

Submission
No 45

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

Organisation: Mid-Western Regional Council

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NSW Legislative Council's Portfolio Committee No. 4 – Regional NSW
Inquiry into the impact of Renewable Energy Zones (REZs) on rural and regional communities and industries in NSW

Submission by

Mid-Western Regional Council

31st of January 2025

Submission to the Upper House Committee Number 4 Inquiry into the Impact of Renewable Energy Zones on Rural and Regional Communities and Industries in NSW.

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Region Represented: Mid-Western Regional Council Local Government Area (LGA) and the Central-West Orana Renewable Energy Zone (CWO REZ).

Mid-Western Regional Council thanks the Portfolio Committee No. 4 for the opportunity to table a submission on the impact of Renewable Energy Zones ('REZs') on the rural and regional communities and industries in NSW.

Council requests that the submission and its name be published on the Committee's website.

Introduction

The Mid-Western Regional Council, Local Government Area (LGA), is in the Orana region of NSW, and is characterised by its strong agricultural base, renowned wine industry, and growing tourism sector. As the Orana region grapples with the rollout of the Central-West Orana Renewable Energy Zones (CWO REZ), local communities and industries face significant challenges. While the transition to renewable energy is vital for New South Wales, the development of the CWO REZ in the Mid-Western Region (MWR) must balance energy goals with the social, economic, and environmental wellbeing of the local area. To date this balance has not been met and the region has experienced disruption, negative impacts, and ongoing uncertainty of being in the centre of a Renewable Energy Zone (REZ).

This submission outlines the significant impacts of REZs experienced to date and the anticipated impacts on additional development associated with the REZ on rural and regional communities and industries, with a focus on the Mid-Western Regional Council LGA.

(a) Current and projected socioeconomic, cultural, agricultural, and environmental impacts of projects within REZs in New South Wales, including the cumulative impacts.

The Mid-Western region has experienced first-hand the impact of multiple renewable energy projects being developed simultaneously, along with the negative social impacts that arose when such developments were undertaken in an unplanned and unorganised manner.

In 2023/24, the Mid-Western LGA had two large solar projects under construction with a workforce of over 800 people in peak construction. These projects did not have organised accommodation for their workforce that was over 90% imported into the region. The outcome of this was a 19% surge in rental prices across the LGA from an average of \$619 in 2023 to \$737 in 2024. Local families were displaced from long term rentals as investors aimed to capitalise on raising rents for short term workforce who could place multiple people into dwellings.

In the July-September 2024 quarter, the Mudgee Health Service experienced a 7.7% increase in emergency presentations (compared to the same period in 2023) to a total of 4,524. This put greater pressure on an already stretched medical resource.

Accommodation designed for tourists and visitors in the region was continuously exhausted by workers with lower disposable income than traditional tourists to the region. Immediate impacts were seen by local businesses servicing the tourism industry, as beds typically available for tourists were utilised by project workers. The region has heavily invested in tourism over the past 10 years to build

an industry that can support the local economy into the future as coal mining operations decline. By removing tourism beds from the local economy, the tourism industry cannot sustain momentum and continue to grow as a future industry. Further, the projected impact on visitation to the region as a result of ongoing land use changes and view loss is anticipated as the REZ continues to develop.

Other social, economic, and cultural impacts that were experienced in the region over the period of construction of the two solar projects included:

- Increased waste disposal issues.
- Increased pressure of liquid waste facilities (sewage).
- Increased demand on potable and non-potable water supplies. In some instances, we have found illegal access to water sources.
- Change of social fabric in the region's towns.
- Increased complaints of poor driving and road use.
- Housing and rental market pressures. In just two years (June 2022 to June 2024) the median weekly rental price for houses in Gulgong increased 31% (\$130) from \$420 to \$550. In this same period, the median weekly rental price for houses in Mudgee increased 10% (\$50) from \$500 to \$550. In just two years (June 2022 to June 2024) the median purchase price for houses in Gulgong increased 27.8% (\$130,000) from \$467,000 to \$597,000. In this same period, the median purchase price for houses in Mudgee increased 3.8% (\$25,000) from \$655,000 to \$680,000.
- Impacts on rural lifestyles and community identity.
- Community stress due to the uncertainty of future renewable energy development within the Region.

The above impacts have been experienced first-hand from two renewable energy projects that were under construction at the same time. Council is extremely concerned as to the future impacts of up to 30+ major Renewable Energy projects happening within or surrounding the LGA consecutively.

Council draws attention to the cumulative impact assessment report prepared in late 2023 by PwC for Council (accessed here:

<https://www.midwestern.nsw.gov.au/files/assets/public/v/1/development/mwrc-managing-the-impacts-of-ssd-final-v.01.pdf>).

This report highlights the following potential key cumulative impacts for the LGA:

- Housing: Up to 1,493 additional dwellings required in peak construction (2026); a median of 519 additional dwellings per annum from 2023-2041.
- Roads: Maintenance cost increases from \$4,731 to \$13,270 per km between FY22 and FY26.
- Waste: Up to 7,428 additional tonnes of domestic waste forecasted in 2026.
- Sewage: Up to 5,000 additional residents in peak construction, producing up to 524 megalitres of wastewater.
- Ambulance Services: Up to 30 additional paramedics required, with a median need for four additional paramedics ongoing.
- General Practitioners (GPs): Up to eight additional GPs required during peak construction.
- Hospital Beds: Up to eight additional Emergency Department (ED) bay spaces and seven nurses required, with 5,085 additional ED presentations in 2026.
- Policing Needs: Increased due to traffic incidents and potential accommodation camp-related issues.

