

Response to the Renewable Energy Sector Board's advice to the NSW Government to build the capacity and capability of the NSW renewable energy sector

Theme	Board's advice	Government response
Theme 1: Long-term planning for local content, jobs and skills	1.1 Establish a NSW Government policy for local content, jobs and skills in the renewable energy sector	<p>This recommendation is supported in principle.</p> <p>The NSW Government supports local content, jobs and skills through a range of policies and programs including the Renewable Energy Sector Board's (Board's) plan, Small to Medium Enterprise and Regional Procurement Policy, the Aboriginal Procurement Policy and the Infrastructure Skills Legacy Program. The <i>Australian Jobs Act 2013</i> also includes provisions to support local industry for NSW projects falling under the requirements of that Act.</p> <p>The <i>Electricity Infrastructure Investment Act 2020</i> (NSW) (the Act) requires the Minister for Energy (Minister) and the Consumer Trustee to take the Board's plan into account when exercising their functions under the Act. In line with this requirement, the Consumer Trustee and EnergyCo will be informed by the plan when considering minimum requirements for local content in generation, storage and transmission projects delivered under the NSW Electricity Infrastructure Roadmap, including tenders for long-term energy service agreements (LTESAs) and renewable energy zone (REZ) access rights for generators.</p> <p>While a significant portion of renewable energy projects in NSW are expected to incorporate local content, jobs and skills, any local content requirements for infrastructure delivered under the Act will be considered alongside other criteria and NSW objectives, including to act in the long-term financial interests of NSW electricity customers, meet the development pathway timelines set out in the Infrastructure Investment Opportunities report, and other industry policy interventions that can accelerate industry growth. All procurement under the Roadmap will also be consistent with Australian Free Trade Agreements and other trade obligations and NSW Procurement guidelines and policies.</p> <p>As required under the Act, the regulator, IPART, has reviewed the Board's plan, including its recommended minimum requirements for local content, and recommended the plan to the Minister for approval. IPART confirmed that it is satisfied that the plan protects</p>

Theme	Board’s advice	Government response
		<p>the financial interests of NSW electricity customers and is consistent with Australia’s international trade obligations.</p> <p>Under the Electricity Infrastructure Investment Regulation 2021, the Board is required to review its plan at least every 2 years. When reviewing its plan, the Board will consider refining and modifying recommended minimum requirements for local content, including through analysis of the outcomes of the previous tender outcomes. Reviews will also consider consistency with Australia’s trade obligations, NSW procurement guidelines and other NSW policies. Any future changes to the plan may need to be considered by IPART.</p> <p>The NSW Government will also release the First Nations Guidelines, which set an expectation that proponents under the Roadmap will commit to providing economic opportunities and building capacity for First Nations people and communities. This includes providing long-term employment opportunities and the procurement of goods and services from First Nations businesses.</p> <p>The Minister for Energy appointed Dr Mark Apthorpe as the State’s first Electricity Infrastructure Jobs Advocate under the Act. Dr Apthorpe will provide advice on strategies and incentives to encourage investment, development, workforce development, employment, education and training in the energy sector as NSW transitions to renewable energy, with a focus on regional NSW.</p> <p>The NSW Skills Board would play a role in the development and delivery of any skills-related policies for the renewable energy sector, including advice to Government and alignment across Government objectives and portfolios.</p>
	<p>1.2 Ensure a comprehensive approach to work health and safety (WHS) in the renewable energy sector</p>	<p>This recommendation is supported in principle.</p> <p>NSW has strong and robust WHS Standards and is committed to ensuring safe workplaces.</p> <p>The NSW WHS legislation is based on the model WHS laws, which provide a risk based preventative framework and were developed to ensure they could accommodate new hazards, new and evolving ways of working and new arrangements as they arise. This includes emerging industries, such as the renewable energy industry.</p> <p>The model WHS laws were reviewed in 2018 by an independent reviewer, who found that they were, for the most part, working as intended. However, the reviewer also recommended (recommendation 3) that Safe Work Australia develop criteria to continuously assess new and emerging business models, industries and hazards to identify if there is a need for legislative change, new</p>

