

Submission
No 103

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

Name: Name suppressed

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Partially
Confidential

Renewable Energy Projects in NSW – feedback on experiences from the HTP

Our property is set to be acquired by the Hunter Transmission Project (HTP) by Energy Co. to facilitate the construction of a 500kV powerline join up existing 500kV line from Bayswater power station in the north to the central coast near Eraring power station.

Our direct experiences of the activities of Energy Co. have been of a disorganised, self-contradictory, mostly unfeeling, mostly unlistening entity that is miserly with facts and seeks to overreach and bludgeon affected landowners into submission by their seeming unwillingness to act in any reasonable way.

The community engagement has been inconsistent, adversarial and unsupportive. Some landowners did not receive notification flyers because Energy Co. elected to drop unaddressed flyers by hand to self-selected letterboxes, rather than send registered addressed mail to all the registered landowners. Other landowners only discovered the existence of the project by discovering surveyors trespassing on their land. The engagement team has also been unable to explain under what circumstances a property might simply be impinged upon versus acquisition. Equally, for a one-billion-dollar project with so relatively few landowners impacted, it is disappointing that a more supporting and collaborative approach that is focussed on landowner outcomes could not have been employed.

One thing that is made very clear to us affected residents is that the NSW State Government and by extension it's agent Energy Co. (EC) have all the legal power to acquire land without our agreement to build infrastructure. That the only options available to affected landowners are a series of diminishing returns and uncertainties including Valuer General and the Land and Environment Court.

At no stage have we been supported and reassured that we would be taken care of. At all times we have been given the impression that we are problems in the way of their working day.

We feel there is an opportunity for the Government to minimise the suffering caused by the slow process of the Just Terms Compensation Act (Just Terms) by offering to buy affected land as a normal private settlement as soon as the need for the property is confirmed, this might be limited to land that is the landowner's primary residence or situations where the landowner has reduced capacity, terminal illnesses or is elderly. The price offered should be that of a motivated buyer but without prejudice. A price such as valuation plus twenty percent, but no solatium or disturbance costs. This might allow some landowners to move on to new premises faster and the government to acquire control over necessary land sooner for access for environmental and engineering studies and the like. If the landowner does not accept this offer, they move on to the Just Terms process.

The operating attitude of EC is that our sacrifice is for the greater good, in this case the supply of renewable energy to the Sydney Basin. That the disruption, stress, confusion, and costs we are experiencing is what we must accept for the 6 million people in Sydney to have green power. That in a project with a starting budget of around one billion dollars, benefiting millions of people can't spare enough humanity and money to see 6 full acquisitions and 20 other directly affected

landowners properly reinstated for the loss of their homes or impact to their property. Ensuring that impacted landowners are properly reinstated would have a negligible impact on the projects budget, and an even more trivial impact on the state budget. In our own circumstances, with the amount we're currently being offered, we are having to look at property around hundred kilometres away because we can't afford to buy a similar property in our local area.

We suggest that landowners should be compensated on a reinstatement basis. That enough compensation should be offered so that displaced owners can live and work similarly in the same neighbourhood, with the same accesses to services and amenity that they had previously. This should be provided as a pro-active service to the impacted owners with their preferences taken into account and alternative houses or land sought on their behalf, rather than something the landholder has to bargain with EC for and then compete in the real estate market for themselves.

The whole approach of EC is adversarial. If you want straightforward information about how the project is carried out you are met with questions in turn about why we would want such information and promises to provide it "later", a later that never eventuates. Remember this is a public body serving the people of New South Wales but it acts like it's activities are state secrets and we are spies for an opposing government. They do not talk openly and honestly with us and we find our own words being used against us months later, even though they can't keep their own story straight.

EC needs to provide more and open information so that impacted landowners can determine the likely impacts to their properties, businesses, and lifestyle in as simple and direct a way as possible. Better access should be provided to preliminary planning materials and potentially previous projects so that landowners can understand the overview and can assess impacts for themselves. There is a tendency for EC to hide behind the view that these materials are not finalised and subject to change so are not to be shared.

We have been told that the current plan, affecting the current landowners, is the best alternative and that the other alternatives are inferior. But even the directly affected landowners are not provided with any additional insight or comprehensive report explaining why this was the best alternative, or why it is our properties are the ones affected. There is no attempt to convince us that EC's chosen approach is the best one. Just that we should not worry our little minds about such things.

EC tells us that we are too emotional about the loss of our home, for rationales they have never explained, with uncertainties that we have to bear, and we have no choice in the matter. Equally much is made of long period of mediation but the timing for any phase is set by EC as long as it meets any minimum periods as set by the legislation. This means that there is a long period of uncertainty for landowners, with no insight into the progress of your concerns and the harm is real, leading to both physical and mental health issues.

We feel that there is a lack of understanding of the impacts caused by these relocations without consent. We humans can feel extremely strong connections to certain places, but the best understanding EC seems to offer is that our feelings are an inconvenience. Special care needs to be taken with those of reduced capacity, terminal illnesses or simply the elderly. There should be an Ombudsman or similar role, with sufficient medical support, with power to intervene and direct Government agencies to ensure that harm is not caused or at least mitigated by the actions of those agencies.

As part of Just Terms, there is time provided for mediation. But the approach is not an approach to see impacted landowners restored or reinstated. It is equally adversarial, and the negotiation start point is set by EC's valuer. Their valuer is nominally independent but has been selected by EC through long practise in providing such support for the Government. Their view is nearly always miserly and an unwillingness to be motivated by subsequently tendered evidence to see landowners re-instated. EC uses this valuer as a foil and hides behind their nominal independence. This independence also means there is no authoritative oversight on their valuer's work. There is no recourse to 3rd party reasonableness. Ultimately the only way out of any impasse in this negotiation phase is move to the Valuer General (VG) who may or may not take any of the previous discussions in account.