The above impacts have not been planned for and there has been no support provided by the NSW Government to manage these impacts. To date, Council has had to manage these potential impacts alone. In some cases, Council have been unable to find solutions to such impacts, such as the additional demand for GPs, which has resulted in existing GPs closing their books to any new patients, regardless of whether they are permanent residents within the region. It is noted that some cumulative impact studies are currently taking place by the NSW Government, however no solutions or funding for solutions have been resolved.

By being designated as part of a REZ, we have experienced the following to date:

I. Significant Community Division in our region:

Renewable Energy projects have led to tensions within communities, particularly between landholders hosting infrastructure and those affected indirectly. Council has received numerous complaints and request for meetings to assist in resolution or to advocate for support. Social cohesion has been further strained by disputes over financial compensation and land use changes.

Renewable energy projects have been felt to disrupt the area's rural character, diminishing the appeal of the region for both residents and visitors.

II. Disruption to Rural Lifestyles:

Noise from wind turbines, construction activities, and operational facilities have led to disrupted tranquillity of rural communities. Council has met with community members who are distraught at the impact of infrastructure on surrounding lands, however, Council can offer limited solutions to this problem.

III. Increased Pressure on Housing and Services:

The short-term population influx during the construction phases for two REZ projects drove up housing costs, leading to shortages for local residents. Council forecasts this problem to increase significantly as multiple new projects are approved and commence construction at similar times. The strain on healthcare, education, and other public services further worsens community challenges.

It is strongly suggested the PwC report noted above be reviewed, as this provides a well-rounded overview of the ongoing challenges our community will face.

IV. Land Use Conflicts:

Renewable Energy projects require extensive land, leading to disjointed and often isolated parcels of agricultural land and disruptions to conservation areas. Council have seen land previously protected for biodiversity purposes, now developed due to 'critical infrastructure.'

Farmers have reported transmission line plans will make farming difficult and less profitable, with lines crossing paddocks and areas utilised for production.

Within the region, approximately 64% of land (5,601 square kilometres [sqkm]) is used for agricultural production purposes. This includes land use categorised for grazing or pasture, cropping, horticulture, animal production or forestry production. The majority of land use within the LGA is for grazing of native vegetation, which comprises over one-third (2,917sqkm) of all land within the region.

Currently, over 8% of the agricultural land in the region is expected to be repurposed for Renewable projects and the transmission lines. This is 448sqkm of land and will result in a reduction of available grazing and cropping areas in the region. Further, there is limited consideration within these SSDA's as to how agricultural land may be 'returned' following the decommissioning of a solar farm. This leaves landowners and Council uncertain of the potential future challenges that may arise should such infrastructure be decommissioned.

The social fabric of farming communities has already been impacted greatly by the displacement of workers and families. The lack of coordinated planning for these projects has exacerbated these socio-economic challenges, potentially leading to a decline in the region's agricultural sustainability and long-term economic health.

V. Biodiversity Loss:

A critical issue with the current biodiversity offset frameworks is the lack of requirement for offsets to be located within the same region as the impact. This approach undermines the ecological integrity of the REZ and the surrounding environment. The displacement of biodiversity offset sites to other regions does not mitigate the loss of habitat and ecological value in the affected area.

Further, large-scale clearing fragments ecosystems, disrupts migration corridors, and endangers native species, resulting in significant, and potentially irreversible impacts for the Region.

VI. Water Resource Strain:

Renewable energy projects consume large amounts of water during construction and (for some), operation, affecting already stressed water supplies. Council does not have current capacity to provide sufficient potable or raw water supplies. Since 2022, Council has advocated to government about the upcoming stress on water supplies for the CWO REZ, however, to date no solution has been finalised. Council can only produce enough potable water to meet the needs of the current population. Unless significant upgrades to Water Treatment Plants take place, all potable water (drinking water) will need to be transported into the region by truck, putting further strain on local roads. Work to update Water Treatment Plants can take place, however no funding has been provided to do so. Further, there has been no consideration or mitigation measures implemented should the region enter a period of drought.

Council have provided solutions to the provision of raw water for construction purposes to a number of projects, however, to date no projects (including ACEREZ delivering the transmission line project) have taken this discussion further. Most proponents are indicating that they will drill bores to access raw water which leads to further concerns about impacts to water tables in farming communities and the ongoing viability of agriculture in the region.

The drilling of bores also has the potential to result in significant groundwater impacts including groundwater vulnerability, impacting the potential future use of the site. There are already significant areas within the region mapped as groundwater vulnerable which have implication for future development.

There are also increased risks of construction runoff contaminating local waterways with the significant volume of projects planned in the region. These risks are being managed at an individual project level; however, such impacts of multiple projects are unclear.

Current and future strains on small towns, such as Gulgong

The small and historic town of Gulgong (population 2,057 as at the 2021 Census [source: Australian Bureau of Statistics/ABS]), is situated in the heart of the CWO REZ, has no doctors, and only one main street, one pharmacy, and small supermarket (IGA) to serve its residents. As there will be up to an additional 5,000 residents in the region in peak construction, it would only take 2,057 of these new residents/workers to increase Gulgong's population by 100% (to 4,114). These thousands of new residents/workers would put a dire strain on Gulgong's existing residents, businesses, and services. It would be highly likely that the small town will struggle with the significant influx of new people, and therefore not meet their needs/demands along with those of existing residents.

