

Submission
No 8

**INQUIRY INTO IMPACT OF RENEWABLE ENERGY
ZONES (REZ) ON RURAL AND REGIONAL
COMMUNITIES AND INDUSTRIES IN NEW SOUTH
WALES**

Organisation: Dungog Shire Council

Date Received: 20 December 2024



18 December 2024

Ref: 24/32963

Alex Stedmen
The Director Committees
Portfolio Committee No. 4
Parliament House
Macquarie Street
Sydney NSW 2000

Email: portfoliocommittee4@parliament.nsw.gov.au

Dear Mr Stedmen,

Re: Inquiry into the impact of Renewable Energy Zones (REZs) on rural and regional communities and industries in New South Wales

Introduction

Dungog Shire Council welcomes the opportunity to contribute to the NSW Parliamentary Committee Inquiry regarding Renewable Energy Zones. The Council supports the objectives of the Hunter-Central Coast REZ and recognises the potential benefits it can bring to the region through renewable energy generation, economic growth, and community development. However, the Council seeks further clarity on how the REZ will apply to and benefit Dungog Shire and its communities.

Understanding the Renewable Energy Zone boundaries

The draft geographical area for the Hunter Central Coast REZ was developed through a process using data mapping layers, industry engagement, and stakeholder consultation, factoring in land-use, environmental, and heritage impacts.

However, additional consultation with Dungog Shire communities is recommended, as some may not fully understand their inclusion in the REZ, especially given the current lack of electricity network capacity in the area.

Ensuring community awareness is essential to maintain social licence and minimise adverse land use impacts. This is particularly important since, under the Electricity Infrastructure Investment Act 2020, the Minister may only amend to expand, and not reduce, the area of a REZ. The Minister also cannot repeal a declared REZ.

Community and Local Government Concerns

Dungog Shire Council remains concerned with the transparency and inclusiveness of the ongoing planning and implementation across the Hunter-Central Coast REZ. As progress has focused on the Waratah Super Battery Project, the "Deliver Now" works in the Upper Hunter and the Hunter

and New England Transmission Projects, there is limited clarity on how Dungog's communities will benefit from the REZ's infrastructure and associated projects. It is understood that other regional councils have had negative experiences in understanding community implications of REZ's, in that council did not have the appropriate internal expertise or funding to negotiate voluntary planning agreements that align with community needs and expectations. Further, road classification is also a key consideration for Dungog Shire Council as there are currently no State Roads in the Shire and the only Council in NSW with no state road classification.

As such, it is unreasonable that a REZ overlay be imposed on Dungog Shire Council where related traffic generation would use regional and local roads at the cost of council and rate payers to manage and maintain. Further, the fluctuations in employment and related housing demand as a result of the REZ is also a concern for Council, whereby the economic benefit to local community and local housing needs is not fully understood at this stage. Consequently, further consultation with Council is necessary to fully understand how all levels of government can work collaboratively to ensure current and future community needs are catered for as the implementation of Hunter REZ continues.

It is also noted that a meeting was held by various levels of Government in Singleton earlier this year in which the REZ was discussed. However, Dungog Shire Council was not invited despite being directly affected by the REZ overlay and Council will raise this lack of communication with relevant levels of Government.

Council is also keen to see details of the environmental impact statement outlining the planning for infrastructure works, which will provide insight into the practical application of the REZ. The council anticipates this will offer much-needed information after the expressions of interest received for large-scale renewable energy generation and storage projects in November 2023. Other concerns outlined in the draft submission include:

- More clarity required on the Community and Employment Benefit Program:
- Guidelines in regards Connection Infrastructure and how Dungog Council can leverage same in ensuring that projects connecting to REZ network infrastructure have the support of the community.

Community and Employment Benefit Program

Council is particularly focused on the roll-out of a community and employment benefit program. With the recent announcement of \$128 million in funding for the Central-West Orana REZ, council urges the NSW Government to provide similar levels of investment in the Hunter-Central Coast REZ.

This program would presents a unique opportunity for regional communities like Dungog to receive lasting benefits through improved local infrastructure, enhanced liveability, and job creation.

Council also seeks assurances that regional communities within the REZ, including Dungog, will be prioritised in these investments, particularly in the form of funding for infrastructure projects that will enhance local economic development and community amenity.

Connection Infrastructure Guidelines

Another area of interest for the council is the finalisation of guidelines concerning orders that prohibit connection network infrastructure in REZs. Exhibition of draft guidelines was in June 2022 and it is time to finalise. Energy Corporation NSW has an important role in ensuring that projects connecting to REZ network infrastructure have the support of the community.

Council supports the provision that allows the prohibition of projects without adequate community backing, but calls for clear, transparent guidelines to be finalised as soon as possible.

Conclusion

Dungog Shire Council is supportive of the Hunter-Central Coast REZ and its potential to deliver sustainable, renewable energy to NSW. However, there remain concerns about how the benefits of this REZ will flow to local communities like those within Dungog. Council looks forward to receiving further clarity on the planning approvals, a community and employment benefit program, and guidelines governing connection infrastructure.

Should you have any further questions regarding this matter, please contact Trevor Ryan, Director Planning and Environment .

Yours faithfully

Gareth Curtis
GENERAL MANAGER