

Submission  
No 121

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

**Organisation:** Murrumbidgee Council

**Date Received:** 14 February 2025

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SC212

13 February 2025

The Director  
Portfolio Committee No. 4  
Parliament House  
Macquarie Street  
**Sydney NSW 2000**

Dear Sir/Madam

**Portfolio Committee No.4 – Enquiry into the impact of Renewable Energy Zones (REZs) on rural and regional communities and industries in New South Wales.**

Murrumbidgee Council welcomes the Legislative Council's enquiry into the establishment of Renewable Energy Zones (REZ) in NSW and again is extremely grateful for the extension of time granted to us to submit this Response.

Part of Council's area is within the South West REZ which was gazetted in 2022. We also host the Dinawan Substation on the Kidman Way which is outside of the SW REZ half way between our communities of Coleambally and Jerilderie and at which the major Humelink, VNI West and Project Energy Connect transmission lines converge to supply electricity to Sydney, Victoria and South Australia.

As a result of the Dinawan Substation, and the gazettal of the SW REZ, Council has been dealing separately with 4 state significant wind farms and one state significant solar farm all seeking connection to Dinawan.

Also prior to the development of the SW REZ, two state significant solar farms were approved and built at Coleambally and Darlington Point.

This experience has provided Council with extensive firsthand knowledge of the impacts, challenges and disappointments that the development of renewable energy projects create. It also reinforces our belief that these developments offer no positive outcomes for our communities.

In fact, Council and the community has reached that the conclusion, that whilst we do not want these things in our area, if they are coming we will attempt to leverage the maximum amount of benefit from them for our communities as possible.

However even in this endeavour we have been continually thwarted by the efforts of the NSW Planning & Environment Energy Assessments team, EnergyCo and the developers themselves.



It is within this perspective that Council has articulated its response to your enquiry.

Yours faithfully

Garry Stoll  
**Director Planning Community & Development**



In response to the attached Terms of Reference:

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

- Loss of agricultural land; the physical nature of solar farms in particular, will prevent all forms of agricultural use of land. Wind farms can allow for agriculture to continue but hinder agriculture due to road way use for transmission lines – causing biosecurity issues – impact on aerial crop spraying
- Environmental – extensive vegetation clearing on road reserves for example – approx. 90ha of vegetation requested to clear McLennons Bore Road.
- Cumulative Impacts – visual impacts of potentially up to 7 major transmission lines converging at one location either into or from the Dinawan Substation of the Kidman Way between Coleambally and Jerilderie
- Heavy demands placed on local roads and an influx of thousands of construction workers with the need for accommodation camps.
- New demands on potentially scarce resources such as water, and other services provided by local government.

**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 (REZs):**

- All Environmental Impact Statements assessed by Murrumbidgee Council (Yanco Delta wind farm, Spark Renewables wind and solar farm, Argoon wind farm and Bullawah wind farm) rely on local volunteer based bush fire brigades to almost be totally responsible for bush fire control activities.

None of these brigades made up of volunteers have the training or resources to deal with these fires associated with renewable energy developments. Most of the local brigades have advised Council that they will refuse to respond to any bush fire until the fire leaves the renewable energy development boundary.

None of the EISs supporting these developments mention the provision of full time and permanent resources such as manpower, firefighting trucks, training or major water supplies that will be provided by the developer themselves.

The consents issued by the NSW Department of Planning and Environment Energy Assessments (the Department) team fail to require any renewable developer to provide any firefighting resources other than to lodge a plan of management with NSW Rural Fire Services and the local council.

This is a complete failure that will result in the catastrophic losses in the future.

- Further the current rural firefighting resourcing structure is based on traditional farm practises developed over many years and bush fire experiences. The

creation of renewable energy developments especially solar and battery installations has significantly changed this dynamic without changing the resources need to deal with the new paradigm.

- One of the biggest concerns is the impact on insurance premiums for land surrounding REZ developments – landholders are needing assurance that there are no implications for them in the event of a fire and will third party insurance require the energy development operator to indemnify neighbouring landowners from damages on land outside of the renewable energy development.

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

- Ongoing experience with commenced projects (Dinawan Substation and Project Energy Connect and Humelink Transmission lines) confirms that current and projected costs of roads and infrastructure will be a significant and unsustainable financial burden on Murrumbidgee Council. Our experience to date is that none of these developments work or communicate with Council to either consult, advice or report on their intended road usage, on works that they undertake on council roads without approval or the damage that their contractors have caused.

Ensuring compliance with these developments is rapidly developing into a full time role within our existing staff structure and therefore increasing pressures on the delivery of normal Council works programs.

- The approvals of the existing developments in construction within Murrumbidgee Council (Dinawan Substation and Project Energy Connect and Humelink Transmission lines) all required the lodgement of a Traffic Management Plan to Council. This was a generic document, other than for specific lists of routes and roads required for delivery of goods and for construction activities.
- The creation of the renewable energy zones are all state and federal government projects.

Yet the impacts of the construction, ongoing operations, loss of visual amenities, community divisions, economic, loss of available telecommunication services are all impacts, costs and burdens that will be borne by our Council now and into the future.

This situation has been created by the state and federal governments without them having any “skin in the game” or even any worthwhile recognition of their impacts. There is yet to be any new critical infrastructure, new economic programs or access to the electricity generated in this area for local communities announced or provided by either government.