Gulgong's population continues to grow naturally (not considering the CWO REZ) as demonstrated by its 1% average annual population increase from the 2016 Census to 2021 Census. A significant increase in the town's population would further increase Gulgong residents' weekly rental costs as new and existing residents battle to secure any available rental properties. There were 228 rented (and occupied) private dwellings (28.5% of all occupied private dwellings) in Gulgong as of the 2021 Census. In just one year (June 2023 to June 2024) the median weekly rental price for houses in Gulgong increased 22.2% (\$100) from \$450 to \$550. Based on the 228 rented private dwellings, this \$100 median weekly increase resulted in a total combined increase of \$22,800 in weekly rent (and a total combined increase of \$1,185,600 in yearly rent) from June 2023 to June 2024 for residents who rented. It is important to note that the median weekly rental price (for houses in Gulgong) is currently \$585 (January 2025 – source: realestate.com.au); an all-time high. This figure will only increase due to a significant increase in the towns' population. Further, Council is aware of instances where landlords throughout Gulgong have been asked to consider terminating their lease with existing tenants, who are often local families, and lease their property to companies associated with the REZ projects. For landlords, they can often double potentially triple their rental return, however, for local families, this can result in ongoing displacement, particularly detrimental to vulnerable members of the community.

Further, Gulgong has an ageing population (461 residents aged 65+ at the 2021 Census [a 12.4% increase (51 residents) from the 2016 Census]) who require all the limited services that the town currently provides. The town will not be able to meet their needs if the population significantly increases (as per the above) due to nearby CWO REZ projects. At the 2021 Census, a minimum of 686 Gulgong residents (33.3% of residents as of the 2021 Census) identified having at least one long-term health condition. This number is likely higher now given the town's ageing population who need the limited health services that the Gulgong Multipurpose Service can provide are unable to access the health services they need.

A significant increase in the small town's population would put a further strain on Gulgong's ageing residents and the Gulgong Multipurpose Service and could potentially result in dire outcomes for permanent residents.

(b) Current and projected considerations needed regarding fire risk, management, and containment, and potential implications on insurance for landholders and/or project proponents.

Council is concerned with increased fire risks in the region. Many of the projects will be located in fire-prone areas and elevate the potential for bushfire risks.

The community have expressed concerns regarding:

- Proximity of renewable energy projects to agricultural and grazing land, increasing the risk of fires spreading to neighbouring properties.
- Most renewable energy sites do not have on-site firefighting equipment, which increases the risk of fires escalating before assistance can arrive.

- Some of the projects are in remote and difficult-to-access areas, making firefighting efforts more challenging, increasing risk of fire spreading onto their properties.

Council has received several concerns from the community regarding insurance. At this point in time, we have been unable to receive clear guidance on this issue to share with landholders. Concerns we have heard include:

- Landholders near renewable energy projects may face higher insurance premiums due to increased fire risks.
- Landholders can only achieve or afford a certain level of insurance on their property and public liability cover; however neighbouring developments are valued significantly higher than achievable insurance. There is no clarity on what happens if an incident on a private landholder's farm takes place (e.g. fire from tractor work) and spreads to a major development with millions of dollars in damage. Farmers are deeply concerned about risks of bankruptcy etc. Further, several landholders in the region do not permanently reside on their properties (farmlands) and thus are concerned about risks that cannot be managed in a quick and timely manner.
- There are no clear guidelines on liability and compensation for fire-related damages.
- The anxiety surrounding potential financial losses due to fire risks, particularly in relation to insurance coverage and liability, is having a negative impact on the mental health of landholders, worsening the stress experienced by the farming community.

(c) The historical, current, and projected future financial costs associated with construction and maintenance of large-scale projects within REZs.

Council is deeply concerned about the long-term financial implications of being in the centre of the REZ. Whilst short term costs (such as road construction related to individual projects) are being managed through the approval process, the long-term costs have not been considered and will become a liability for local councils.

Council is concerned with long term road damage and increased maintenance costs to be funded by local rate payers from:

- Ongoing heavy vehicle transport creating significant wear and tear on local roads.
- Rural roads, that have not been designed for Oversize Over Mass (OSOM) vehicles, require expensive upgrades and will be left for Councils to maintain in the long term.
- Unapproved shortcuts and misuse of non-designated transport routes: Contractors and locals seeking to avoid traffic congestion or restrictions on designated routes may use unapproved shortcuts. While this may seem like a temporary solution, it has the potential to cause further damage to roads that were not built to support heavy or frequent traffic and will have to be fixed using ratepayers' money.
- Roads that have previously been unsealed or low maintenance priority to council will now require ongoing maintenance and management.

(d) Proposed compensation to regional New South Wales residents impacted by REZ transmission lines

Council has two concerns in regard to compensation to NSW residents impacted by transmission lines:

i. Adequacy of Compensation:

- Financial benefits have been concentrated among a few landholders, leaving many without compensation.
- The Mid-Western Region is disproportionately impacted, hosting 83.6% of the 500kV transmission line and 40.2% of the 330kV transmission line, yet compensation distribution remains equal across 4 Councils in regard to Community Benefit Fund allocation.

ii. Adequacy of shared benefits offered to neighbours of large-scale renewable projects:

- Neighbours of Renewable energy project infrastructure receive little to no compensation despite concerns around both direct and indirect impacts such as disruption to daily life for periods of construction, change of rural landscape viewed each day, fears of reduced property values and increased insurance costs.

(e) Adequacy and management of voluntary planning agreements and payments made to the LGAs impacted by REZs.

