

**Submission
No 68**

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

Organisation: Riverina and Murray Joint Organisation

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Portfolio Committee No. 4 – Regional NSW
Submission made via email, sent to

Dear Mr Banasiak and members of the Committee

Submission from Riverina and Murray Joint Organisation - Impact of Renewable Energy Zones (REZs) on rural and regional communities and industries in New South Wales

Thank you for the opportunity to provide input to the review of Renewable Energy Zones. The Riverina and Murray Joint Organisation (RAMJO) appreciates the opportunity to share its knowledge and commentary to this important inquiry.

Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Riverina and Murray Joint Organisation represents over 152,000 people covering an area of more than 80,000 sq kms, comprising the eleven Local Government Areas of *Albury, Berrigan, Carrathool, Edward River, Federation, Griffith, Hay, Leeton, Murray River, Murrumbidgee and Narrandera.*

Five of RAMJO member councils are within the boundaries of the South-West Renewable Energy Zone (SWREZ). These are Carrathool, Hay, Edward River, Murrumbidgee and Murray River Council. Two associate member councils, Balranald and Wentworth, are also within the SWREZ. Further, there are solar farms that are being developed outside of the REZ, as well as transmission line routes that impact local communities.

Tasked with intergovernmental cooperation, leadership and regional prioritisation, RAMJO has consulted with stakeholders to identify key strategic regional priorities. The RAMJO Statement of Strategic Regional Priorities can be found here: [2022-RAMJO-STATEMENT-OF-STRATEGIC-REGIONAL-PRIORITIES-WEB.pdf \(nsw.gov.au\)](#).

Strategic Priority area 2, is to *Improve Energy Security and Affordability*. RAMJO has also been proactive in developing the RAMJO Regional Energy Strategy, which was adopted by the RAMJO Board in November 2022 and is available [here](#). A series of the recommendations in that Strategic Plan have been implemented and also have direct relevance to this inquiry. This submission therefore draws on the stated objectives and strategic priorities of the RAMJO Board and Councils, as well as discussions with staff of councils located across the region.

RAMJO is supportive of renewable energy and the SWREZ, and has been active in supporting member councils to identify potential energy efficiencies, reduce energy costs and use renewable energy for their own operations and buildings where appropriate.

The following comments are made in relation to each of the Terms of Reference established for this Inquiry.

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

The development of large-scale renewable energy has enormous potential to positively transform the social and economic future of rural and regional communities. This has been ably demonstrated and articulated by Hay Shire Council who have undertaken a process to identify their policy and expectations in relation to Renewable Development. They have established a Policy, adopted by Council and supported by the community. [Fundamental Principles for Successful Renewal Development in Hay LGA.pdf](#) identifies 10 principles for interactions with developers. The Principles deliver the following message from the Hay Community to the NSW Government, EnergyCo, Developers and other stakeholders:

- *We are supportive of the clean energy transition*
- *We want to keep the overall experience for our community positive, to remain supportive*
- *We will ensure the energy transition happens with us, not to us.*
- *Assist us to deliver a coordinated approach to our community.*
- *Follow our Fundamental Principles for Successful Renewable Energy development, to maximise collaboration and strategic outcomes.*
- *We want to ensure that renewable energy developments maintain or enhance our existing economy.*
- *We have a long-term plan for our economic transition, which includes the energy transition and we invite you to support it.*¹

One of the comments made in discussions with staff at Hay Shire Council is that they see the renewable energy shift as a once in a generation opportunity for building the resilience and future of the community.

At the same time, while the large-scale renewable energy shift is underway, quite a number of RAMJO communities suffer through inadequate energy provision. They can have regular brownouts and blackouts, as well as limits to new industries and employment opportunities.

This is consistent with the experience of Central NSW JO who have undertaken extensive research and provided recommendations to address the issue of energy security. They have also developed a business case around investment in distributed energy. RAMJO supports this initiative. RAMJO also notes that strategic investment in the network, batteries and distributed energy will assist NSW in meeting its Net Zero targets. It also provides an opportunity for greater resilience for rural and regional communities, particularly if the distributed energy systems allow islanding of the energy systems through critical periods, so that there is less reliance on the distribution networks during periods of crisis such as fire and floods.

¹ <https://www.hay.nsw.gov.au/Portals/0/Fundamental Principles for Successful Renewal Development in Hay LGA.pdf> p1

(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

A number of completed solar farms do not provide internal resources for fight fires. Instead, they depend on the volunteer services of the NSW Rural Fire Services. If a fire breaks out on a solar farm, there can be considerable damage before the volunteer firefighters can attend the location. As a minimum, the developers and or owners of the solar farm should have a vehicle with a slip-on water carrier so that there is an opportunity to quickly extinguish any fire.

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

Two areas of costs that have not been well thought out or adequately planned for or considered, and can raise significant additional costs to councils, are concerning waste/resource recovery and transport, particularly the impacts on the road network.

