Net Zero Commission's consultation themes, including policies and market mechanisms, technology and behaviour change, economic impacts and a just transition, and supplies evidence and other considerations where relevant. A major element of this submission to be emphasised is that **local government is more than a stakeholder in the NZ transition and must be considered a practical delivery partner.**

Joint Organisations should also be formally recognised and funded as regional coordination and delivery partners, reflecting their ability to aggregate council priorities, coordinate regional planning, build shared capability and deliver projects across local government boundaries.

Councils occupy a unique position in influencing emissions outcomes and resilience initiatives across multiple sectors and communities. With responsibilities for waste management and resource recovery, land use planning, transport systems and fleet management, community infrastructure, water and wastewater services, and community engagement, local government operate across multiple sectors simultaneously and therefore represent critical implementation partners for NSW's decarbonisation agenda. State decarbonisation pathways will only succeed if local government is appropriately resourced, empowered and recognised as a key implementation partner.

2026 Consultation Themes for Net Zero Commission's Decarbonisation Pathways for NSW Policies and Market Mechanisms

From the MNC perspective, improving the effectiveness of NSW's transition to NZ will depend on aligning long-term policy certainty with regionally tailored delivery mechanisms. There are significant opportunities to accelerate emissions reduction through the expansion of renewable energy systems, particularly distributed energy such as rooftop solar, community batteries, and microgrids. The MNC region has strong solar resources and an engaged community base, positioning it well to contribute to the state's decarbonisation goals.

However, these opportunities are constrained by structural barriers such as limited electricity network capacity, which restricts the ability to export locally generated renewable energy and connect new projects. Without timely and coordinated investment in transmission and distribution infrastructure, the pace of transition in regional areas will be significantly hindered. In addition, fragmented and short-term funding programs make it difficult for local governments and regional partners to undertake the long-term planning required to deliver complex infrastructure and transition initiatives. Workforce shortages also need to be addressed, particularly in electrical trades, engineering, and planning roles, which are critical to enabling the NZ transition. Regulatory complexity and lengthy approval processes further limit the timely deployment of renewable energy and supporting infrastructure.

To address these barriers, the MNCJO considers that NSW Government policy should move toward longer-term, place-based funding agreements. These arrangements should include multi-year program certainty, proportionate or reduced co-contribution requirements for smaller councils, and direct funding for regional coordination and project development. Joint Organisations should be eligible to receive and administer funding where initiatives are best planned or delivered at a regional scale. Mechanisms such as incentives for distributed energy systems and coordinated regional transport infrastructure programs would support more consistent progress. MNCJO supports improved consistency in emissions and energy-use reporting where this is accompanied by State-provided systems, standardised methodologies, technical assistance and ongoing funding. MNCJO would not support a mandatory framework that transfers additional compliance, data collection or assurance costs to councils without corresponding long-term State funding and implementation support. Any future reporting framework should be proportionate to council size and capacity and must avoid creating additional unfunded administrative obligations for regional councils. Government procurement also represents a significant opportunity to stimulate demand for low-emissions goods and services, particularly if aligned across state and local levels.

Stimulating private finance at the required scale will depend on reducing investment risk and improving project certainty. This could be achieved through co-investment models, underwriting demand for low-emissions technologies, and supporting the aggregation of regional project pipelines. There is also strong potential to expand community co-investment models for renewable energy assets, enabling local economic benefits to be retained within regions.

In considering the state's interim and long-term targets, key drivers include the declining cost of renewable energy and increasing community drive and support for climate action. However, there are also material risks, particularly in relation to delays in grid upgrades, supply chain constraints,

and uneven infrastructure rollout across metropolitan and regional areas. Policy inconsistency or uncertainty would further undermine investment confidence.

Collaboration across sectors is a critical to delivering practical energy, infrastructure, waste and resilience initiatives across regional NSW. Opportunities exist to strengthen partnerships between local government, energy providers, industry, and the agricultural sector, particularly in areas such as carbon markets and circular economy initiatives. Formal, funded regional coordination mechanisms would support this collaboration. Joint Organisations are well placed to provide this coordination because they can aggregate regional priorities, support shared procurement and technical capability, coordinate council participation and provide a single point of engagement between councils and State agencies. Successful networking programs, such as the NSW Governments DCCEEW's Joint Organisation Net Zero Acceleration (JONZA) Program, which has demonstrated significant collaborative progress on NZ projects across regional NSW, should be expanded or replicated. Further investment in this type of model would support accelerated deployment of emissions reduction initiatives, improved regional planning and more effective knowledge sharing between councils and state agencies.