Voluntary Planning Agreements are crucial to ensuring impacted LGAs receive compensation for disruption and long-term impacts of hosting renewable energy projects. Whilst recently released Guidelines from Department of Planning assist in the development of VPAs, Council remains concerned that some proponents are hesitant to support these and/or attempt to dictate how or where funds are spent.

It is important that individual Councils can direct funds in the most meaningful manner, not in ways a proponent interprets may provide the most community awareness. It is important to recognise VPAs are not a marketing tool for proponents to promote their brand or project, rather are funds to assist Councils in delivering benefits to communities for the broadest or most needed impact.

Following the Integrating Planning and Reporting Framework (IP&R) Councils must engage with communities on a regular basis and ensure all funds are spent in appropriate manners. Mid-Western Regional Council continues to reiterate to proponents that VPA funds will be spent in line with delivering the regions Community Plan (Council's highest level strategic document).

Amounts outlined in the Guidelines are not consistent with Council's position which is that Council should receive:

- \$1050/MW for Wind Generating Projects
- \$850/MW for Solar Generating Projects
- \$650/MW for BESS (not \$150/MW as proposed by Guidelines)

Council believes a standard for Pumped Hydro funding should be determined in consultation with the affected Councils to ensure proper consideration of local impacts, these should be published in updated guidelines as these projects are also extensive and have considerable impacts on communities. Additionally, there was no consultation regarding the proposed BESS funding in the Guidelines.

Further Council believes developers must be required to contribute to infrastructure maintenance, road repairs, and environmental restoration. There are no planning triggers to support this currently leaving rate payers to fund this financial burden.

(f) Current and projected supply and demand levels of manufactured products, raw materials, and human resources required for completion of REZs and their source.

Council has actively communicated that there is a low economic return for regional communities hosting large scale renewable energy infrastructure. The majority of proponents are global companies and profits are not returned to the local community. Further, when Council has engaged with proponents in regard to potential local manufacturing of components this has been met with poor response, as all components are imported from international markets.

The Mid-Western Region has a strong history in mining operations and hosts a number of local businesses who tool for and produce products and services for the local mines. A number of businesses have advised they would be capable of re-tooling equipment to meet the needs of component manufacturing for renewable energy projects, however without coordination, it is difficult for these businesses to forecast demand and determine whether to make investments of >\$1m. The NSW government should provide assistance in this area and help local businesses become part of the supply chain.

The Mid-Western region has a low unemployment rate (only 1.8% as at the September 2024 quarter – latest data [source: Jobs & Skills Australia]). Looking specifically at Gulgong and Mudgee, their respective unemployment rates are even lower at 1.5% and 1.7%. The region has three large mines which are major employers (in total they employ approximately 18.9% [2,217 workers] of the region's workforce [11,716 source: REMPLAN Economy]). The availability of a local workforce for the Renewable Energy projects is therefore highly unlikely given unemployment data, the availability of other jobs (including other higher paying jobs [i.e. mining]) in the region, and the shortage of skilled workers in the region (already realised).

The renewable energy projects provide a significant number of short-term construction jobs however very little long-term jobs for the region.

There are opportunities for local businesses to be suppliers of these major projects and in doing so there will be flow-on effects of employment and growth in the economy. However, to date this has been met with varying outcomes, with examples of local crane companies tendering for projects, however companies from outside the LGA have been brought into provide services.

A LGA Local Preference Policy (or at least CWO Local Preference Policy) should be adopted for local projects. To date, 'local' for current and planned SSD projects is defined as NSW or Australia, and this does not support the local economies greatly impacted by these projects.

Council is also concerned that increased demand for construction workers and technicians by the projects will potentially lead to local skill shortages in other essential industries.

(g) Projected impact on visitation to regional areas with REZs resulting from changes to land use.

Council is concerned with the displacement and impact on the tourism Industry due to:

- The number of visitors to the region is anticipated to reduce due to the impact of the REZ/SSD projects due to reduction in bed capacity for the region. The region receives

691,000 visitors per year (source: Tourism Research Australia). Just a 10% decrease in visitation (69,100 visitors) will result in a major negative effect on the region's tourism jobs and industry which has already seen a decline in visitation since 2023. A loss of 69,100 visitors would result in a loss of \$40.6 million of expenditure in the region along with a loss of 244 jobs and \$60.2 million of economic output (source: REMPLAN Economy).

- Council is also concerned that the loss of scenic landscapes and rural character could also potentially deter visitors. The region's beautiful scenery (including scenery located at and viewed from local wineries) will be negatively impacted by renewable energy projects, and their outputs (i.e. solar panels and wind turbines) will deter tourists from visiting the region and its attractions (including wineries that are already suffering from recently reduced visitation).
- Noise and visual pollution from turbines and transmission lines may also negatively impact tourism.

(i) Adequacy of community consultation and engagement in the development of REZs, and associated projects.

The Mid-Western region has experienced both inadequate community engagement (from Government and projects) as well as confusion, overwhelm, and consultation fatigue. Due to the sheer volume of projects, the community are confused about which project is which and what impacts are. For example, we have a single road in the LGA with 4 different projects adjoining.

The EnergyCo maps published have been incomplete (missing some projects) and at times include projects that are not going ahead by determination of the Land & Environment Court.

Residents also report limited consultation opportunities with many projects, who set up stands or activities in the middle of the workday, in locations people do not work. Poor communication and promotion of activities has also impacted community engagement.

