4 Sandringham Avenue, PO Box 3137, Thornton, NSW 2322 - 02 4978 4040 www.hunterjo.nsw.gov.au



Ms Meg McDonald Chair of the Net Zero Commission Uploaded via website

11 July 2025

Dear Ms McDonald

Re: Recommendations to inform the 'The NSW Net Zero Commission advice to NSW Government on climate change and adaption.

The ten Member Councils of the Hunter Joint Organisation (JO) welcome the opportunity provided by the NSW Net Zero Commission to provide feedback to inform the climate change and adaptation advice you provide to the NSW Government.

The Hunter Joint Organisation is the statutory local government entity established by the NSW Government, through the *NSW Local Government Act 1993*, to support the ten member Councils of the Hunter Region to work together for better rural and regional outcomes, and to enhance the way local and state governments work together to plan and deliver important regional infrastructure and investment.

Member Councils of the Hunter JO include:

- Cessnock City Council
- Dungog Shire Council
- Lake Macquarie City Council
- Maitland City Council
- MidCoast Council

- Muswellbrook Shire Council
- City of Newcastle
- Port Stephens Council
- Singleton Council
- Upper Hunter Shire Council

The core statutory functions established by the NSW Government for the Hunter JO and joint organisations more broadly across NSW include:

- 1. Strategic planning and priority setting
- 2. Intergovernmental collaboration
- 3. Shared leadership and advocacy

The Hunter Region is the largest regional economy in Australia, driving around 28% of regional NSW's total economic output, of which coal exports contribute around a third (\$24 billion) and approaching a population of one million people by 2040. The ten Mayors of the Region, through the Hunter Joint Organisation, are strongly aligned in recognising the economic challenges facing the region, and on the priorities and actions needed to evolve the Hunter's economy toward net zero.

In line with our shared commitment to meet net zero, the Hunter JO welcomes the opportunity to provide the recommendations included in the following submission, summarised below.

Summary of recommendations

1. Support Local Government Leadership

- Councils play a vital role in emissions reduction and climate adaptation.
- We recommend more recognition and funding to help councils deliver local and community-wide net zero actions.

2. Work Regionally with Joint Organisations

- JOs are set up to coordinate regional efforts.
- We propose partnering with JOs to:
 - Develop regional net zero plans.
 - Co-design funding programs.
 - Align investment with four-year regional priorities.
 - Build capacity through dedicated roles.

3. Improve Communication and Engagement

- Communities need clearer and more consistent information about net zero.
- We recommend a whole-of-government approach to regional engagement and tracking community understanding over time.

4. Invest in Council-led Emissions Projects

- Set up a fund for shovel-ready, council-led projects that reduce emissions.
- Support bulk solar buys, EV infrastructure, and regional energy savings through joint procurement.

5. Repurpose Mining Lands

- Use former mining sites for renewable energy and new industries.
- This can create jobs and avoid the need to develop undisturbed land.

6. Strengthen Community Benefits in REZs

- REZ developments must deliver tangible benefits to the communities directly affected by them, in a consistent and fair manner.
- Integrate NSW housing targets into delivering permanent worker housing creating a lasting legacy for communities.

7. Back the Circular Economy

- Fund landfill gas capture and organic waste processing.
- Reinforce circular economy hubs like those developed by Hunter JO.
- Reinvest the regional waste levy into local infrastructure and job creation.

8. Fund Climate Adaptation

- Most councils lack funding for adaptation or to meet net zero targets.
- We propose sustained funding, betterment grants, and targeted support to help councils plan and prepare for extreme weather and reducing emissions.

9. Decarbonise Transport

- Trial zero-emissions freight and aviation projects in the Hunter.
- Invest in regional EV charging, public transport, and active travel.
- Expand park-and-ride and better integrate transport networks.

I encourage you to consider our recommendations to inform the focus and scope of the Net Zero Commission and would welcome the opportunity to further discuss our ideas with NSW Government, given the enormous opportunities and impacts facing the Hunter region and NSW economies more broadly.

Should you have any further queries please don't hesitate to contact Kim Carland, Advocacy and Government Relations Lead, Hunter JO at <u>kimc@hunterjo.nsw.gov.au</u> or on 0460 034 614.

Yours Sincerely

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Cr Sue Moore Chair Hunter Joint Organisation





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Submission to the NSW_Net Zero Commission Consultation Paper 2025

Organisation: Hunter Joint Organisation

Date: 11 July 2025

Introduction

Across NSW, local governments are ideally placed to support the State's transition to net zero, both in directly reducing organisational and community emissions and in supporting communities plan and adapt to the changing climate. This arises from:

- The direct and trusted relationship that councils have with their local communities, providing the opportunity to successfully and meaningfully engage with diverse communities, business and other stakeholder groups to support and collaborate on practical actions that both reflect local needs and deliver statewide net zero objectives.
- The policy and planning (land use, infrastructure and community) responsibilities of councils, which provide the opportunity to integrate net zero objectives and practical action into the strategic and operational plans, policies and regulations of local and regional communities, which will be key to enacting sustained community behaviour change
- The vast range and extent of land and infrastructure collectively managed by councils across the state. Key examples include waste management and landfill facilities, water and sewer infrastructure, community centres, libraries, aquatic and sporting centres, extensive community lands (parks, natural spaces and waterways) and road networks.
- Local governments play a unique and systemic role in addressing climate-related risks and achieving climate adaptation objectives. The adaptation required in local communities to address climate risk cannot be delivered by any other level of government due to a lack of local presence and knowledge, as well as the absence of necessary skills, systems and experience delivering place-based projects (Australian Local Government Association, 2025. Adapting Together: Local Government Leadership in a Changing Climate)
- The central role that councils play at both local and regional levels in economic development and business attraction. Enhancing this local government function has the potential to substantially enhance the capability and speed at which regional communities are able to transition regional economies across NSW toward net zero.
- Local councils can be a catalyst for broader community-wide emissions reductions by demonstrating leadership and supporting local initiatives.