Theme	Board’s advice	Government response
		<p>model WHS regulations or model codes of practice. Safe Work Australia is in the process of progressing this recommendation and NSW is contributing to these discussions at the national level. As the renewable energy sector covers all states and territories, not just NSW, Safe Work Australia is best placed to consider this recommendation.</p> <p>SafeWork NSW has been working with other regulators (including NSW Fair Trading) and industry stakeholders in the renewable energy industry to support WHS. This includes during the construction phase of wind and solar farms, through both proactive and reactive engagement with the Snowy Mountains 2.0 project and to support WHS in rooftop solar installations. The renewables sector is diverse with WHS issues arising during the construction, maintenance and operation phase of projects, including for example, the recharging of batteries and during the planning stages of hydrogen facilities. SafeWork NSW is also active in supporting WHS in major NSW Government infrastructure sites which includes complex harms such as silica (tunnelling), fall from heights, falling objects and being hit by moving plant.</p> <p>The NSW Government’s Centre for WHS is undertaking research into the future of work from the perspective of the WHS regulator to better understand and plan for effective regulation of workplaces in the future. This includes identifying options for effectively regulating new and emerging ways of working and industries such as the renewable energy industry. The research aims to identify options to develop capability, technology, and process to enable a regulator that is ready and flexible enough to support a continuously changing work environment.</p> <p>Any future updates to specific proposed WHS approaches such as licensing, training and other reforms, would be subject to usual government processes.</p>
	<p>1.3 Minimise waste during construction and establish an end-of-life industry for the renewable energy sector</p>	<p>This recommendation is supported.</p> <p>The NSW Government is committed to reducing waste to landfill through recycling and has a vision for transitioning to a circular economy over the next 20 years. This work is already underway through initiatives such as the Circular Economy Policy Statement and the NSW Waste & Sustainable Materials Strategy 2041. Water resource recovery and efficient use of water are also Government priorities through the NSW Water Strategy.</p> <p>The NSW Government recognises that a circular economy approach is required in the transition to renewable energy. The Government is supporting the sustainable adoption of renewable technologies</p>

Theme	Board’s advice	Government response
		<p>through delivery of the \$10 million Circular Solar Fund, integrating sustainability considerations into planning requirements and supporting national product stewardship schemes for technologies such as solar panels and batteries. Additional strategic options are being considered to promote a sustainable transition to renewable technologies, including through a circular economy plan for renewable technologies and incentivising participation in relevant national product stewardship schemes.</p> <p>The Board has also made recommendations on minimum requirements for environmentally sustainable procurement. In line with the Act, LTESAs and REZ access rights for projects under the Roadmap will include criteria for environmentally sustainable procurement informed by the Board’s recommendations.</p> <p>EnergyCo will also investigate and prepare studies on waste management opportunities in the REZs.</p> <p>Related policies and programs include the Office of the Building Commissioner’s ‘Construct NSW’ learning platform in partnership with TAFE NSW and the University of Wollongong, including practical advice to reduce construction waste.</p>
	<p>1.4 Ensure a coordinated inter-regional approach to infrastructure delivery</p>	<p>This recommendation is supported in principle.</p> <p>The Roadmap is the NSW Government’s coordinated inter-regional approach to electricity infrastructure delivery. The Roadmap is a 20-year plan to transform our electricity sector to be cheaper, cleaner and more reliable. The Roadmap will unlock up to \$32 billion in private investment in regional energy infrastructure to 2030, including in strategically planned and coordinated REZs. EnergyCo will investigate and prepare studies on workforce accommodation, roads and transport, telecommunications, and waste management for the REZs.</p> <p>The NSW Government plays a key role in driving coordinated engagement across Local, State and Commonwealth Government, local communities, businesses and investors to facilitate planning, approvals and social licence, and reduce the engagement fatigue of stakeholders.</p> <p>Complementary mechanisms, such as State Environmental Planning Policy (State and Regional Development) 2011, support coordination of electricity infrastructure with other sectors. The Government is also working to improve certainty for land use given the growth of the renewable energy sector. The NSW Agriculture Commissioner is reviewing the issues and opportunities arising from the growth of the agriculture and renewable energy sectors.</p>

