



Submission to Senate Inquiry into the Net Zero Economy Authority legislative package

19 April 2024

About RE-Alliance

RE-Alliance is an independent not-for-profit working to secure an energy transformation that delivers long-term benefits and prosperity for regional and rural Australia. We do this by listening to the needs of communities most impacted by the transition, facilitating collaboration across the renewables industry to deliver social outcomes and advocating for meaningful engagement and benefits for regions.

We support Australia's ambition to become a net zero economy. Our path to net zero should align with the Paris Agreement, based on science, that recognises the major risks of global warming beyond 1.5°C. Australia's target to deliver net zero by 2050 is an outworking of the 82% renewable energy target by 2030. We know this target is achievable, but currently at risk because of insufficient attention on and investment in building community engagement early and developing a path to social licence. Equally, we know that this target is insufficient to deliver on the science, which tells us we should be pursuing faster and more rapid decarbonisation to achieve net zero, well in advance of 2050.

Earning social licence is now urgent and requires significant government and industry investment and community involvement.

RE-Alliance has been working to advance social licence in regional communities for the energy transition for over a decade. Our work and long experience with communities hosting renewable energy developments demonstrates that the depth of change occurring through the energy transition requires focused attention, investment and support to make that transition successful on social, economic, and environmental measures.

General comments

We welcome and support the package of legislation to establish the new Net Zero Economy Authority to ensure workers, industries and communities in Australia's traditional energy regions can seize the opportunities of Australia's net zero transformation.

Workers in our traditional energy sectors and civil society have advocated for this legislation to support the transition to clean energy jobs, including reskilling programs. As such, the Net Zero Economy Authority legislative package has our strong support. Governments, workers, communities and industries need a strong partner in a dedicated federal agency with the depth of funding to collaborate and coordinate many aspects required to support regions in navigating the transition. Community leaders and local governments want support to leverage clean energy investments into long-term economic prosperity for their regions so there will be good jobs and a future in their regions for decades to come.

The Net Zero Economy Agency is a key element required to build evidence-based, nationally coordinated programs for workforce and industry as we move away from fossil fuels and derive economic value from zero and low-carbon businesses, industries and products. It is economically sensible to reduce climate impacts and grow zero-emissions industries. Our major trading partners are heading in this direction and Australia has a strong comparative advantage in low-cost renewable energy resources.

Holistic strategy for earning trust and social licence in regions

RE-Alliance along with Community Power Agency, Friends of the Earth and the Australian Conservation Foundation have called for the Federal Government to fund a number of key initiatives to improve trust and social licence in key regions:

1. Invest in the people side of the energy transition with a national network of 50 **Local Energy Hubs**¹, which could sit within the remit of the Net Zero Economy Authority, and support all regions impacted by the energy transition to maximise local outcomes. This would be achieved through a significant workforce of trusted local outreach officers who are trained to support communities with:
 - engagement with large-scale renewable energy projects and transmission lines
 - untangling industry and policy jargon and promoting opportunities for local input into government and industry consultations
 - communicating locally informed, clear expectations to industry on how communities would like to be engaged and participate in large-scale project plans
 - energy literacy programs targeted at low-income households to reduce energy costs
 - household energy efficiency, electrification, and bill savings
 - accessing government grants and subsidies for households and businesses
 - support & feasibility for community energy projects
 - expertise for agricultural businesses looking to utilise on-farm clean energy technology
 - locally-relevant initiatives.

The Federal Government can significantly address social licence challenges by supporting regions with Local Energy Hubs, and these could sit under an expanded

¹https://www.re-alliance.org.au/local_energy_hubs

NZEA. We note the bill has a level of flexibility on its remit and we welcome further effort to expressly commit to and progress this solution.

2. Ensure government funding, including through the Capacity Investment Scheme and Rewiring the Nation, is going to projects that are in a 'race to the top' for good community, environment and economic outcomes.²
3. Address misinformation through a clear national communications strategy and a community-informed Centre for Renewables Environment and Social Research in the CSIRO.³

Key recommendations for the NZEA remit & legislative package

1. **Ensure the Authority's remit extends to all transitions, including all Renewable Energy Zones**

Many regions without a legacy of fossil fuels are finding themselves part of the energy system for the first time, and experiencing glaring regional economic coordination gaps including workforce planning and public infrastructure gaps.

We note the bill has a level of flexibility on this and we welcome further effort to expressly broaden the geographical scope.

2. **Ensure the Authority is set up to support all energy transition regions to benefit from a just and fast shift to renewable energy.**

Clean energy developments should deliver much-needed economic and social benefits that strengthen the resilience of our regional communities - the NZEA can play a role in this.

What this looks like in an agricultural region becoming an energy-producing region for the first time through renewable energy developments will be different to a traditional energy region where there are closing fossil fuel industries.

There are strong local and global examples of partnerships, collaborations and organisations the Authority could learn from to rapidly expand its activities and meet the needs of communities hosting renewable energy developments around the country.

3. **Conduct workforce development across all energy transition regions, not just the regions exiting fossil fuels**

²<https://reneweconomy.com.au/capacity-investment-scheme-needs-to-set-high-bar-for-communities-hosting-renewables/>

³<https://reneweconomy.com.au/community-engagement-has-no-cookie-cutter-approach-its-time-to-start-listening/>

We support the NZEA working urgently to support workforces impacted by coal closures as well as addressing broader workforce gaps in the renewable energy sector.

The NZEA will play a welcome role in supporting workforce development. There is a great need for workforce development in all energy transition regions including Renewable Energy Zones.

4. Use the NZEA capacity and investment function to coordinate and address transition-related impacts to social & public infrastructure while enabling beneficial, strategic legacies

Communities hosting new energy infrastructure consistently raise concerns over the impacts on key areas of concern - affordable housing, workforce capacity and skills, water supplies and quality, waste management and services.

Equally, communities desire better outcomes from hosting the energy transition through long-term jobs, good quality affordable housing, workforce and skills development in their region (especially for lower socio-economic groups, young people, women, First Nations communities) internet and digital coverage, cheaper and more reliable energy, access to solar and energy efficiency improvements and improvements to infrastructure and services.

We know that without strong and clear coordination,⁴ many of these crucial areas can only be partially addressed - project by project - without the economics of scale or capacity to deliver a transformational and long-term benefit.⁵

The NZEA can potentially play a crucial role coordinating local leaders and communities to undertake cumulative social impact analysis and to build a picture of what a just transition that delivers for the region means to the people in that community. In this context, the NZEA could use its powers to support transformational projects via a special investment vehicle to partner with state government, local councils, the private sector and the community to support that vision to be realised.

For further information or to follow up on these comments, please contact

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⁴<https://reneweconomy.com.au/community-code-of-conduct-to-set-australian-first-standards-for-wind-and-solar-farm-developers/>

⁵https://www.re-alliance.org.au/submission_nsw_policy_framework