However, despite the importance of local government in enabling the transition to net zero, the role of local government is currently insufficiently recognised in the <u>NSW Government's</u> <u>Net Zero Plan Stage 1:2020-2030</u>. Moving forward however, effective and sustained support from the NSW Government to local government led efforts has the enormous potential to effectively and sustainably deliver on the NSW Governments net zero targets, including in the following areas:

1. **Emissions reduction** - Directly supporting councils to reduce emissions from both current infrastructure and facilities and when designing and constructing new infrastructure

- 2. **Circular Economy** Local councils are crucial to driving the transition to decarbonisation via the circular economy, including implementing strategies that minimise waste, promote resource efficiency, and support sustainable practices within their communities. They also play a key role in educating residents, businesses, and other stakeholders about circular economy principles and initiatives.
- 3. **Leading place-based disaster planning and climate adaptation** at both local and regional scales.
- 4. Integrating net zero and climate adaptation into the core strategic planning (corporate, land use, infrastructure & community) and operations of local councils and their communities via the NSW Integrated Planning and Reporting (IP&R) Framework. This state-wide framework comprising Community Strategic Plans (10+ year strategy), Delivery Programs (4 year program) and Operational Plans (1 year plan) provides a consistent and effective way to strategically embed net zero objectives and actions within local communities across NSW. (More information: Climate Change Integrated Planning and Reporting Package, 2022)
- 5. Leading efforts to diversify existing and attract new low carbon businesses and industries to regional NSW to transition local and regional economies to net zero.
- 6. **Communicating and engaging local communities** to facilitate support and local action that contributes to net zero outcomes
- 7. **Delivering on ground actions across Council managed lands** that both reduce emissions and improve the adaptive capacity of local communities (eg greening programs to reduce urban heat effect and coastal management programs).

Joint Organisations - the value of a regional, place-based approach to leading net zero efforts

Climate impacts do not respect LGA boundaries. For example, in the Hunter Region Councils have been collaborating on shared challenges and opportunities for over 70 years, with this initiated in response to the devastating 1955 Maitland floods and the need for a more coordinated response to regional disaster planning and recovery.

To facilitate broader collaboration of this kind across regional NSW, the NSW Government formally established Joint Organisations (JO's) in 2018, which are statutory local government authorities under the *NSW Local Government Act 1993*. JO's seek to support member councils work together for better rural and regional outcomes, and to enhance the way local and state governments work together to plan and deliver shared priorities across regional NSW. The core statutory functions established by the NSW Government for the JO's include:

- 1. Strategic planning and priority setting
- 2. Intergovernmental collaboration
- 3. Shared leadership and advocacy

Joint organisations are also empowered to undertake a range of other functions including capacity building for councils and may undertake regulatory functions of a council if delegated to do so, pending funding provided by their member councils.

These functions make Joint Organisations ideally placed to lead and coordinate regional, place-based programs across their member councils, significantly enhancing the efficiency by which NSW Government agencies can deliver net zero focused programs into regional communities across the state. From a state government perspective, the structure and focus of JO's provides an opportunity for the NSW Government to work with recognised and regulated entities to more efficiently and effectively deliver state programs and funding via

strategic and collaborative frameworks at the regional level. Subject to appropriate resourcing, key areas in which JO's can potentially support the NSW Government deliver its net zero objectives include:

- Providing advice on regional priorities
- Coordinating / facilitating the input of Councils and local communities to State agency planning and consultation processes
- Providing a regular forum through which to reach and engage with regional leaders (Mayors and General Managers) or other Council personnel
- Providing advice and support to navigate local communities (e.g. stakeholder engagement and support)
- Providing a mechanism to deliver better value from State programs through aggregation / centralised delivery of programs (see examples below)
- Offering consistent points of reference and repositories for maintaining local and regional knowledge and information as State agencies go through regular machinery of government changes.

As well as performing the above functions within their own regions, JO's are actively collaborating across regional NSW to exchange information on best practice in the delivery of strategic regional priorities, joint advocacy and collaboration activities, and to align delivery efforts to provide a more effective and cohesive approach to regional program delivery. It is for this reason that an increasing number of state government agencies are increasingly engaging with the JO network to support delivery of state government programs.

Some examples of regional scale program initiatives already being delivered in partnership with the NSW Government by the Hunter JO (and in some cases more broadly by JO's across the state), which align with the NSW Government's Net Zero targets (including climate adaptation) are provided in the table below.

With appropriate and sustainable resource support from the NSW Government, the potential exists to significantly expand this focus and effort to accelerate the delivery of the State Government's net zero objectives.