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Theme 2: Supply chain development	2.1 Attract investment to the NSW renewable energy sector	<p>This recommendation is supported.</p> <p>NSW Government policies such as the Roadmap and NSW Hydrogen Strategy present significant opportunities to attract new investment into the NSW renewable energy sector. The Roadmap includes LTESAs for generation, storage and network infrastructure projects and the Pumped Hydro Recoverable Grants Program, which are key drivers for investment in the sector.</p> <p>The NSW Industry Development Framework identifies clean energy as a priority industry and the Office of Regional Economic Development has staff specialising in clean economy investment attraction, working closely with Investment NSW.</p> <p>The significant investment expected under the Roadmap creates opportunities to develop local industries in areas where NSW has a competitive advantage, supported by the NSW Government’s \$250 million Renewable Manufacturing Fund. Other Government funding programs can also contribute to attracting investment in the NSW clean economy sector, such as Investment NSW’s recently announced Future Economy Fund.</p> <p>Communication of these opportunities to international and Australian investors has already begun through Central-West Orana Renewable Energy Zone and Waratah Super Battery procurement processes, the Consumer Trustee’s Infrastructure Investment Objectives Report, and EnergyCo’s upcoming Network Infrastructure Strategy Report.</p>
	2.2 Reduce barriers for SMEs and First Nations businesses, particularly in regional areas	<p>This recommendation is supported.</p> <p>The NSW Government is committed to supporting SMEs and First Nations businesses. The Business Connect program provides personalised support, advice and resources to small businesses. The Small Business Commissioner has also developed a tender support program to help small businesses qualify as government suppliers and compete successfully for government contracts, including a guide and free online training modules developed with TAFE NSW.</p> <p>The Department of Customer Service is developing a new Small Business Strategy to define the regulatory and economic environment and ensure the best services for small businesses.</p> <p>The First Nations Guidelines will set an expectation that proponents under the Roadmap will commit to providing economic opportunities and building capacity for First Nations people and communities. This includes providing long-term employment opportunities and the procurement of goods and services from First Nations businesses. The Department of Planning and Environment and Department of</p>

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		<p>Regional NSW have also developed the Our Place on Country – Aboriginal Outcomes Strategy 2020-23 and Skills NSW supports the Aboriginal Business Advisory Initiative.</p>
	<p>2.3 Build the capacity of the local manufacturing sector</p>	<p>This recommendation is supported.</p> <p>The \$250 million Renewable Manufacturing Fund will support the implementation of this recommendation by providing funding to develop local renewable energy supply chain manufacturing capacity in areas where NSW has a competitive advantage.</p> <p>The Fund will support the scale manufacturing of plant, equipment and processes needed to produce renewable energy and low carbon products, such as the manufacturing of wind towers, electric vans or electrolysers, to ensure NSW captures the jobs and investment generated by the transition to a net zero economy.</p> <p>The NSW Government’s Clean Technology Innovation Program, within the Net Zero Industry and Innovation Program, and Special Activation Precincts (SAPs) may also support implementation of this recommendation. Procurement of large Government renewable energy tenders, such as solar panels or batteries, may also provide a lever to help scale new local industries.</p>
	<p>2.4 Coordinate battery energy storage system industry development</p>	<p>This recommendation is supported.</p> <p>The NSW Government is committed to supporting the growth of the critical minerals and high-tech metals sector, through investments in exploration, mining, processing, downstream industries and recycling. The Critical Minerals and High-Tech Metals Strategy outlines the NSW Government’s vision to build on our existing potential and position NSW as a major global supplier and processor of critical minerals and high-tech metals well into the future. The Government is also establishing a Critical Minerals Hub at the Parkes SAP. NSW has a distinct opportunity to become a global leader in the battery ecosystem.</p> <p>This vision is also supported by the Renewable Manufacturing Fund, which will make strategic co-investments with the private sector to establish and expand local supply chains for renewable energy manufactured components such as batteries.</p>
	<p>2.5 Support development of an offshore wind industry in New South Wales</p>	<p>This recommendation is supported.</p> <p>Following the passing of the <i>Offshore Electricity Infrastructure Act 2021</i> (Cth), the NSW Government is working with the Commonwealth Government to progress opportunities for an offshore electricity infrastructure sector in NSW.</p>