It should be noted also that NSW Government Planning Portal is difficult to navigate for non-specialists. This means that community members can find it difficult to find relevant information.

(j) How decommissioning bonds are currently managed and should be managed as part of large-scale renewable projects.

At present, the management of decommissioning bonds for large-scale renewable energy projects can vary significantly. Incorporating enforceable decommissioning bonds into the planning and development process for renewable energy projects is essential for ensuring that developers bear the full financial responsibility for the costs associated with decommissioning and land rehabilitation.

(k) The role and responsibility of the Net Zero Commission and Commissioner in addressing matters set out above.

Council believes the role of the Net Zero Commission and Commissioner is to provide oversight and accountability:

- The Commission must ensure fair distribution of benefits and transparent project assessment.
- Independent oversight of community engagement and compensation processes is necessary.
- Ensure all proponents deliver what is agreed with all levels of government.

(I) Any other related matters.

Impact on local Council's and staff

Mid-Western Regional Council would like to highlight the significant impact and burden that being part of a dedicated REZ has become for Council and Council Staff.

Council staff are actively engaged with over 38 SSD projects, at various stages of the approval cycle. Staff are required to meet with proponents, review Scoping reports, EIS's, response to submissions, research reports and hundreds of management plans in a timely manner to ensure appropriate oversight on behalf of the local community.

Whilst EnergyCo, Department of Planning, ACERREZ and the proponents have hundreds of staff in specialists' roles dedicated to delivering this, Council has one additional resource (funded by EnergyCo to help manage the impact). This is not enough.

The increasing demands on Council staff due to the workload associated with the REZ is placing considerable strain on employees. Staff are required to review multiple complex and technical documents, attend frequent and often high-pressure meetings, and ensure strict compliance with regulatory frameworks—all while balancing their usual responsibilities. These pressures have led to heightened stress levels, reduced job satisfaction, and an increased risk of burnout.

Further, there are ongoing pressures from the community for Council to do something about the approval of these projects given the current and anticipated impacts on the community. However, Council are in the unfortunate position that no matter how many internal resources are utilised in an attempt to minimise or mitigate impacts associated with the REZ, the uncoordinated and rapid development of the REZ will continue to place immense strain on housing, infrastructure, essential services, and the social fabric of our region.

Local councils desperately need greater support.

How much is enough when it comes to renewable energy projects in the Mid-Western Regional Council area?

Right now, there is no clear answer to this question because there is no strategic plan outlining the percentage of the LGA that will be allocated to renewable energy development. Without a defined limit or coordinated approach, projects continue to be proposed with no regard for cumulative impacts on the landscape, local infrastructure, or communities. Despite the region already hosting a significant share of large-scale wind, solar, and transmission projects, new proponents are actively engaging landholders for future developments, raising concerns about long-term land use, agricultural displacement, and visual impacts. The recent headroom assessment, which increased grid capacity, is now driving even more interest in Battery Energy Storage Systems (BESS), further accelerating development without a structured plan in place. Until there is a clear strategy that considers the balance between renewable energy and other land uses, the region risks becoming overcome by renewable projects.

Recommendations: Detailed Actions and Implementation Measures

To address the challenges associated with Renewable Energy Zones and their impacts on rural and regional communities and industries, the following measures are recommended:

1. Comprehensive Impact Assessments

Independent and Transparent Assessments:

- All renewable energy projects must undergo independent environmental, social, and economic impact assessments conducted by impartial third parties rather than developers or their contractors.
- Establish a government-appointed review body to oversee the accuracy, impartiality, and comprehensiveness of these assessments.

Cumulative Impact Consideration:

- Assessments must evaluate the cumulative effects of multiple renewable energy projects in a region (approved or not approved), considering overlapping impacts on infrastructure, communities, and ecosystems. Also consider projects that may not sit in the 'mapped REZ' however sit within the LGA.
- Include modelling of long-term impacts over the lifecycle of the project, from construction to decommissioning. This must include social issues such as impact on services from medical, police and schooling, through to access to parking and impacts on roads.

Public Access to Findings:

- All impact assessments should be made publicly available through a transparent and easily accessible online portal.
- Include clear summaries for community members without technical expertise, alongside detailed reports for policymakers and stakeholders.

2. Enhanced Compensation Frameworks

Fair and Consistent Compensation Models:

- Establish state-wide standards for compensation that account for direct impacts (such as loss of land or hosting infrastructure) and indirect impacts (such as reduced property values, noise pollution, or diminished access to local resources).
- Compensation rates should reflect the market value of affected land and long-term loss of usability or amenity.

Equitable Distribution of Benefits:

- The Mid-Western Region is disproportionately impacted by the transmission project, hosting a substantial 83.6% of the 500kV transmission line and 40.2% of the 330kV transmission line. In stark contrast to Mid-Western, Dubbo Regional Council accommodates only 2% of the 330kV transmission line and none of the 550kV line. The Upper Hunter Shire has an area of 1.9% of the overall CWO-REZ area, however Mid-Western Regional Council understands all LGAs are receiving an equal share of the Community Benefit Legacy Infrastructure funding regardless of the impacts being significantly varied between regions.
- Transparency in Compensation Processes - Establish an independent arbitration body to mediate disputes between developers and affected residents regarding compensation adequacy.