Program	Focus
NSW Joint Organisation Acceleration (JONZA) Program (State-wide JO program)	Operating since July 2023, the JONZA program is a grant funded program that helps JO's accelerate net zero emissions reduction efforts. It provides funding to support a dedicated internal staff member within JO's to drive net zero initiatives, including building internal capacity across member councils to develop and implement net zero projects. More Information: <u>"Net Zero Managers helping to reduce emissions across regional NSW"</u> .
Disaster Readiness / Planning (State-wide JO program)	State-wide and regionally specific grant funded programs designed to improve the disaster readiness of councils and their communities. Over the next three years JO's will play a key role in supporting the NSW Reconstruction Authority consult and prepare Regional Disaster Adaptation Plans in accordance with the NSW Disaster Adaptation Planning Guidelines.

Table: Examples of JO led regional initiatives

Program	Focus
	More Information: <u>Hunter JO Disaster Resilience Programs</u>
Hunter Circular Economy Hub (Hunter JO)	A grant funded program that has developed a digital platform to enable cross sector collaboration and build awareness of circular economy initiatives occurring across the Hunter region. The Hub supports knowledge sharing, ecosystem connectivity and collaboration as the go-to resource for circular economy in the Hunter and Central Coast. More Information: <u>Hunter Circular Hub</u>
	<u>Circular Economy Program</u>
Climate Change Integrated Planning and Reporting Package (Hunter JO)	The grant funded Climate Change Integrated Planning and Reporting (IP&R) Package provides support and guidance to Councils during the development of their Community Strategic Plan (CSP), Delivery Program and Operational Plan. This guide supports Councils' and their communities' climate change journey by providing user friendly, practical tools and templates to embed climate change throughout the IP&R process.
	This resource is now being utilised by councils across NSW.
	More Information: <u>Climate Change IP&R Package</u>
Coastal & Estuary Communications Support Package (Hunter JO)	This grant funded package provides a resource for local Councils to support more consistent community education and engagement efforts to raise community awareness of coastal hazards and impacts.More Information: Coastal & Estuary Communications Support Package
Reuse of Mining Lands (Hunter JO)	Consistent with the recommendations of the NSW Government's <u>Inquiry into the Beneficial and productive post-</u> <u>mining land use</u> , the Hunter JO is leading region wide advocacy efforts to obtain support and resourcing from the NSW and Federal Governments to • Pilot the reactivation and repurposing of current and
	 former mining lands and infrastructure, across a range of scenarios, to create urgently needed new employment lands across the region Directly de-risk industry investment and strategically inform and accelerate industry attraction, skills development and job creation urgently needed as the Hunter's economy rapidly transforms away from coal. More Information: Post Mining Land Use in the Hunter
Regional Climate Change Risk	Grant funded risk assessment and adaptation planning work completed in 2010 highlight the value of regional scale

Program	Focus
Assessment and Adaptation Planning	collaboration in identifying and planning for shared climate risks across Council boundaries
(Hunter JO)	More Information:
	Regional Climate Change Adaptation

Response to the Consultation Paper

The Hunter JO provides the following responses and recommendations to the 2025 Net Zero Commission Consultation Paper.

Overall Recommendations

The Commission should consider the benefits of strengthening regional, place-based delivery mechanisms for implementation of net zero initiatives across NSW, including:

- Regional net zero plans collaboratively developed by JO's, councils and government agencies that:
 - Confirm and identify shared net zero priorities at the regional scale.
 - Identify resourcing, delivery mechanisms, responsibilities and timeframes for implementation.
 - Align and drive the practical and efficient delivery of shared regional net zero objectives across multiple councils and agencies.
 - Reduce the current short-term focus, misalignment and duplication frequently occurring across multiple state agencies attempting to deliver programs and strategies across regional NSW to progress the Government's net zero targets.
- Formalising place-based adaptation partnerships between NSW Government agencies, JOs and councils to coordinate planning and investment at regional scales.
- Co-designing regional funding programs with JOs, which are statutory entities established by the NSW Government. Engaging JOs early will ensure that programs reflect local place-based priorities, risk profiles and delivery realities.
- Linking multi-year funding to JOs' Strategic Regional Priorities, which are developed on a four-year cycle and aligned with the NSW Integrated Planning and Reporting (IP&R) Framework. This would enable more strategic and consistent investment in regional net zero and climate adaptation initiatives.
- Building regional capacity through targeted roles, which have proven highly efficient and effective in:
 - $\circ~$ Supporting councils to align with relevant State and Commonwealth legislation and policy.
 - Facilitating knowledge sharing, peer learning, and consistent implementation of net zero and adaptation actions.
 - Bridging communication between state and local government on net zero and climate adaptation needs and opportunities.

Consultation Questions

Climate Change is happening now & Informing and empowering change

Question 1. What can you tell us about your experience of the impacts of climate change and how can the commission seek to reflect and respond to this in its work?

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?

Vision for the future through coordinated Government communications

Achieving a net zero future requires strong community support and a sense of shared ownership in the outcomes. Currently, there is confusion about what actions are being taken, what is planned, who is responsible, and how the community will benefit. This arises because this information is across multiple departments with varying levels of communications support.

This lack of integration and oversight across agencies is also impacting NSW Government staff within various agencies, who are not consistently aware of other agency priorities or activities, or of their obligations to incorporate net zero policies into their work, undermining the state's overall ability to deliver its net zero targets.

