

Submission  
No 56

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

**Organisation:** Voice for Walcha

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Voice for Walcha is an incorporated community group founded in 2022. It was formed as a result of lack of information being provided to the community around renewable energy projects in our LGA. It has a membership base of over 350 local people.

Voice for Walcha welcome the upper house inquiry into the Impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales.

Initial planning into REZs focused on natural resources and access to potential transmission infrastructure. Desktop studies from city-centric planners, based on expressions of interest from “generator design partners” completely skipped any meaningful consultation with the communities that will be affected – the stakeholders with the most to gain or lose.

Beyond the establishment of REZ boundaries, there has been no further strategic land planning undertaken by EnergyCo. Planning has failed to address the impacts the energy transition may have on the communities – positive and negative. Planning has been left to the “generator design partners” who’s primary interest is in profit – not community or sustainability.

**(a) The current and projected socioeconomic, cultural, agricultural and environmental impacts of projects within renewable energy zones in New South Wales including the cumulative impacts.**

Unfortunately, these impacts have not been measured in our community. Already, we are seeing an impact on the resilience of our community – a community that relies on good relationships for socioeconomic, cultural, agricultural and environmental prosperity.

We foresee impacts resulting from large industrial projects being proposed for our community which has limited access and limited social resources.

Nobody has measured what the impact will be of a workforce of 400 people on a community that currently has less than 900 full-time employees. There will obviously be serious impacts on agriculture and other industries in town that already struggle to maintain a full workforce.

Our town Walcha has 2 major access roads – Thunderbolt’s Way and the Oxley Highway – both are double lane roads (1 lane each way). Impacts to either of these vital arteries will have serious socio-economic consequences and impact agriculture and other industry in our region.

Agriculture and rural industries can co-exist to varying extent with built renewable projects. It is the disruption to roads and workforce during construction of these projects that will have the most serious impacts to these industries.

Environmental impacts have been very poorly dealt with. The New England REZ shares a boundary with the Oxley Wild Rivers National Park, World Heritage listed Gondwana Rainforests of Australia and wilderness areas. The impacts to biodiversity, irreplaceable threatened ecological communities, birds and bats and the wilderness experience have not been considered. This is evident in the biodiversity impacts that have been identified by DCEEW Biodiversity Division in their agency response to the Winterbourne Wind Project – proposed to border this significant biodiversity sanctuary.

The design of the NE REZ Transmission Infrastructure has also been designed on a desktop computer based on registrations of interest from “generator design partners”. Where are the

“community design partners”? The central south hub of the New England REZ is located in a relatively inaccessible location with a community that cannot absorb the impacts of numerous large-scale projects – that is what the hub is going to attract. It is in a location that has already demonstrated that it is not suitable for large-scale projects. We are asking all agencies to address this major oversight in EnergyCo’s design. EnergyCo’s own interactive map highlights how inappropriate this hub is based on the current projects (as opposed to the projects that were included in the original expressions of interest). Cumulative impact studies based on local knowledge need to be undertaken before hubs are considered. If benefits and justification can be demonstrated, the community will be satisfied. If not, they remain resentful.

**(b) current and projected considerations needed with regards to fire risk, management and containment and potential implications on insurance for land holders and/or project proponents in and around Renewable Energy Zones**

NE REZ has unique considerations as a result of its shared boundary with the National Park. Concerns regarding aerial firefighting are highlighted in the National Parks and Wildlife response to the Winterbourne Wind Farm (Included in the DCCEEW Biodiversity Division Response) and should be considered in this inquiry.

<https://majorprojects.planningportal.nsw.gov.au/prweb/PRRestService/mp/01/getContent?AttachRef=PAE-76603991%2120241204T030046.942%20GMT>

The design of the REZ has failed to consider the megafires we suffered in 2019-2020. Industrial projects adjacent to the National Park increase the risk of fires and hamper firefighting capabilities – in particular, aerial firefighting practices, that are critical in this inaccessible area.

The implications of fire risk and insurance are causing a lot of confusion and concern in our region. If a neighbour is responsible for a fire that damages wind turbines – are they liable for the cost of the damage to the wind project – where potential damages far exceed typical public liability policies? What will the impact be on insurance premiums?