Waste management and resource recovery also represent a significant opportunity to reduce emissions while supporting regional economic development and improved resource security. Many regional councils face common challenges, including limited processing capacity, long transport distances, ageing infrastructure and insufficient economies of scale to deliver major facilities individually. Support for councils to collaborate across local government boundaries to plan, procure and deliver regional waste and resource recovery infrastructure is recommended. Long-term investment in facilities such as organics processing, materials recovery, construction and demolition waste processing, landfill gas capture, reuse hubs and other circular economy initiatives would reduce emissions, divert material from landfill, create regional jobs and retain the economic value of recovered resources within regional communities.

Funding and policy settings should prioritise coordinated regional approaches, supported by appropriate planning, market development and long-term infrastructure investment. The NSW Government should invest in regional waste and circular economy infrastructure, enabling councils to work collaboratively across regions to achieve economies of scale, reduce landfill emissions, strengthen resource recovery outcomes and develop viable regional markets for recovered materials.

Technology and Behaviour Change

The MNC is already seeing the uptake of several key low-emissions technologies, including rooftop solar (rooftop penetration rates exceeding 40%), battery storage, and electric vehicles (highest uptake in regional NSW). Solar photovoltaic systems are well established and widely deployed, while battery storage is growing rapidly, albeit still constrained by cost considerations. Electric vehicle adoption is increasing, but remains limited by gaps in charging infrastructure, particularly for heavy and long-distance transport.

For the Mid North Coast, transport and technology solutions must be practical, affordable and designed for dispersed regional communities. Electric vehicle charging infrastructure is important, but it should not be considered in isolation. Public and community transport, active transport links, freight efficiency, council fleet transition, and the long travel distances between towns, service

centres, employment, health care, education and visitor destinations are all central to regional connectivity and liveability. A broader approach would support more efficient movement of people, goods and services, strengthen local economic and tourism outcomes, and ensure that lower-emissions transport options are suited to regional conditions rather than metropolitan assumptions. State transport decarbonisation programs should therefore be developed as integrated regional mobility programs rather than as stand-alone electric vehicle charging initiatives.

Emerging opportunities exist in low-emissions agricultural practices and waste-to-energy solutions, which are particularly relevant to the MNC with strong primary production and waste management challenges. Despite the availability of these technologies, their deployment is constrained by a combination of factors, most notably the upfront capital costs. Grid connection delays are increasingly problematic, and there is a shortage of technical expertise to support planning, installation, and maintenance, creating a risk that regional communities may fall behind in the transition unless targeted support is provided.

Behaviour change and demand reduction represent additional opportunities to reduce emissions while delivering cost-of-living benefits. Energy efficiency upgrades in homes and public buildings, along with community awareness campaigns, could significantly reduce energy demand. Increased support through upfront cost assistance, accessible information, and clear communication about short- and long-term benefits could significantly assist uptake.

Economic Impacts and Just Transition

The transition to NZ presents both opportunities and risks for the MNC economy. On the one hand, there is significant potential to diversify the regional economy, create jobs in clean energy and construction, and build resilience against future climate and economic shocks. On the other hand, without careful planning, some sectors and communities may face increased costs or reduced economic opportunities. Workforce pressures are already evident, particularly in sectors critical to the transition. Skills shortages, an ageing workforce, and limited access to training in regional areas all present challenges that must be addressed to ensure the transition can be delivered at the required scale and pace.

Future energy and emissions policies should be implemented in a way that is fair and practical for regional communities and takes into consideration the capacity of smaller councils and communities to participate. For the Mid North Coast, this includes supporting local procurement opportunities, regional workforce development, community-owned renewable energy projects, addressing the needs of rural and regional communities, as well as working in partnership with First Nations peoples to support culturally informed land management and economic development opportunities.

Barriers to achieving a just transition include unequal access to funding, the risk of increased cost burdens for low-income households, and a lack of tailored programs for smaller communities. High co-contribution requirements can further disadvantage smaller and financially constrained councils, limiting the ability of their communities to participate in transition programs despite having significant infrastructure, resilience and service-delivery needs. To address these challenges, the MNCJO strongly supports the adoption of place-based transition frameworks that provide local decision-making authority, dedicated funding, and clear equity outcomes.