Recommendations

It is recommended that:

- The NSW Government bring together and simplify information on all relevant State and Federal Government net zero plans and initiatives occurring across multiple agencies to provide clear and consistent messaging that improves community awareness, understanding and participation in the net zero journey.
- Given the variation that exists across NSW regarding the impacts and opportunities arising for communities from the transition to net zero, it is further recommended that a regional scale, place-based and whole of government approach to community engagement and communication be delivered, prioritising those regions most affected.
- The Net Zero Commission establish a framework and process for consistently measuring community understanding and acceptance of the State's net zero goals and initiatives, to provide a consistent benchmark over time of community awareness, attitudes and acceptance of the net zero transition. This would provide valuable shared intelligence to inform both NSW and local government net zero programs, initiatives.

Electricity and energy

Question 5. What additional information and evidence should the commission consider when assessing progress towards NSW's targets for reducing net greenhouse gas emissions?

Question 6. The speed of deployment of electricity generation and infrastructure is a key risk to emissions reduction targets. What more could be done to fast-track deployment?

Joint Organisation Net Zero Acceleration (JONZA) Program

Regional councils and Joint Organisations play a vital role in achieving net zero outcomes through their strategic planning, infrastructure investments, and trusted relationships with communities. Current assessment frameworks often under-represent the contributions, challenges, and investment readiness of regional councils. A more comprehensive approach is required to fully reflect their role in NSW's transition.

Recommendations

When assessing progress towards NSW's targets for achieving net zero targets the commission should:

- Assess alignment between council strategic planning and net zero targets and support capacity-building in emissions accounting and forecasting. Provision and funding for appropriate tools is required to provide consistent reporting across regions to make evidence-based decisions, be better positioned to access funding programs, empower community engagement and encourage regional net zero planning through Joint Organisations and/or other regional organisations
- Establish an investment fund offering interest-free loans or matched co-investment options to deliver shovel-ready council-led projects with measurable emissions outcomes. This will address funding gaps and disparity for delivering priority projects that contribute to emissions reduction, as the current reliance on time-limited or competitive grants is a barrier to long-term planning and delivery.
- Support the establishment of Regional Revolving Energy Funds, potentially aligned with Joint Organisations. A regionally managed fund model can recycle energy savings from council and community projects into future emissions-reduction initiatives in particular those councils with minimal or no funding allocation for net zero initiatives.
- Introduce state-supported group procurement arrangements and provide technical assistance to smaller councils potentially through Joint Organisations and the JONZA network. Power Purchase Agreements (PPAs) have proven effective in reducing emissions, yet many regional councils lack the scale or procurement capacity to participate.
- Inclusion of council-enabled community actions and provision of dedicated funding for program coordination roles for local delivery of community-based energy projects such as rooftop solar bulk buys, community batteries, EV charging infrastructure and household electrification.
- Improve coordination and governance by identifying and mapping existing net zero organisations and programs such as Cooperative Research Centres, Social or Commercial Enterprises. Identify duplication, and support trusted regional coordination platforms. Councils with the support of Joint Organisations can help pilot and scale up research and innovation developed through partnerships with such organisations.

To meet NSW's net zero emissions targets, the capacity and contributions of councils across regional NSW must be better recognised, resourced, and coordinated. The Net Zero Commission

can play a key role in ensuring progress assessments reflect the full scope of local government action and capacity.

More Information: Hunter Net Zero Acceleration Program

Post mining land use

The reuse and redevelopment of former mining and energy sites provides an important opportunity to contribute to NSW and Federal net zero targets. These sites, particularly in mining and energy intensive regions like the Hunter, provide the opportunity to:

- Reuse existing infrastructure such as high voltage energy connections, transport networks and rail connections to accelerate the development of renewable energy and other job creating industries on these former sites. Repurposing their existing infrastructure also has the significant benefit of reducing waste from the site decommissioning process and reducing the financial and carbon costs of building new infrastructure to establish new activities and industries.
- Reduce the need to clear undisturbed land to provide for renewable energy solutions to meet net zero targets. The current rehabilitation requirements for many mining sites (which in many cases were established decades ago) require them to be rehabilitated to their former natural condition. However, given their proximity to skilled workforces and the high-quality assets and infrastructure they contain, there is the opportunity to repurpose a proportion of these lands to new renewable or other industries to directly support and accelerate the transition to net zero.
- Provide industrial land that will entice new, clean, high-value industries based on net zero and circular economy principles, such as renewable energy, smart manufacturing, resource recovery, and high-value agriculture. This provides the additional benefit of creating new jobs in a region experiencing job losses due to mine closures.

Recommendations

To facilitate this transition, urgent action is required from the NSW Government to pilot the reactivation and repurposing of current and former mining lands and infrastructure, prioritising those region's facing the imminent closure of coal mines and its related energy infrastructure. This is needed to:

- Create urgently needed new employment lands and opportunities for workers impacted by the transition away from coal to meet net zero targets.
- Reduce the significant commercial risk currently deterring new and expanded investment in the reuse of mining and industrial lands.
- De-risk industry investment and strategically inform and accelerate industry attraction, skills development and job creation as regional economies rapidly transform away from coal.

It is also recommended that the Net Zero Commission measure the pace of regulatory change and investment attraction required by State Government to reuse mining lands to achieve a productive and equitable economic evolution away from coal.

More Information: NSW Government <u>Inquiry into the Beneficial and productive post-mining</u> <u>land use</u>

• <u>Post Mining Land Use in the Hunter</u>

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?

Ensuring Community Benefit

While it is recognised that Renewable Energy Zones (REZs) will be a significant part of NSW's emissions and energy security solution into the future, there is growing concern across regional communities both within and outside REZ boundaries, of the current impacts arising from REZ's and those ongoing impacts likely to continue for decades. It is increasingly considered that Government legislation enabling the transition to a renewable energy future has been rushed, will continue to be rushed and that its socialisation with regional communities has been ineffective.