3. Infrastructure and Financial Support

State Funding for Councils:

- Allocate state government funding to assist councils in upgrading waste/sewage management systems, and expanding utilities, in particular recycling water, to meet the increased demand from REZ developments. Currently, Council is in a position where infrastructure is having to be bought forward to respond to the REZ, resulting in additional unexpected financial burdens on Council and rate payers.
- Ensure funding aligns with regional development priorities and addresses both short-term construction impacts and long-term operational needs.
- Funding for affordable housing projects should be available to mitigate housing shortages caused by REZ workforce demands.
- Provide funding for the employment of professionals within Councils to manage the workload created by being part of a REZ.
- Funding to increase recycling capacity in the region.

Developer Contributions:

- Mandate legally binding agreements requiring developers to contribute to
 - Ongoing infrastructure maintenance (e.g., road repairs, water supply systems).
 - Environmental restoration projects to offset ecological damage within the regions.
 - Update VPA funding guidelines in line with Council's proposal above.

4. Stronger Community Engagement

Mandatory Consultation Processes:

- Require developers to engage with communities early in the planning stages and maintain ongoing dialogue throughout the project lifecycle.
- Engagement must include public meetings, workshops, and opportunities for residents to provide input into project designs and mitigation plans and be held when the community is able to attend not always during the middle of the day.
- NSW Government to provide 'big picture' community engagement activities. Government should be sharing information on cumulative impacts, share maps of where ALL projects are planned and proactively engage with community on how to manage cumulative impacts. Engagements should take place across the full LGA not in small town closest to infrastructure as this is not where all impacts are felt.

Transparent Communication:

- Ensure all project details, including potential negative impacts and mitigation measures, are communicated clearly and honestly to the community.
- Provide updates on project progress, changes, and outcomes through accessible channels, such as newsletters, websites, and social media.

5. Decommissioning and Waste Management Plans

Incorporating enforceable decommissioning bonds into the planning and development process for renewable energy projects is essential for ensuring that developers bear the full economic responsibility for the costs associated with decommissioning and land rehabilitation.

Enforceable Decommissioning Bonds:

- Require developers to lodge financial bonds with the state government before project commencement. These bonds should cover the full cost of decommissioning infrastructure and restoring the site.
- Bonds must be reviewed periodically to ensure they reflect current market rates for decommissioning.

Comprehensive Waste Management Plans:

- Mandate detailed plans for the disposal and recycling of renewable infrastructure, including solar panels, wind turbines, and transmission lines.
- Prohibit the export or landfill disposal of hazardous materials, ensuring they are processed through certified recycling programs.

Post-Project Rehabilitation:

- Require developers to restore land to its original or agreed-upon condition after decommissioning, with ongoing monitoring to ensure ecological recovery.

6. Fire and Water Management Strategies

Fire Risk Mitigation Plans:

- Develop and enforce robust fire management strategies for REZ projects, including:
 - Sufficient mobile fire-fighting equipment onsite always as deemed appropriate by the Rural Fire Service.
 - Emergency response plans tailored to bushfire-prone regions.

Monitoring and Reporting:

- Require developers to conduct ongoing monitoring of fire risks, with regular reports submitted to local councils and state authorities.

7. Biodiversity Loss and Offsetting

Implement a "Local Offset Requirement" within the REZ framework, mandating that biodiversity offsets:

- Are geographically aligned with the REZ project area.
- Prioritise the restoration of habitats for species and ecosystems directly impacted by the development.
- Contribute to the long-term ecological health of the REZ, integrating with existing conservation areas or corridors.

Establish a monitoring and enforcement mechanism to ensure biodiversity offsets are implemented and maintained within the REZ, with regular reporting to stakeholders.

8. Establish a cap on the number of renewable energy projects that can establish in a LGA or maximum generating capacity:

- The designation of the region as a Renewable Energy Zone has sparked significant interest from developers, beyond just EnergyCo's initial generating projects and the new high voltage transmission project. This increased attention is causing substantial changes to both the visual and social landscape of the LGA. Provide certainty to a community about how much capacity or content a local government area will host

- Don't limit gaps to those connecting to a new transmission line, but across the entire LGA.
- Council recommends a cap on the number of projects and a maximum percentage of land within the LGA that is designated for renewable projects. This could strike a balance between meeting renewable energy goals and preserving the existing lifestyle and visual aesthetics of the region.

9. Revisit REZ maps and declaration areas:

Council made the following submission to NSW Government/EnergyCo when the Draft Amendment to the CWO REZ Declaration was on public exhibition in 2023. The purpose of the draft amendment was to increase network capacity from the initial 3GW to 6GW (noting this is now approved at 7.7GW) however no action has taken place in regard to the below request:

“In amending the CWO REZ Declaration, Council would like 3 additional items to be included in the amended Declaration to ensure sustainable solutions are provided:

1. ***A 5km virtual fence implemented around all villages, towns, and CBDs to create a protective buffer zone that prevents renewable energy developments from encroaching upon these areas.***

This initiative is paramount in facilitating the region's continued growth, both in terms of urban and rural lifestyle housing opportunities. As the population of the Mid-Western region continues to expand, it becomes ever more vital to protect the surrounding lands of our towns for future housing and population needs. The establishment of the 5km virtual fence will ensure adequate space is preserved for sustainable housing development, enabling the region to meet the demands of its growing population while maintaining the integrity of its natural and cultural assets.

This strategic measure is crucial to preserve the distinctive character and charm of the region's towns and ensure that developments do not disrupt the local way of life. By safeguarding town entrances and amenity, we can guarantee that residents and visitors alike are not faced with renewable projects at their doorsteps, fostering a more harmonious coexistence between renewable energy initiatives and the region's urban and rural communities.

