

**Submission
No 60**

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

Organisation: Dubbo Regional Council

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The Director
Portfolio Committee No. 4
Parliament House
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Dear the Hon. Mark Banasiak, MLC (Committee Chair)

UPPER HOUSE INQUIRY INTO THE IMPACT OF RENEWABLE ENERGY ZONES (REZS) ON RURAL AND REGIONAL COMMUNITIES AND INDUSTRIES IN NEW SOUTH WALES

Council welcomes the opportunity to provide its perspectives regarding the Upper House Inquiry into the impact of Renewable Energy Zones on rural and regional communities and industries in NSW.

The Dubbo Regional Local Government Area is a hub within the Central-West Orana Renewable Energy Zone (CWO REZ). The CWO REZ includes the majority of the Dubbo Regional Local Government Area, and areas of the Gilgandra, Mid-Western and Warrumbungle Local Government Areas. The CWO REZ was the first Renewable Energy Zone to be declared within NSW and its development is considered to be advanced.

The information included in Council's submission is based on Council endorsed policy positions and frameworks in respect to how Council is approaching management of renewable energy projects and the importance of ensuring our community can capture long lasting growth and development from this pulse of investment in our Region.

Council provides the following responses in respect of a number of the defined terms of reference of the Inquiry.



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

It is acknowledged that the majority of renewable energy projects in the CWO REZ are State Significant Development, which means that the NSW Government Department of Planning, Housing and Infrastructure is the consent authority for these projects.

In respect of cumulative impacts, it is acknowledged that during the early development and consideration of initial projects in the CWO REZ that cumulative impacts were not adequately understood or considered. However, since this time, there is a greater focus and understanding on the importance of planning for and managing cumulative impacts from renewable energy projects. In respect of the CWO REZ, the NSW Government in January 2025 released a number of cumulative impact studies. This includes waste, population, workforce and housing and accommodation.

There is also an increased focus from Government on coordination across the CWO REZ. This coordination is led through an overall Steering Committee with cross agency membership and members from each Council. Importantly, a number of subject matter groups also exist where contextual and local issues are discussed, which includes the following groups:

- Housing and accommodation;
- Environmental Delivery (water, waste water etc);
- Transport and logistics; and
- Social services

The deliberations and actions of these groups are reported through the overarching Steering Committee.

(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

It is considered that the development of renewable energy projects and in particular wind towers offers an opportunity for innovation in the early detection of bushfires and any other fires across Renewable Energy Zones.

Dubbo Regional Council has undertaken a number of discussions with a company called Pano Ai, which provides bushfire detection technology, mounted on wind towers. This technology ultimately provides early warning for bushfires. Council also supported Pano Ai seeking a grant through the Community and Employment Benefit Program for a pilot project in the CWO REZ.

Pending the outcomes of the grant program, Council will monitor this project to understand the suitability of such technology across multiple Renewable Energy Zones.

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

Council has no information to be provide in respect of this term of reference.

(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**

Council has no information to provide in respect of this term of reference.

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

In December 2022, Dubbo Regional Council was one of the first in NSW to adopt a Renewable Energy Benefit Framework. The Framework provides guidance to developers of electricity generating works, which includes solar and wind energy farms, hydrogen energy, pumped hydro and battery energy storage systems, and Council's requirements to deliver benefits to our community through Voluntary Planning Agreements.

The Framework seeks to achieve the following:

- Ensure our community positively benefits from large-scale electricity generating works;
- Manage and seek to ameliorate the impacts of large-scale electricity generating works; and
- Provide opportunities for proponents to proactively and positively add to the betterment of the community.

The Framework provides for the following funding targets:

- Electricity Generating Works = 1.5% of the Capital Investment Value of a project; and
- Battery Energy Storage Systems = 0.50% to 0.75% of the Capital Investment Value of a project

In November 2024, the NSW Government released a new Benefit-Sharing Guideline. This Guideline changed the focus to per megawatt payments for the life of a renewable energy project.

Sharing the financial benefits of these projects can assist in building community support by ensuring that projects can deliver positive, tangible and long term social and economic outcomes for the local community. Council's Framework allows benefit sharing to apply to various projects including community housing, road maintenance, strategic projects and short-term accommodation.

(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

The CWO REZ is expected to create around 5,000 direct job opportunities in building the transmission and storage network, with the bulk of the projects situated away from the main centres of Dubbo and Mudgee, meaning that the workforce will need to be developed locally, particularly in smaller towns with high current levels of disadvantage (e.g. Wellington NSW).

There will be a significant demand for specialist skills (electrical, wind technicians), as well as general constructions skills in the construction phase. In order to create pathways for vulnerable cohorts and support specialist skills development, Dubbo Regional Council has proposed the Renewable Energy Awareness and Career Training (REACT) centre. REACT is a multidisciplinary training centre, providing a place-based solution for REZ training requirements, supporting up to 200 apprenticeships and 200 industry/specialist accreditations per year. Transmission builders and project proponents have been integrally involved in its development and Council is currently awaiting the outcome of an application to the Energy Co Legacy Infrastructure Fund.

REACT presents a vision for capturing opportunities presented by the CWO REZ, in order to deliver long lasting intergenerational benefits for the Wellington community and the wider Central-West Orana, with a key focus on supporting disadvantaged cohorts.

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

Research (Shannon 2021) found that the impact of REZs on tourism can be mixed, with potential to both negatively affect tourism in some areas due to visual impacts of wind turbines and solar farms, but also create new opportunities for sustainable tourism narratives, particularly when developed with visitor centres, viewing platforms, and educational initiatives around the renewable energy infrastructure itself.

A second aim of the REACT centre above is to capitalise on the opportunity that renewable energy project presents from a tourism perspective, especially as the first REZ in NSW.