In many cases the impacts of the REZ's on local communities and councils are only just starting to be considered, despite the advanced stage of their roll out. These challenges are now being realised and are further exacerbated by local councils not being effectively engaged due to insufficient resources, and inaccurate assumptions as to the capacity and role of councils and their communities to accommodate the project impacts. Key issues and concerns being experienced across regional communities include:

- Councils and community members feeling that their feedback provided during community consultation processes is not being genuinely considered or incorporated into meaningful action.
- Planned temporary worker housing not being integrated within local communities and economies and not considering the potential to enhance longer term housing supply in regional communities to meet the NSW Government housing targets.
- Traffic disruptions and damage to local road networks with no compensation to fund their repair, further stretching already stressed council road networks and resources.
- Capacity of water utilities and waste management services being insufficient to meet increased demands.
- A lack of local investment or community legacy projects being generated from the construction of renewable energy and/or transmission projects
- Lack of transparency over benefit funds where they exist, and the short-term focus of such funds that do not consider the longer term cumulative social and environmental impacts on local communities.

Consequently, there is a growing frustration in regional communities that community engagement efforts have been performative rather than transformative, leaving communities to bear the brunt of transition pressures without a fair return in community benefits. Frustration of this nature has the significant potential to inhibit or delay the effective roll out of the REZ's due to a lack of social licence.

To reduce such resistance and minimise delays in delivering renewable energy infrastructure, a more proactive and coordinated approach is needed. Clear, fair, and transparent frameworks, particularly around community benefits and local planning impacts can build trust and social license. Empowering communities and councils with adequate resources and involvement will also assist implementation and foster collaboration rather than conflict.

Integrating broader planning reforms within the development of the REZ's can help ensure that renewable energy zones contribute to lasting positive legacies, including new and affordable housing that aligns with state and federal targets. Integrating energy development with housing

policy in this way can help avoid displacement, support workforce accommodation, and foster liveable, thriving communities.

Community benefit schemes are programs designed to ensure that development projects, particularly those involving infrastructure or resource extraction, provide tangible benefits to the communities directly or indirectly affected by them. These schemes aim to distribute the economic, social, and environmental advantages of such projects more equitably among stakeholders. They can involve monetary contributions, physical works, or a combination of both.

Community Benefit Schemes have the potential to be transformational enablers. By providing funding to local councils, these schemes can directly support place-based planning, infrastructure readiness, business attraction, and skills development. Councils are well placed to align these initiatives with local needs, enabling communities to maximise the socio-economic opportunities created by the renewables rollout.

Recommendations

- Design and roll out fair and fit for purpose Community Benefit Schemes to address the impacts and concerns being experienced in regional communities.
- Integrate broader planning and housing policy within the project planning and development processes for the REZ's, to provide lasting project legacies such as new and affordable housing in regional NSW.

More Information:

- <u>https://engie.com.au/renewablesrebate</u> Engie (project developer) <u>https://engie.com.au/renewablesrebate</u>
- Hay Shire Council <u>https://www.abc.net.au/news/2024-09-22/renewables-nsw-town-embraces-wind-solar-to-boost-economy-farms/104355706</u>
- Planning Framework <u>https://www.planning.nsw.gov.au/policy-and-legislation/renewable-energy/renewable-energy-planning-framework</u>

Integrated Approach to energy development projects

Currently, renewable energy development across New South Wales is approached on a projectby-project basis, resulting in inconsistency, inefficiencies, and unclear expectations. A unified framework that sets consistent guidelines, planning requirements, and expectations for community engagement and benefit delivery would streamline processes, reduce confusion, and ensure fairness across all regions impacted by the energy transition.

Align with Net Zero and Broader State Policy Objectives

Strategically embedding renewable energy planning within the wider goals of the NSW Government, including net zero targets, regional economic development, and energy security will reinforce coherence across departments and agencies. A consistent and integrated approach ensures that energy reform isn't just about emissions, but about shaping resilient, inclusive, and future-focused regional communities.

Industry and waste

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?

Question 14. What measures could accelerate industrial heat electrification in NSW, where technology is viable?

Question 15. What short to medium term measures could be prioritised to address the systemic challenges regarding waste generation and resource recovery?

Waste and Landfill Management

Presently, there are no council owned facilities in the Hunter region that produce enough emissions to be captured by the Safeguard Mechanism, nor are local governments required to report under the National Greenhouse and Energy Reporting (NGER) Scheme. As such, the financial and regulatory decarbonisation incentives that these schemes create are not particularly relevant to councils within the Hunter region.

With that said, the largest of the council owned landfill facilities in the Hunter and Central Coast produce annual emissions close to the Safeguard threshold of 100,00 t-CO2-e per annum and are therefore some of the highest emitting councils owned facilities in NSW. The scale of these facilities and their emissions profiles means that a range of emissions reduction strategies are financially viable, such as landfill gas capture for energy production. In addition, the expected introduction of FOGO collection and diversion in line with the NSW mandate by 2030 will further reduce emission from landfills across the region.

Despite this, landfills will continue to be significant greenhouse gas emissions sources for the foreseeable future, and generally the largest source of emissions for any individual council who operates such a facility. For example, even with a current landfill gas capture system in place and the expected introduction of a FOGO service in the next 2 years, our modelling shows that the landfill at City of Newcastle's Summerhill Waste Management Centre will continue to emit more than 80,000 t-CO2-e per annum without further interventions. Further action is required to reduce and mitigate these emissions.