For regional NSW, a just transition must extend beyond emissions reduction outcomes. It must deliver tangible economic and social benefits including secure local employment, workforce development opportunities, affordable and reliable energy, improved community resilience and increased regional investment. Policy settings should ensure that the benefits of decarbonisation are retained within regional communities rather than concentrated in metropolitan centres.

Evidence, Regional Experience and Broader Outcomes

Based on regional experience, there is strong evidence of both progress and emerging constraints in the decarbonisation journey. Rooftop solar uptake is high, but network export limitations are becoming increasingly significant. Local governments are beginning to invest in electric vehicle fleets and energy-efficient infrastructure but are constrained by funding and capacity limitations. Councils also have differing levels of emissions data, systems and technical capability, reinforcing the need for a common State-supported carbon accounting framework rather than separate council-by-council reporting approaches. There is also clear and growing demand for community batteries and resilience infrastructure, including microgrids and backup power systems.

In developing decarbonisation pathways, it is important to consider a broader set of outcomes beyond emissions reduction. These include regional economic resilience, housing affordability, energy costs, land-use impacts, water security, and biodiversity. The integration of mitigation and adaptation outcomes is particularly important in regions, such as the Mid North Coast, that are already experiencing climate impacts.

Key Submission Messages

The MNCJO urges the Net Zero Commission to recognise the following priorities in developing NSW's decarbonisation pathways:

- ***Recognise local government as practical delivery partners*** in achieving NSW's NZ targets, with councils playing a central role in planning, infrastructure delivery, emissions reduction, adaptation and community engagement.
- ***Invest in regional energy infrastructure and grid capacity upgrades*** to unlock renewable energy generation, support electrification and overcome existing network constraints.
- ***Provide long-term, multi-year and place-based funding models*** that enable regional councils and Joint Organisations to strategically plan, develop and deliver regional decarbonisation and resilience initiatives at scale.
- ***Reduce or waive co-contribution requirements*** for smaller or financially constrained councils where projects deliver regional or State-wide public benefit.
- ***Address workforce and skills shortages*** through targeted training, regional education pathways and investment in technical expertise required to support the transition.
- ***Expand support for distributed energy solutions,*** including rooftop solar, community batteries, microgrids and local energy resilience projects.
- ***Ensure any mandatory carbon accounting or emissions reporting framework is supported by common State-provided systems***, standardised methodologies, technical assistance and ongoing funding, and is proportionate to council size and capacity.
- ***Invest in regional waste and circular economy infrastructure*****,** supporting councils to collaborate across local government boundaries to achieve economies of scale, reduce landfill emissions, strengthen resource recovery outcomes and develop sustainable regional markets for recovered materials.

- ***Broaden regional transport planning*** to include public and community transport, active transport, freight efficiency, council fleets and charging infrastructure where practical.
- ***Embed disaster resilience and infrastructure renewal considerations into future energy and emissions policy settings***, recognising the impacts of floods, storms, bushfires, heatwaves and coastal erosion on regional communities.
- ***Support a just and equitable transition*** that delivers economic benefits to regional communities, addresses cost-of-living impacts and ensures no community is left behind.
- ***Strengthen regional coordination and collaboration mechanisms***, including expansion of successful programs such as the Joint Organisation Net Zero Acceleration (JONZA) Program.
- ***Ensure NSW's decarbonisation pathways reflect regional realities***, balancing emissions reduction with economic resilience, energy affordability, biodiversity protection, housing affordability and community wellbeing.

Attached at Appendix A is a summary two-page visual showing prioritisation for the MNC based on the Net Zero Commission's consultation themes.

In conclusion, the MNCJO supports practical, achievable and regionally informed pathways to NZ and believes regional NSW will be critical to their successful delivery. Realising this opportunity will require coordinated planning, long-term investment and genuine partnerships between state government, local government, industry, First Nations communities and regional stakeholders. With the right policy settings and implementation support, the Mid North Coast can make a substantial contribution to NSW's emissions reduction goals while strengthening regional resilience, economic prosperity and community wellbeing.

We welcome any further opportunities for ongoing engagement with the Commission and can provide further evidence and regional insights should that be of assistance.