The Wellington Discovery Centre, as part of the REACT centre, is envisaged as an attraction for students and visitors, providing engaging learning and activity driven exhibits focusing on renewable energy technology and Science, Technology, Engineering and Mathematics (STEM) engagement.

A Discovery Centre is proposed to be delivered in Wellington as part of the overall REACT Centre development.

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

Council has no information to provide in respect of this term of reference.

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

There are currently 23 renewable energy projects at various stages of planning and development in the Dubbo Regional Local Government Area. With such a range of projects and the need to ensure our community is consistently and accurately informed there is a need for the development of an overarching community based committee. Council through Voluntary Planning Agreements entered into with proponents also needs to ensure that an appropriate community consultation and advice mechanism is in place.

Council has developed a community committee structure for renewables projects. This Committee is proposed to have both permanent membership and non-permanent membership, which is locality based and reflective of the individual location of renewable energy projects.

The Committee is proposed to have the following objectives and purpose:

- Provide a voice for residents of the nominated localities;
- Identify, with the input of residents, the priorities of the nominated localities that specific renewable energy projects are occurring in and communicate these priorities with Council;
- Review and provide advice on community benefit fund projects as required; and
- Receive project updates from proponents and Council as required.

In respect of consultation by Energy Co and individual proponents, Council actively assists through offering local intel and through co-design of consultation strategies and mechanisms.

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

Council has no information to provide in respect of this term of reference.

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

Council has no information to provide in respect of this term of reference.

(l) any other related matters.

Housing

Dubbo Regional Council has a good understanding of the housing challenges associated with providing accommodation for between 3,000 and 5,000 workers for construction projects in the CWO REZ and the role of Dubbo as the largest population centre. This includes also ensuring our community has access to housing at a number of price points across the housing market.

Dubbo has a range of land areas, which have been strategically set aside for future residential development of a long period of time. This includes lands across a number of Urban Release Areas, in the North-West, Central-West, South-East and South-West of Dubbo. These lands have the potential to provide 10,000-12,000 residential lots once fully developed.

Council has an established policy setting for temporary workers accommodation to direct accommodation projects to residential or future residential zoned lands in the first instance. This allows the economic benefits both from projects and the influx of workers to be experienced by our business community. In addition, important legacy infrastructure can be provided, which will benefit our community into the future.

For Wellington and our Villages, Council has focused on promoting infill and other opportunities like secondary dwellings (granny flats) where the community can benefit from the economic pulse of activity and an increase in housing stock variety.

Council in May 2024 resolved to lease 10 hectares of Council owned land at the Keswick Estate to Squadron Energy for the purposes of developing a temporary workers accommodation project, which will be for the Spicers Creek Wind Farm. This accommodation project is currently in the planning stages with a development application to be lodged with Council in quarter 1 of 2025. Council is also in negotiation with Squadron Energy for the provision of a Voluntary Planning Agreement and package of works, which will ensure this project will provide important legacy infrastructure and the housing solution on residential zoned land. The release of new Guidelines for Construction Workers Accommodation in December 2024 by the NSW State Government has also assisted in ensuring this project can be delivered through the planning system.

Council acknowledges that this policy setting may result in more upfront costs than traditional on-site accommodation options. Given the significant economic and community benefits that this important legacy housing and infrastructure will provide, Council recommends that a REZ housing, infrastructure and financial pathway analysis be undertaken. This will ensure benefits and potential implications for all Local Government Areas in the REZ are fully understood and planned for, financial pathways are made available, and the benefits are communicated with all stakeholders and the community.

Importantly, Council may not provide the solution in these circumstances, however, Council can make the connections and ensure community and stakeholders can understand the opportunities.

Waste Generation and Disposal

Council has the largest waste facility in the CWO REZ. The Whylandra Waste and Recycling Centre is a Council operated facility, which processes around 70,000 tonnes of waste per annum.

With the CWO REZ expected to result in a significant, but temporary, increase in waste volumes from construction and demolition materials, packaging waste, workforce accommodation, and ongoing operations, there is a need to ensure waste with a focus on the circular economy is adequately planned for.

Waste materials from renewables projects can typically fall outside traditional waste streams and require specialised handling, reuse, or recycling pathways. Council has been working with the NSW Government on understanding the waste streams and volumes. There is an opportunity to invest in legacy waste processing infrastructure that can process alternative waste streams and further develop and enhance recycling and reuse of products across the CWO REZ.

Council has a particular focus on exploring and capturing circular economy opportunities, including solar panel and pallet recycling and is actively involved in a solar panel recycling trial at the Whylandra facility. Council is also undertaking further consultation and research into wind turbine recycling opportunities with a number of established renewable companies.

Advanced Wastewater Treatment Project

Council has worked with Squadron Energy on the development of an advanced wastewater treatment project at the Dubbo Sewerage Treatment Plant.

Through a Public Private Partnership, the project will result in the construction of a new advanced wastewater treatment facility. Subject to regulatory approvals and development, the project will have the ability to treat up to 700 mega litres of water per year. Initially, Squadron Energy will utilise treated water for the purposes of dust suppression and for the manufacture of concrete, which will be for the Spicers Creek Wind Farm.

Following completion of the Spicers Creek Wind Farm, this infrastructure will be in place as part of a further water security measure during times of drought and subject to approvals could be used for such things as the irrigation of recreational assets along the foreshores of the Macquarie River.

Conclusion

Council thanks the Committee for the opportunity to make a submission into the Inquiry. Council is committed to working with our community, proponents and the NSW Government to ensure benefits from the Central West Orana Renewable Energy Zone are long lasting and meet the needs of our community into the future.

If you require any further information and/or clarification of any points raised in Council's submission, please contact the undersigned on (02) 6801 4000.

Yours faithfully

Steven Jennings
Director Development and Environment