While landfill gas capture systems are feasible on larger facilities, the capture efficiency of these systems can vary widely (between 30-85%) depending on the characteristics of the landfill and so some emissions continue to occur.¹ Additionally, smaller landfills often do not produce the volume of gas required to justify a landfill capture system for energy generation, and therefore are not financially feasible. While the Australian carbon Credit Unit Scheme enables a revenue source for certain emissions reduction methodologies, the recent <u>expiry of the landfill gas</u> <u>method</u> has removed a critical support for these projects. Because legacy waste in landfills will continue to decompose and produce greenhouse gas emissions for decades after it has been deposited, support for gas mitigation strategies will be important to help NSW meet its emissions targets, including to achieve net zero emissions from organics waste by 2030.²

 ¹ Hunter JO Factsheet, "Efficiency of Landfill Gas (LFG) collection systems in Australia" <u>https://hunterjo.nsw.gov.au/wp-content/uploads/2025/05/Hunter-JO-06-Landfill-Gas.pdf</u>.
 ² NSW EPA Waste and Sustainable Materials Strategy 2041, <u>https://www.epa.nsw.gov.au/sites/default/files/nsw-waste-and-sustainable-materials-strategy-2041.pdf</u>, pg. 6

Decarbonising the waste sector

To effectively decarbonize the waste sector, it is essential for the NSW Government to develop effective legislation, policies, programs, and invest in infrastructure to achieve reduced waste generation rates, increased diversion from landfill, and higher order recovery and circularity of materials and commodities. The Hunter region, like many parts of NSW, lacks key infrastructure along the value or supply chain to enable various waste and materials streams to be captured and recirculated. An example is that there is currently no available organic waste processing capacity in the region, despite the looming commencement of the business FOGO mandate in July 2026. Investment in a range of assets is required, including for collection, sorting, aggregation, processing and recycling or recovery. The development of this infrastructure must be supported by strategic planning, investment, and regulatory changes by relevant NSW Government departments. More information is available in a <u>recent submission on the NSW EPA's Draft Waste and Circular Infrastructure Plan</u>.

The recent declaration of an Energy from Waste Precinct in the Hunter is an example of strategic policy that will support the development of modern infrastructure that will achieve improved environmental outcomes compared to landfill. As stated in our <u>submission to the NSW EPA on Energy from Waste Framework review</u>, this must be complemented by investment in the circular economy. We recommend that an equitable portion of the waste levy collected from the waste facilities within our region is reinvested into circular economy programs and infrastructure.

One initiative that the Hunter JO has developed is the Circular Economy Precincts and Futures Hub concept. An NSW Government funded business case by the Hunter JO investigated the potential for the development of an industrial scale circular economy industry by establishing a network of interconnected precincts, businesses, and stakeholders that is supported by a regional body, labelled the Futures Hub. The business case found that this model could provide the following benefits:

- An additional 1,020 jobs created by diverting 80% of the Hunter and Central Coast Region's waste from landfill.
- Economic value in the order of \$1.1 billion.
- Economic diversity, decarbonisation and environmental benefits, and support for State and National government goals.

Another example is Hunter JO's desire to develop a Regional Zero Waste Strategy, that would provide a roadmap for the delivery of key infrastructure needed to meet the region's waste management needs while also achieving state and federal waste and circular economy targets. Both are examples of initiatives led by place-based organisations that can aid in the decarbonization of the waste sector but require the support of the NSW Government through funding and collaboration.

Recommendations:

1. Provide support to councils for landfill emissions mitigation

While large landfill gas capture systems are viable for major sites, smaller facilities lack financial feasibility under current market conditions. The NSW Governments should develop new funding or incentive mechanisms specifically for small to mid-sized landfills to support methane capture or flaring technologies.

2. Accelerate and support organics diversion infrastructure

As landfills remain the largest emission source for councils, particularly due to organic waste, the NSW Government should identify strategic sites and fast-track the development assessment of FOGO collection and processing infrastructure in alignment with the 2030 NSW mandate.

3. Reinvest Waste Levy Revenue in Regional Circular Economy Initiatives

The NSW Government should allocate a fair share of the waste levy collected in the Hunter region back into local circular economy projects, including investments in infrastructure for collection, sorting, processing, and material recovery, as well as skills development and job creation.

4. Support Development of Circular Economy Precincts and the Futures Hub

The Circular Economy Precincts and Futures Hub model presents clear economic, social, and environmental benefits. The NSW Government should endorse and fund the next phase of this model's development.

5. Enable Strategic Planning and Regulatory Reform for Waste Infrastructure

To address infrastructure gaps across the supply chain, the NSW Government should collaborate with regional bodies like Hunter JO to co-design a Regional Zero Waste Strategy, ensuring alignment with State and National targets, and implement planning reforms and approvals pathways that expedite delivery of essential waste infrastructure.

More Information:

- <u>Hunter Circular Hub</u>
- Hunter Circular Economy Program
- <u>Circular Economy Futures Hub video</u>

Adapting to a Changing Climate

Question 23. The adaptation objective is for NSW to be more resilient to a changing climate. The Act allows for regulations to further define the adaptation objective. What does a more resilient NSW look like to you?

Question 24. What additional information and evidence should the commission consider when assessing progress towards the adaptation objective?