We suggest that valuers used by EC should be drawn from a pool, potentially randomly, and that no valuer should derive more than 10% of their turnover or only provide a small number of valuations per year for the Government. This might not prevent them from taking instruction from EC but would hopefully reduce the incentive for them to adopt the same corporate posture as EC.

There is no way for landowners to escalate their issues to decision makers and get things resolved in a shorter timeline so that they might minimise the physical and mental toll that they experience.

While we are not sure of how it would work there seems to be a need for an overseer of valuers with sufficient authority. Currently that process seems to be the Valuer General but their processes are equally unclear.

Upon making an agreement for the price of the impacted land under EC wants to hold on to the cash until such time as the affected landowner buys another property and then settle their agreement with the landowner at the same time as the affected landowner settle with the seller of their newly acquired property. EC suggests that this is a service to the landowner so that they can stay in their old properties without paying rent until they find a new place. They also admit that they do not want the risk or management challenges of being a landlord.

This approach injects EC into the private matters of the landowner. What right does EC have to know or see how the affected landowner might spend the cash from the release of their property? EC's unwillingness to release cash also puts the landowner at the mercy of EC's internal process should the impacted landowner want to access their settlement amount. This could be something as benign as the person who signs the checks being on leave at the time the landowners want or need the money but could also be some future requirement or hurdle unforeseen by the landowner. With the lack of transparency part of EC's day to day practices there is no reason to trust them to do the right thing down the track.

We suggest that EC should release the market value of the property plus stamp duty and solatium at the time of the agreement and the balance of relocation costs held on settlement. This way affected landowners can remain in their homes, EC is not a landlord, and the main reason for lack of trust is resolved by the affected landowner holding the bulk of the monies in their own accounts.

While we are still in the negotiation phase of our settlement an inconsistency has come to light in what is covered by the allowance for relocation costs. EC and Just Terms support the payment for both a solicitor and valuer to work on our behalf. It is unsettling that we need to hire professionals to manage our claim and that necessity is such that the Government doesn't blink an eye at these costs, almost like our Government might not have our best interests at heart. A bigger surprise was

that EC does not consider tax advice an unavoidable expense. Capital Gain Tax on the sale of a property could be a significant part of the compensation paid if it were also not reasonably easy to find Tax guidance for urban residential properties. But properties over two hectares in size are treated differently in many ways, including impacts to Government allowances and pensions. Not to mention complexities if the property is used for commercial purposes. This isn't a new situation for EC but they are completely mum on any understanding of the difficulties and decline the majority of the expense of seeking personalised tax advice.

We suggest that the full cost of tax advice should be included as a natural professional service that would be required in such circumstances. The alternative would be that EC gather tax rulings for each circumstance and warrant that those rulings match a landowners circumstances.

The NSW Government seems to be very focussed on replacing a centralised production of electricity from the burning of coal with centralised production of electricity from renewable sources, with these new locations primarily being in regional and rural areas, some distance from where the bulk of the electricity is used.

Ideally power should be generated where it is consumed for minimal transmission losses. It is entirely reasonable to power a household with roof top solar. For many households around Australia this is the current reality. In our own neighborhood it is common for a detached house to function quite normally off-grid. For many new home builds it is cheaper to add in off-grid energy collection systems than it is to connect to the grid. Prices for such systems are also dropping rapidly and are now at the point where over a twenty year lifespan of such equipment it is a similar cost to install such a system as it is to draw electricity from the grid.

With the substantial tax breaks being offered to Eraring to continue operating there seems to a potential lesson being ignored and that it is possible to de-risk the production of electricity by decentralizing it completely. Essentially every powered building should have solar panels which are by far the cheapest way to produce electricity.

It would seem an obvious requirement to install solar panels on the roof of every powered building. If shade from adjacent trees or other buildings makes this impractical then a levy should be raised to fund the placement of those panels at a different location.

The main challenge is the storage of solar energy to carry the peak evening loads. While Australia is one of the worlds producers of lithium (so like Natural Gas you would hope we could take advantage of local supply) but there isn't enough easily accessed Lithium in the world for everyone to have electric cars, smart phones and lithium chemistry home batteries. But there are current commercial alternatives such as flow batteries and other alternate electricity storage methods on the cusp of commercialization that address the limited availability of lithium.

Clearing land for transmission lines, erecting towers, and navigating through various terrains can lead to habitat disruption, deforestation, and ecosystem degradation. By choosing to go through established forest rather than the existing easements there is also an increased chance of budgetary blowouts and environmental impacts.

We feel that a commercial opportunity should be created for small scale batteries, such as neighborhood level batteries to access the wholesale electricity resale market. This would enable a proliferation of batteries to be installed closer to places of consumption and create local redundancy in power grids. Reducing the need for electricity to transported large distances and potentially removing much of the need to add additional high voltage lines across the landscape.

Our own view is that the REZ's and new transmission projects don't have specific benefits for the local region over and above what it adds for electricity consumers across the eastern seaboard generally. These sorts of fixed assets are relatively low maintenance (which is a good thing) but the consequence there isn't much new employment or other direct benefit such as cheaper electricity to locals. Ultimately it is a cost for the majority of the state being borne by the relative few in regional and rural areas.

Please feel free to reach out for additional information if required.

Sincerely,