Yours sincerely

Mayor Adam Roberts
Deputy Chair
Mid North Coast Joint Organisation

APPENDIX A Mid North Coast Joint Organisation - Decarbonisation Pathways for NSW (2026)

High Impact | Medium Impact | Enabling / Supporting

Top MNC Regional Priorities

- Grid capacity upgrades & regional energy infrastructure
- Long-term place-based funding models
- Workforce development & skills pipelines
- Distributed energy incentives (solar, batteries, microgrids)
- EV charging infrastructure (especially heavy/freight)
- Behaviour change, energy efficiency programs
- Regional coordination mechanisms (e.g. JONZA expansion)

Why the Mid North Coast Matters

- Population exceeding 275,000 and growing rapidly
- One of NSW's most environmentally significant regions
- High rooftop solar uptake and strong renewable energy potential
- Significant agricultural, tourism and biodiversity assets
- More than 15 major natural disaster declarations since 2018
- Critical regional transport and freight corridor

Policy & Market Mechanisms

Area	Priority	MNCJO Position
Network infrastructure		Grid constraints are the primary barrier; urgent investment required to unlock regional renewable capacity
Funding models		Shift to long-term, place-based funding to enable strategic planning & delivery
Private finance		Scale through co-investment, aggregation of regional pipelines, & community investment models
Policy certainty		Stable, consistent policy settings critical to reduce investment risk
Collaboration		Formal regional coordination needed; expand successful programs (e.g. JONZA)

Technology & Deployment

Area	Priority	MNCJO Position
Distributed energy		Solar & batteries - Strong uptake potential but constrained by grid capacity & upfront cost
Emerging technologies		Opportunities in microgrids, ag decarbonisation, waste-to-energy
Deployment barriers		Cost, skills shortages, & connection delays are limiting scale
Government role		Invest in grid modernisation, regional innovation hubs, & targeted subsidies

Behaviour Change & Demand

Area	Priority	MNCJO Position
Energy efficiency		Significant low-cost abatement opportunity with strong co-benefits
Community uptake		Requires trusted local engagement, clear messaging, & upfront support

Economic Impacts

Area	Priority	MNCJO Position

Regional economy		Opportunity for job creation & diversification but risks uneven outcomes
Cost of living		Transition costs may disproportionately impact regional & low-income communities
Workforce pressures		Skills shortages & ageing workforce require immediate intervention

Just Transition

Area	Priority	MNCJO Position
Regional equity		NSW Regional areas risk falling behind without targeted support
First Nations outcomes		Strong opportunity for partnerships in land management & economic development
Delivery approach		Place-based frameworks with local decision-making are essential

Sector Insights (Key Constraints & Opportunities)

Sector	Priority	Key Insight
Electricity & Energy		Grid constraints limit renewable rollout; strong distributed energy opportunity
Transport		EV uptake growing but constrained by charging gaps (esp. freight/heavy vehicles)
Built Environment		Efficiency & electrification potential limited by cost & workforce
Land & Agriculture		Carbon farming & regenerative practices offer strong potential with better incentives
Waste		Circular economy & landfill gas capture opportunities

Evidence from the Region

- Rooftop solar penetration exceeds 35-40% in several MNC local government areas
- More than 15 major disaster declarations have affected the region since 2018
- Significant community demand for batteries, microgrids and resilience infrastructure
- Councils are investing in EV fleets and energy efficiency upgrades despite limited resources
- Export constraints are limiting further renewable energy deployment
- Regional delivery costs are often significantly higher than metropolitan NSW

Priority Actions (2026-2030)

- **Priority 1:** Upgrade regional grid capacity
- **Priority 2:** Establish long-term place-based regional funding
- **Priority 3:** Deliver a regional clean energy workforce strategy
- **Priority 4:** Recognise local government as a formal delivery partner
- **Priority 5:** Expand EV charging infrastructure
- **Priority 6:** Support community batteries and microgrids
- **Priority 7:** Expand regional coordination models such as JONZA

Success Measures for NSW's Decarbonisation Pathways

- Regional economic resilience
- Energy affordability and reliability
- Infrastructure resilience
- Reduced disaster recovery costs
- Housing affordability
- Water security

- Biodiversity protection
- Regional employment growth
- Integration of mitigation and adaptation