Question 25. How can adaptation planning better use the NSW Government's climate change projections (NARCliM)?

Question 26. What other information or tools are needed to support decision-makers in NSW?

Question 27. What initiatives should the commission consider in assessing NSW's preparation and responses to extreme heat and humidity events in NSW?

The role of Local Government

Local governments are irreplaceable delivery partners in climate adaptation, playing a unique and systemic role in addressing climate-related risks and achieving national climate adaptation objectives. As outlined in the ALGA 2025 <u>Adapting Together – Local Government Leadership in a Changing Climate</u> report, the adaptation required in local communities could not be delivered by any other level of government due to a lack of local presence and knowledge, as well as the absence of necessary skills, systems and experience delivering place-based projects.

A more climate-resilient NSW requires councils and communities to be resourced, empowered, and supported to lead adaptation in ways that are locally relevant, regionally coordinated, and institutionally embedded. In the Hunter region, this vision is already being progressed through strong collaboration between member councils and the Hunter JO. However, without sustained resourcing, councils cannot fully deliver on their role in helping NSW adapt to a changing climate.

Resourcing is the critical barrier to achieving the adaptation objective

The <u>2023 Local Government Climate Change Action Survey</u> (NSW Energy, Climate Change and Sustainability and Local Government NSW) revealed that only 18 councils in NSW have a dedicated budget for climate adaptation. Metropolitan councils were four times more likely than regional councils to have this funding in place. The most common barrier to adaptation action was lack of funding; the top enablers were allocated budgets and access to external funding. To meaningfully assess progress toward the adaptation objective, the Commission should consider:

- Whether councils have secure, ongoing funding to plan and deliver adaptation.
- Whether funding mechanisms support long-term, integrated, place-based approaches.
- The presence of dedicated staff or capacity within councils and Joint Organisations to drive adaptation planning and implementation.

Recommendations

To enable councils and regional bodies (such as JOs) to deliver against the adaptation objective, we recommend:

• Streamlined, recurrent funding aligned with councils' four-year Integrated Planning and Reporting (IP&R) cycles. This would allow proactive planning and delivery of strategic, long-term adaptation priorities, rather than reactive, piecemeal grant applications.

- Betterment funding for public infrastructure, enabling councils to 'build back better' using current NARCliM climate projections.
- Targeted investment in high-risk communities, especially where legacy planning has increased exposure to climate-related hazards, supported by the latest climate risk data.
- Reform of road repair and betterment grant processes to give councils more flexibility to prioritise and allocate funds in line with locally defined adaptation priorities.
- Increased investment in regional delivery capacity, including dedicated roles to coordinate adaptation across councils, provide technical support, and align efforts with state and national policy frameworks.

The value of a regional, place-based approach

Climate impacts do not respect LGA boundaries. In the Hunter region, decades of collaboration dating back to the 1955 Maitland floods have demonstrated the efficiency and effectiveness of regionally coordinated adaptation and disaster preparedness.

Recommendation

The Commission should consider the benefits of strengthening regional delivery mechanisms, including:

- Formalising place-based adaptation partnerships between NSW Government agencies, JOs and councils to coordinate planning and investment at scale.
- Co-designing regional funding programs with JOs, which are statutory entities established by the NSW Government to identify and act on regional priorities. Engaging JOs early ensures that programs reflect local risk profiles and delivery realities.
- Linking multi-year funding to JOs' Strategic Regional Priorities, which are developed on a four-year cycle and already aligned with the IP&R Framework. This would enable more strategic and consistent investment in regional climate adaptation.
- Building regional capacity through targeted roles, which have proven highly costeffective in:
 - Supporting councils to align with relevant state and Commonwealth legislation and policy.
 - Facilitating knowledge sharing, peer learning, and consistent implementation of adaptation actions.
 - Bridging communication between state and local government on adaptation needs and opportunities.

Transport

Question 9. What are likely to prove the most effective approaches to accelerate rapid decarbonisation across freight and passenger transport?

Decarbonising freight transport

- The Hunter region has always been an area utilised for trials for new innovations or products. With the region hosting several heavy industrial zones, including the Port, Tomago, Cardiff, Williamtown, Taree, Kurri Kurri and the numerous power stations sites around the region, the region could be set up to trial **heavy vehicle EV charging sites**. This could be demonstrated in the region and then rolled out across NSW.
- Similarly, with the local CSIRO facility focused on decarbonisation and energy, local airport now international flight capable and hosting a large Airforce base, **Sustainable Aviation Fuel (SAF) and Biofuels** could similarly be trialed for development and storage in the region. The region has already received funding promises from the federal government for the development of the **Hunter Hydrogen Hub at the Port of Newcastle** and similarly SAF and Biofuels could also be developed on the Clean Energy Precinct site. The Port of Newcastle tenants have already received support for decarbonisation of nitric acid and ammonia production and has invested in developing containerised green freight handling.
- The **Hunter Rail Network** has high quality and extensive existing infrastructure for high-volume freight, currently taken up to a large extent by coal . With future coal volumes declining, capacity could be redirected to support NSW's freight requirements (especially alleviating Sydney congestion) as well as moving bulk green commodities (e.g., hydrogen, critical minerals). Reference: ARTC, Hunter Valley Network Strategy (2023). Furthermore, electrification of freight rail could be trialed in the Hunter to further decarbonise freight transport.