The protection of towns such as Gulgong is of particular importance, as they rely heavily on their visual and cultural heritage to thrive economically and socially. Encroachments of renewable developments into these towns could not only lead to social unrest but also have detrimental effects on tourism and the Gulgong township brand. It is essential that we prioritise maintaining the unique character and appeal of our towns to continue attracting visitors, promoting tourism, and supporting the local economy.

Being the Pilot Renewable Energy Zone (REZ), the Mid-Western region is a testing ground for new energy initiatives. By promptly implementing the 5km virtual fence, we can set a precedent for responsible and sustainable renewable energy development that respects the region's towns and communities. This proactive approach will not only ensure a positive outcome for the Mid-Western region but will also serve as an exemplar for other REZs and similar regions facing similar challenges.

2. ***Amend the CWO REZ Declared Area (Map) to remove Mudgee and the southern region of the LGA from its boundaries.***

This request is in accordance with the findings outlined in the NSW Government's Network Infrastructure Strategy, which confirms the absence of any plans to introduce new additional high voltage lines in this specific area as part of the project.

Mudgee, a significant tourism destination in New South Wales, has built its reputation on its thriving agricultural, food, and wine industries. Given its strategic importance in the tourism sector, Council

believes Mudgee should be excluded from the CWO REZ area to send a clear message to developers that this area is not a preferred location for renewable energy developments. The current designation has inadvertently led developers to perceive this area as suitable for renewable projects, despite economic and social perspectives suggesting otherwise.

Preserving Mudgee's unique economic identity is of utmost importance. As a region with a history rooted in coal mining, Mudgee has successfully diversified its economy by developing a compelling tourism proposition. The success of this is crucial for ensuring the region's prosperity post-mining, and therefore, it is imperative that we maintain the area's suitability for tourism-related activities and investments.

Moreover, the absence of plans for new additional high voltage lines in the identified area aligns with the notion that it may not be the most suitable location for renewable energy developments. By formally excluding Mudgee and the southern LGA from the CWO REZ, we aim to discourage developers from pursuing renewable projects in this region and divert their attention towards more appropriate areas that align better with the state's renewable energy goals.

Council understands the significance of renewable energy development and its role in achieving a sustainable future. However, it is equally crucial to strike a delicate balance between promoting renewable initiatives and safeguarding the economic interests and cultural heritage of the Mid-Western Region.

3. Amend the name of the REZ from Central West Orana REZ to Orana REZ.

The declared area is 100% located in the Orana region. Towns and LGAs in the Central West are not included in the declared area, and therefore the name should reflect the appropriate geographical location."

Conclusion

Mid-Western Regional Council is at the forefront of the Central-West Orana REZ where the balance between renewable energy targets and the wellbeing of local communities, industries, and the environment remains critically unmet. Whilst the transition to renewable energy is critical to achieving New South Wales' clean energy goals, the uncoordinated and rapid development of REZ projects has placed and will continue to place immense strain on housing, infrastructure, essential services, and the social cohesion of our region.

As presented in this submission, our region to date has faced numerous negative impacts resulting from the REZ, despite majority of the renewable energy projects and transmission line yet to be constructed. The prospect of up to 30 additional projects without comprehensive and collaborative planning, mitigation strategies, or government support raises grave concerns for the region's long-term sustainability. Without intervention, local residents, businesses, and industries – particularly agriculture and tourism – face ongoing displacement, economic instability, and general uncertainty about the future.

Council is urging the NSW Government to take immediate and meaningful action to address the critical issues outlined within our submission. Coordinated infrastructure planning, investment in essential services, and a clear strategic approach to the management of housing, land use conflicts, and environmental management practices is essential.

Renewable energy development should not come at the cost of community wellbeing, regional economies, or the rural identity of the Mid-Western Region. By addressing the concerns outlined in this submission, the Upper House Committee can ensure that renewable energy developments are implemented in a way that delivers equitable and sustainable outcomes for all stakeholders.

Below are maps of the CWO REZ proposed projects as of January 2025 and the anticipated impact to the Gulgong region.