Theme	Board’s advice	Government response
		<p>The Australian Energy Market Operator (AEMO) has identified the Hunter and Illawarra coasts as candidate Offshore Wind Zones, which aligns with the NSW Government’s plan to develop REZs in these regions. The Hunter-Central Coast REZ industry Registration of Interest process, which attracted \$100 billion of potential investment, included seven offshore wind energy projects. The Government also recognises that the Illawarra REZ has the potential to harness significant offshore wind generation.</p>
Theme 3: Skills and training	3.1 Coordinate skills and workforce development in the REZs for energy, resources and infrastructure	<p>This recommendation is supported.</p> <p>The NSW Government has a range of existing initiatives that could support this recommendation. These include working groups for the REZs run by EnergyCo, and the Regional Leadership Executive workforce development subcommittees and SAP reference groups run by the Department of Regional NSW.</p> <p>The Department of Education is undertaking a workforce skills audit for the renewable energy sector in NSW. EnergyCo is working with the Department of Education and other stakeholders to investigate and prepare studies on training and skills opportunities in the REZs. The NSW Skills Board also provides advice on skills and training, including ensuring alignment across Government portfolios.</p> <p>The work of the Electricity Infrastructure Jobs Advocate will also contribute towards coordinating skills and workforce development in the REZs.</p>
	3.2 Facilitate workforce redeployment, including opportunities for workers affected by the energy transition	<p>This recommendation is supported.</p> <p>A range of NSW Government programs support workforce redeployment, including for workers affected by the energy transition. This includes the Department of Regional NSW’s Royalties for Rejuvenation program and the digital education passport program from the Department of Education and Department of Customer Service. The Regional Growth NSW Development Corporation is finalising workforce attraction and retention strategies for the Parkes and Moree SAPs, which could be used to target the redeployment of workers affected by the energy transition. Training Services NSW also provides a range of programs that support reskilling, employment assistance and redeployment.</p> <p>TAFE NSW offers a range of targeted micro-credentials, which may be stackable into higher education and vocational qualifications. The Western Parkland City Authority is also developing a New Education and Training Model (NETM) as a pilot in partnership with industry, government, universities and training providers. The NETM pilot will deliver micro-credentials aligned to employer needs in the</p>

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		<p>Western Parklands and may provide a model for facilitating workforce redeployment.</p> <p>The work of the Electricity Infrastructure Jobs Advocate will also contribute towards promotion of employment opportunities within the renewable energy sector.</p>
	<p>3.3 Develop a Renewable Energy Sector Skills and Training Strategy that addresses key short-term and long-term skills and labour gaps in the market</p>	<p>This recommendation is supported.</p> <p>The NSW Government is supporting skills and training needed to meet the growing demand for workers in the renewable energy sector. The Department of Education’s workforce skills audit for the NSW renewable energy sector will support implementation of this recommendation. From mid-2022, TAFE NSW will offer a Diploma of Renewable Energy Engineering along with new micro-credentials aligned to high-demand jobs, including in solar, energy storage systems, and wind technology. Micro-credentials may be particularly important for addressing skills and labour gaps.</p> <p>TAFE NSW has a range of additional programs that support this recommendation, such as initiatives to promote higher apprenticeships, traineeships and school-based pathways and to develop training and innovation hubs. Existing skills and training strategies from similar industries may provide a model, such as the TAFE NSW Electric Vehicle Training Solution, or the NSW Institute of Applied Technology for construction pilot program. Training Services NSW can also support employers and Registered Training Organisations (RTOs) other than TAFE to develop training solutions. The NSW Skills Board also advises Government on skills and training and would play a role in the development and delivery of any skills and training strategy for the sector.</p> <p>EnergyCo is working with the Department of Education and other stakeholders to identify training and skills opportunities in the REZs to support local employment in the renewable energy sector.</p> <p>The work of the Electricity Infrastructure Jobs Advocate will also contribute towards addressing skills gaps and improving the coordination and accessibility of training.</p>
	<p>3.4 Establish a nationally recognised training program for the transmission construction workforce</p>	<p>This recommendation is supported in principle.</p> <p>The NSW Government notes that the development, accreditation and regulation of national training programs is the responsibility of the Commonwealth Government. Training package development, accreditation and regulation is governed by national bodies, such as the Australian Industry and Skills Committee (AISC), Industry</p>