The following points relate to waste and resource recovery:

- RAMJO councils support the continuation of renewable projects in the region, however there needs to be better waste management provisions with the overall goal of seeking to achieve higher environmental outcomes from the waste produced
- REZ Development Applications are required to list waste management facilities for development waste that will be generated, however they do not consider the suitability of the waste management centre to accept the proposed waste
- Local councils operate small, manageable landfill sites for the protected, safe disposal of the local community's rubbish. They are not suitable for managing large scale industrial waste, and often are unlicensed which means they legally cannot accept large volumes of waste
- Developers may continue to attempt to bring large volumes of waste to the small landfills, including oversize items that cannot be managed by the councils
- A proportion of the waste received at the local facilities is recoverable or recyclable at dedicated recycling facilities, but the dedicated facilities are not often available at rural townships
- If sites do accept some of the recoverable streams the volumes are large and often councils have to manage these materials and ultimately transport them elsewhere. This cost is then borne by councils
- Some manufactured items are not recyclable and should go back to the original manufacturer to manage the disposal of, or should be considered as part of an overall renewable energy industry stewardship program.

Other challenges that have been identified include:

- Impact on the internet due to the workers camps using the available internet,
- Impact on council's sewer systems and water treatment plants
- Impacts on roads which deteriorate due to these projects
- Impact on water usage and higher than typical quantities of water needed for industry.

Regional and rural communities often face inadequate and aging infrastructure. The influx of additional people and expanded usage of the roads, internet, sewage and water infrastructure may highlight the vulnerability of infrastructure in these communities.

If planning and investment for these additional costs have not been considered as part of the development of the REZ, then this can impose additional costs on the local community and council.

- (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*

RAMJO notes the July 2024 *National Guidelines for Community Engagement and Benefits for Electricity Transmission Projects*. It includes:

- Transmission projects can deliver meaningful benefits to communities impacted by transmission infrastructure. One way that transmission developers can do this is through a dedicated community-benefit program
- Community consultation and engagement should determine the specific initiatives that are delivered as part of a community-benefit program. Project benefits should be tailored to the priorities and needs of the local community. Separate benefit initiatives that are dedicated to First Nations communities can better cater to their different experience and needs”²

While this is welcomed, it is not clear if the issues identified around payment for the transmission lines have been addressed. The *NSW Electricity and Supply and Reliability Check Up (Marsden Jacobs) August 2023*³, (‘The check-up’) identified that the cost of transmission lines were to be paid through the electricity bills of residents and businesses in the regions. For the SWREZ, that would be payment through Essential Energy.

The Marsden Jacobs report makes the following points:

- The Roadmap infrastructure is financed by distribution consumers rather than being funded by general taxation
- The mechanism for recovering Roadmap costs is by way of distribution network charges that flow into retail bills for NSW consumers
- Essential Energy’s network charges are higher than the other two distribution networks in NSW
- Stakeholders also raised that under current arrangements, costs are recovered from distribution customers. They questioned the equity of this arrangement given that large energy users are typically connected to the transmission lines.

²<https://www.energy.gov.au/sites/default/files/2024-07/national-guidelines-community-engagement-benefits-electricity-transmission-projects.pdf> p34

³ NSW Electricity Supply and Reliability Check Up - Marsden Jacob Associates Report

- The current arrangements leave large energy users immune to the Roadmap costs and instead residential customers wear a disproportionate share⁴.

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

There is considerable interest within local communities about identifying the advantages and benefits that are provided to the local communities impacted by this large land use change presented by the development of REZs. As noted in the comments under (a) there are existing issues in a number of communities and towns with inadequate current power supply. The Large Scale renewable energy initiatives are designed to take the place of the aging, increasingly unreliable coal fire power stations with the targets the large urban and industrial complexes. There can be considerable frustration that the landscape and amenity of rural areas is being impacted, but the benefits of cheaper (or no cost) power is not being made available to the local communities. While there is some moves by individual developers to address this, there is much more work that can be done to support local government and local communities. We refer again to section C.

(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

We refer to our comments in relation to item C and the experienced impacts in relation to waste management, internet connectivity, sewer and water capacity and road impacts.

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

No comment.

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

We note earlier comments around the potential for distributed energy and the need for a clear focus on supporting the energy needs of communities which can be experiencing very poor energy security. This could include additional support for the installation household solar panels, supported by batteries and or community batteries.

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

We refer to the comments outlined in (a) and note that there is considerable room for improvement in consultation in many cases.

⁴ Marsden Jacobs, **NSW Electricity and Supply and Reliability Check Up, August 2023. Pp 94-**

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

No comment.

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

No comment.

(l) any other related matters.

No further comment.

Thank you again for the opportunity to provide commentary to this inquiry. Should you wish to discuss this submission further, please contact Yvonne Lingua on _____ or via email at _____

Sincerely

Yvonne Lingua
Executive Officer
Riverina and Murray Joint Organisation