**(c) the historical, current and projected future financial costs associated with construction and maintenance of large scale projects within Renewable Energy Zones**

Poor location of projects in the very early planning stages results in projects that become increasingly un-bankable. Projects that will never be built are spending years in the planning department, wasting resources and dividing communities. Project developers are trying to package projects into saleable products and the local community suffer the consequences. Inappropriately located projects result in cost cuttings that have environmental, economic and social consequences for the local community.

Again, desktop planning without local knowledge has resulted in poor outcomes for both communities and developers.

**(d) proposed compensation to regional New South Wales residents impacted by Renewable Energy Zone transmission lines:**

**(i) adequacy of compensation currently being offered for hosting transmission lines**

**(ii) adequacy of the shared benefits being offered to neighbours of large scale renewable projects**

**(iii) financial impact of compensation on the state's economy**

**(iv) tax implications resulting from compensation received by impacted residents**

**(e) adequacy, and management of voluntary planning agreements and payments made to the LGAs impacted by Renewable Energy Zones**

**(f) current and projected supply and demand levels of manufactured products, raw materials, and human resources required for completion of Renewable Energy Zones and their source**

This is an issue we would all like to understand. In Walcha's case, we are currently looking at the first renewable project for our LGA. It has a workforce of 390 workers over 5 years. It requires a million tonnes of gravel and hundreds of megalitres of water. This will put serious pressure on all industries and the functioning of our local Council. This is the first project. What will this look like on a REZ scale? A state scale? A national scale? Is it even possible to meet the demand for raw materials and human resources? The impacts on communities and Councils needs to be counted in this cost of resources.

**(g) projected impact on visitation to regional areas with renewable energy zones resulting from changes to land use**

We have grave concerns about the visitation to our town and region during the construction of renewable energy projects. Given construction is going to be over many years, this will have long term impacts on businesses dependent on visitors and tourism. We have spent many years building up the tourism industry in Walcha. Short-term accommodation is limited and if it is not available, tourists and travellers will find accommodation at larger regional centres. It will not be easy to have tourists return to our LGA in the long term.

We also have concerns about the impacts on rental prices during construction of the projects and the socio-economic consequences of this. It is going to impact our most vulnerable residents.

**(h) suitable alternatives to traditional renewable energy sources such as large-scale wind and solar**

**(i) adequacy of community consultation and engagement in the development of Renewable Energy Zones, and associated projects**

We have been told that there was community consultation and engagement in the development of the New England REZ. However, most of the community were unaware of the NE REZ until it had been enacted.

On enquiring, we learnt that the draft New England REZ declaration was publicly exhibited on the energy.nsw.gov.au website from 15 October to 12 November 2021.

Again, after enquiring through EnergyCo, we were informed that "the submissions for the New England REZ declaration received from the public exhibition period in 2021 were never made publicly available and will not be made so."

It would be interesting to know how many submissions were received from community members with a genuine interest in local issues, and how many were received from those in the business of making a profit from this declaration.

How genuine was this consultation and did Energy NSW make a genuine attempt to connect with the communities most impacted by this declaration?

**(j) how decommissioning bonds are currently managed and should be managed as part of large scale renewable projects**

Decommissioning bonds are vital for the protection of communities. We are seeing large-scale renewable projects changing hands multiple times. They are generally owned by a dedicated project holding company that is separate from the parent company. Decommissioning plans for projects are vague. In the case of Winterbourne Wind Farm, a decommissioning plan will not be prepared until 5 years prior to decommissioning.

If decommissioning costs are greater than salvage value, there is very little to stop a project owner from walking away from their decommissioning obligations.

If a wind project is forced to decommission early due to non-compliance issues, there is no guarantee the project owner will have the funds to decommission the project.

Without a bond or guarantee from the State Government (as the consent authority) communities may be forced to pay the tens of millions of dollars of decommissioning costs.

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

**(l) any other related matters.**

**The terms of reference for the inquiry were self-referred by the committee on 30 July 2024.**