Theme	Board’s advice	Government response
		<p>Reference Committee (IRC) and Australian Skills Quality Authority (AQSA).</p> <p>The NSW Government will explore options to build the skilled workforce for the transmission construction sector. This could include upskilling workers from related sectors, micro-skill programs or customised training and attraction programs to build talent pipelines and workforce diversity. Any training program, including alternate pathways, would be designed to ensure the continued high standards and skills required to undertake work for the safety of workers and consumers, particularly noting the complexity and risks associated with any electrical work. Skills Service Organisations, which work with industry and training bodies to ensure training programs align with industry needs and are future focused, may be well placed to support implementation.</p> <p>TAFE NSW’s Industry Innovation Specialist Team can support this recommendation by leveraging existing relationships with NSW distribution and transmission network service providers.</p>
	<p>3.5 Improve employment and economic participation opportunities for underrepresented groups</p>	<p>This recommendation is supported.</p> <p>The NSW Government supports a range of existing initiatives to improve employment and economic participation opportunities for underrepresented groups, including women and First Nations people. For example, the Department of Regional NSW has Regional Aboriginal Partnership Officers who could assist with the implementation of some of the proposed actions. Skills NSW’s Barranggirra skilling for employment initiative and the Aboriginal Outcomes Strategy may also support implementation of the recommendation.</p> <p>The Trade Pathways Program (TPP) has been developed to increase participation and opportunities for under-represented groups, with objectives including increased participation of women in trades and the mitigation of cultural and societal barriers. The TPP address skills shortages through establishing alternative pathways to trades and increasing the representation of women in trades. Trade Pathways for Experienced Workers also enables the advancement of experienced but unqualified workers through recognition of Prior Learning (RPL) and gap training. The Trade Pathways Women in Trades Strategy 2021-2024 seeks to increase the participation of women in trades through new and innovative approaches.</p> <p>The Government also supports the Construction Industry Culture Taskforce, which is developing a Culture Standard particularly focused on increasing female participation in the construction workforce. The Taskforce is a collaboration between the Australian</p>

Theme	Board’s advice	Government response
		<p>Constructors Association, the NSW and Victorian governments and leaders from industry and academia.</p> <p>Training Services NSW can connect employers and employees with a range of support services, such as Disability Employment Support providers and the Refugee Employment Support Program, as well as building pathways to work, fee-free training and extra learning support for some underrepresented groups.</p> <p>The work of the Electricity Infrastructure Jobs Advocate will also contribute towards creating opportunities for underrepresented groups to participate in the renewable energy workforce.</p>
<p>Funding priorities for REZ access fees</p>	<p>The Board recommends the Consumer Trustee and EnergyCo prioritise recommendation 2.3 and 3.2 in the allocation of funds from the access fees.</p>	<p>This recommendation is supported in principle.</p> <p>The Consumer Trustee will determine the amount payable for access fees and the composition of the fees, including a component for community purposes, a component for employment purposes and any other purposes. An Employment Purpose Advisory Committee has been established to advise the Consumer Trustee on setting the employment purpose component of the access fees. EnergyCo will establish a process for disbursing REZ access fees for these purposes.</p>