Figure 1 - Map of the CWO REZ proposed projects as of January 2025

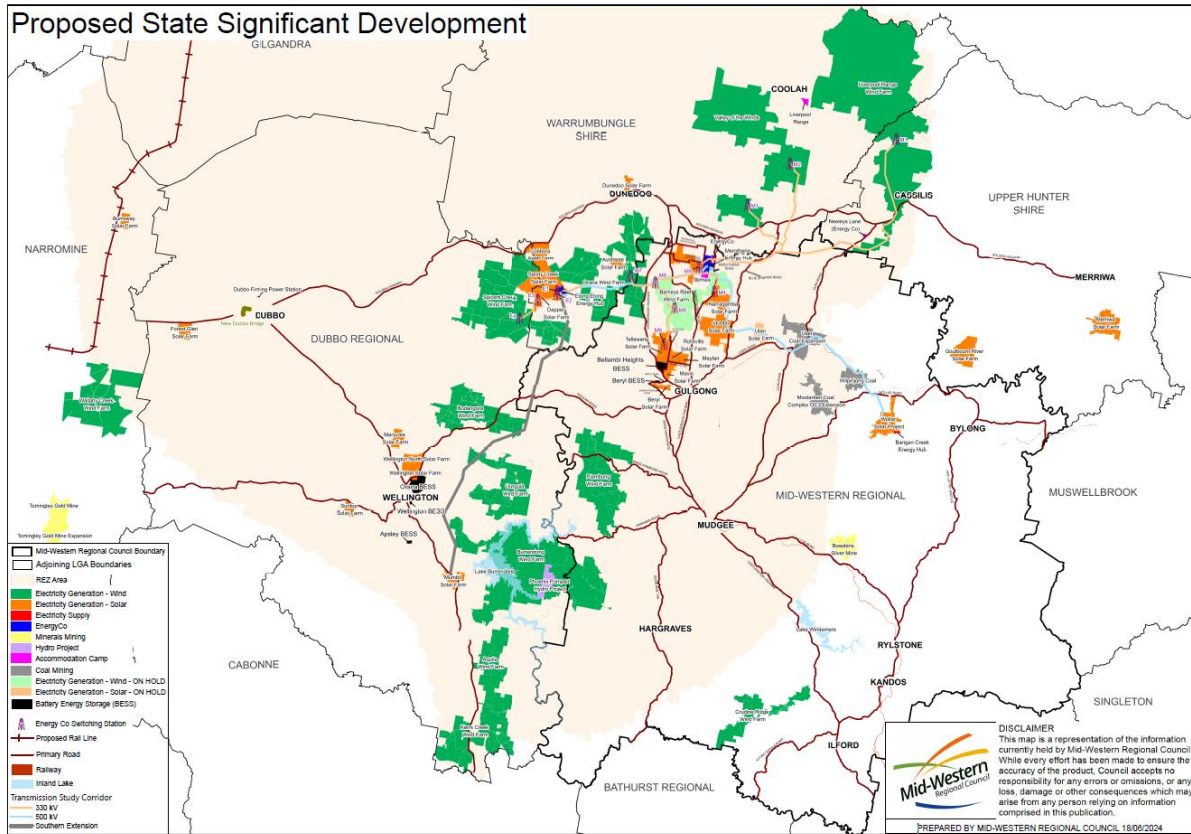
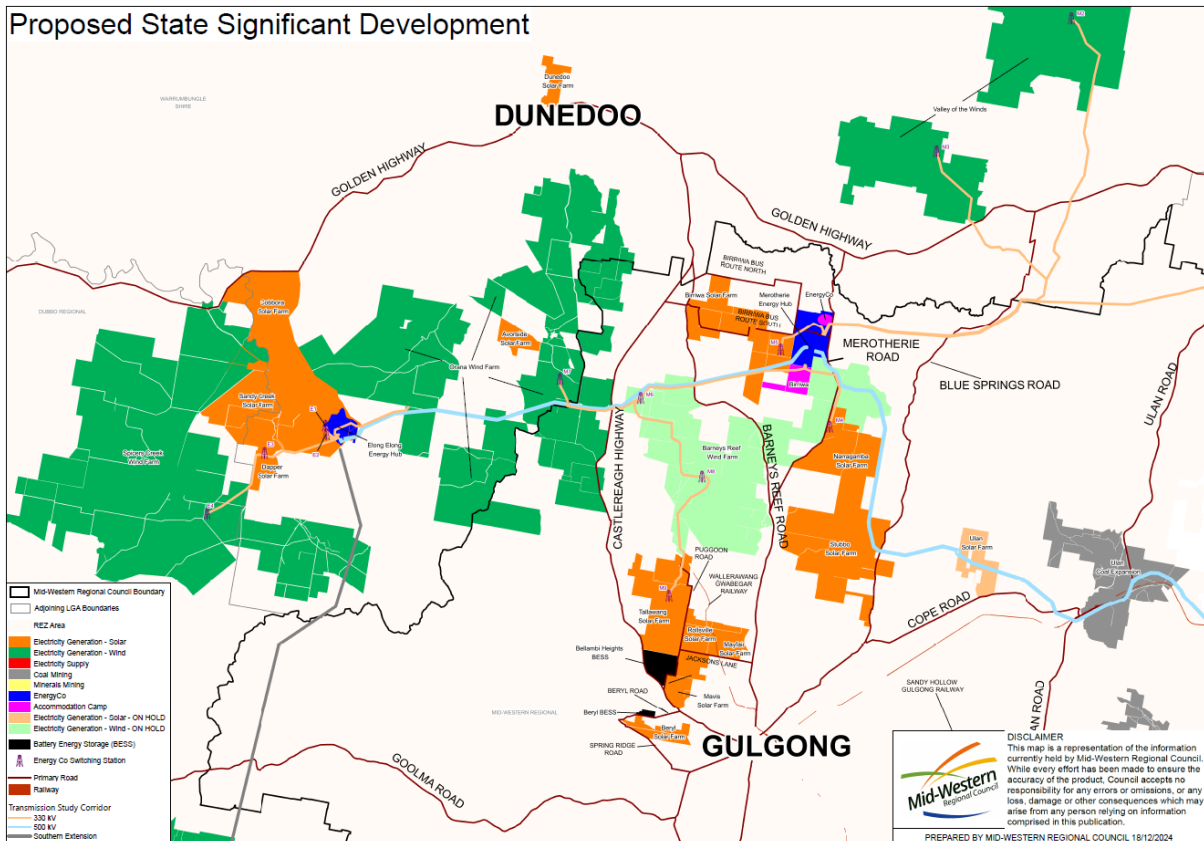


Figure 2 – Map of the CWO REZ proposed projects around Gulgong



Council would welcome the opportunity to give evidence at a hearing of the Inquiry and is thankful for the opportunity to table this Submission.

If you have any queries, please don't hesitate to contact Council on (02) 6378 2850.

Yours sincerely,

BRAD CAM
GENERAL MANAGER