Decarbonising passenger transport

- We need to develop a **Hunter EV charging strategic implementation plan** (regional level) for charging infrastructure. With the Hunter Renewal Energy Zone providing critical supply and link for green electricity, the region will have the right infrastructure for demonstrating how strategically placed EV infrastructure will encourage EV uptake and attract tourism. Alongside the National EV Backbone Project (run by NRMA) we could create a strategic implementation plan that meets local and tourist needs as well as reduce range anxiety. The strategy will ensure that a logical distribution of chargers is made throughout the region and that investment is located in areas that promote local economic activity.
- Fleet conversion leadership: Local governments areas like Newcastle and Lake Macquarie are already showing leadership through commitments to fleet electrification. Providing the necessary funding to accelerate this transition across all areas of the Hunter JO member council-owned fleets ranging from passenger vehicles to light commercial trucks not only directly reduces transport emissions but also establishes a powerful demonstration effect for private sector uptake. This could be coordinated through our JONZA partnership with the State Government. Leveraging public

procurement policies to prioritise EVs, while integrating renewable energy for fleet charging, further amplifies the decarbonisation impact. Councils can also act as early adopters helping drive down costs, building confidence in the community and provide the necessary second-hand market for electric vehicles.

- Active transport cycle, walk and last km transit: Active transport infrastructure plays a vital role in reducing car dependency and associated emissions. Prioritising safe, connected walking and cycling routes, alongside investments in end-of-trip facilities and integrated "last kilometre" mobility solutions, encourages a modal shift for short-distance trips. By providing an increase in funding for active transport across NSW, with emission reduction measurement built into the grant funding process, will deliver healthier, low carbon communities and increase social cohesion. Projects like our <u>Shiraz</u> to Shore cycleway could be funded to significantly change the way the region uses cycling as a form of transport and encourage healthy, low carbon tourism in the region.
- **Public transport upgrades:** Upgrading public transport is central to reducing emissions and congestion, especially in a growing region like the Hunter, which will be home to nearly one million people in a short period of time. A key priority is improving both intra-regional connectivity, linking towns, suburbs, and employment hubs across the Hunter and inter-regional connectivity with Greater Sydney, the Central Coast, and Mid-North Coast. Currently, only 2.7% of trips in the Hunter are made via public transport, a figure that reflects both infrastructure and service gaps. Investing in zero-emission buses and trains, improving service frequency, and aligning timetables with real-world commuting patterns can dramatically boost uptake.

Strategic integration of rail and bus networks, smart ticketing, and unified transport planning across councils will help create a seamless, reliable, and appealing alternative to car travel. We would encourage the NSW government to commit significant resources to the implementation of the <u>Hunter's SRIT Plan</u> (currently in draft) When properly resourced and aligned with land use planning, public transport upgrades can deliver transformative decarbonisation and enhance equity across the region.

• Park and Ride Infrastructure: Park and ride facilities are an essential component in encouraging mode shift from private vehicles to public transport for the Hunter region. The increasing use of roadside parking along our major freeways and at junctions signals clear commuter demand but presents growing safety and traffic hazards. Similarly, many existing commuter carparks at train stations are inadequate, poorly designed, and misaligned with population growth and usage patterns. For example, Chisholm is home to approximately 4,500 residents, nearly three-quarters of whom live within 2 kilometres of Metford Station. Yet, due to a lack of direct access from Chisholm's side of the rail line, a potential 3-minute drive or 15-minute walk to the station becomes a 15–20-minute drive during peak times. These kinds of strategically located and well-designed facilities, when paired with better-aligned train timetables, are a crucial enabler of regional mode shift. This has been identified in the draft Hunter Strategic Regional Integrated Transport Plan but accelerated action on park and ride will deliver emissions reductions faster.

Recommendations

The Commission should consider encouraging more government investment and fast tracking of the Hunter Strategic Regional Integrated Transport Plan when it is formalised as much of the required transport decarbonisation is included in that document. Strong inter-governmental

collaboration and communication should be strongly encouraged to ensure the Plan is implemented appropriately and with support. The following should also be considered:

- Scale Fleet Conversion using the JONZA program: Support the Hunter JO JONZA program with funding to leverage the existing programs of fleet conversion at Newcastle and Lake Macquarie to accelerate the region's transition to electric fleets.
- **Boost Active and Last-Km Transport:** Increase funding in safe cycling, walking and micro-mobility infrastructure to shift short trips away from private cars, especially in growth and town centre areas. Fund large cycling infrastructure projects like <u>Shiraz to Shore</u>.
- **Upgrade Public and Regional Transport Services:** Enhance intra- and inter-regional transport by modernising infrastructure, improving timetables and coverage, and better integrating services across the Hunter.
- **Expand Park and Ride Facilities:** Deliver new and upgraded commuter car parks at key locations, integrated with public transport and aligned to local growth.
- **Trial EV Freight Charging Hubs:** Establish heavy vehicle EV charging trials in Hunter industrial zones (e.g. Port of Newcastle, Tomago, Cardiff), creating a model for broader NSW rollout. A strategy could be developed through the Hunter JO JONZA program.
- **Develop Sustainable Aviation Fuel (SAF) Initiatives:** Leverage existing CSIRO, airport, and RAAF capabilities to trial SAF and biofuel development, storage, and use, aligned with the Hunter Hydrogen Hub and Clean Energy Precinct.
- **Repurpose and decarbonise the Hunter Rail Freight Network:** Trial freight rail electrification in the region to lead emissions reduction across the network.