This is especially difficult to accept given the subsidies paid to potential renewable energy developers and the re-development of access routes from the Newcastle Port in order to encourage its use as a potential delivery point for equipment and materials with no corresponding upgrades of the Newell or Sturt Highways.

**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:**

- Compensation for hosting electricity lines only applies to private landowners. Within the Murrumbidgee Council area a total of 50kms of council managed roads will be required to host transmission lines, yet there is no compensation payable to Council despite Council being required to maintain these roads.

Therefore, the current compensation is not adequate or fair.

**ii. adequacy of the shared benefits being offered to neighbours of large scale renewable projects:**

- Benefits proposed to be offered under the benefit sharing guidelines will in reality be subject to the negotiation skills of the individual neighbours and will therefore vary considerably. The guidelines do not provide a minimum (or maximum) contribution amount. Council's experience to date with current developments indicate that neighbour benefits, where not administered by Council, have led to disputes and divisions between neighbours.

**iii. financial impact of compensation on the state's economy:**

- No comment.

**iv. tax implications resulting from compensation received by impacted residents:**

- Council has been informed that this has been a matter of intense concern amongst land owners hosting transmission lines as should hosting payments be subject to taxes, the final payments will be not be sufficient to justify the loss of agricultural production that will result from hosting the development.

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



- In short, Murrumbidgee Council does not believe that the current VPA arrangements and payments are in any way beneficial.

In 2023 Council entered into a VPA with Yanco Delta, the only renewable energy development to receive Development Consent to date, which was based on Council's current Development Contribution Plan developed under Section 7.12 of the Environmental Planning and Assessment Act 1979.

Under this Plan Council levied a 1% contribution based on the capital investment value of the development (\$1b), resulting in a contribution of \$10m which was shared equally between Murrumbidgee Council and Edward River Council (Yanco Delta being located in both council areas) and to be paid upon commencement of construction works. Murrumbidgee Council will be using this funding to construct a new multi-purpose medical centre in Jerilderie.

The advantage of s.7.12 contributions is that Council receives funding for projects in present value up front, rather than in increments in future value over 30 years.

The use by Murrumbidgee Council of its s.7.12 contribution plan received confusing objections by the Department who have since removed s.7.12 applying to renewable energy developments with the introduction of an incremental payment scheme known as the Benefit Sharing Guidelines for large scale renewable energy developments (the Guidelines) in 2024.

Further Murrumbidgee Council also attempted to apply its s.7.12 Contribution plan on 2 separate Battery Energy Storage Systems (BESSs) seeking Departmental approval to be built within Murrumbidgee Council, which should have resulted in an overall contribution of \$5.6 m to Council which would have funded two new child care centres.

The proponent appealed this payment to the Department without Council being consulted, which resulted in the Department agreeing to halve the amount. Upon Council finally being offered the chance to put our case forward, we were advised by a Department staff member "isn't this enough money for you?"

After this Council lost the opportunity to apply s.7.12 contributions on BESSs as a new clause had been inserted in the Guidelines when they were subsequently introduced that removed the use of s.7.12 contributions applying to BESSs, as well as removing any contributions payable on BESSs associated with a wind or solar development (we had also been trying to apply our s.7.12 on these as well) and introducing a new contribution of \$150 per Mw hour per annum for stand-alone BESSs.

There is absolutely no understanding by the Department of the complete lack of local community support for these developments and the undue and rude haste that these developments are seemingly being pushed through can only enforce this.



Council is attempting to leverage every possible advantage from these developments, as we don't want them but as they are coming we are attempting to maximise their contributions to fund critical local infrastructure that otherwise would never be undertaken.

As the state and federal governments have yet to have "skin in the game" it has been left to local government to maximise the community funding opportunities despite the road blocks put in place by the Department.

**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:**

- Council understands that skilled workers required to construct transmission lines must be imported from overseas. This is an opportunity to train local people with these skills.

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

- The argument that transformation changes resulting from government interventions, such as the creation of National Parks, etc will result in increased visitation has not matched Council's experience.

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

Murrumbidgee Council recently provided the following advice to the Federal Government;

*Murrumbidgee Council is not opposed to being considered as a site for a nuclear Power generator. A recent survey of the residents showed a 50% support for a Facility. At the Dinawan substation in the heart of Murrumbidgee Council area we are at the cross roads of the new EnergyConnect transmission line which will connect the energy grids of NSW, Victoria and South Australia.*

*As a consequence, we have been inundated with over 30Gig of renewable generation, however the REZ we live in is restricted to 3.9Gig of generation. So we have over 6 proposals in our Local Government Area.*

*Like many rural communities the feelings of renewable is mixed. With being at the cross roads of the South Australia and Victorian 500KVA lines, one would think that a Nuclear Power Station would be able to place on site once the useful life of the renewables is over in 15 to 20 years.*

The fact that solar panels and wind turbine blades need to be replaced approximately every 15 to 20 years, which seems to be a hidden elephant in the room, questions the





concept that are wind and solar developments are a cost effective and environmentally sustainable system to generate electricity.

Australia is a stable country, both politically and geographically, with reserves of suitable raw products to develop and use nuclear power as an increasing number of overseas countries are developing. Especially given that the electricity transmission lines will be developed and useable.

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

- Council and the community have and are suffering from renewable energy fatigue. Council is aware that some councils may be combining or limiting developer presentations and consultation in an attempt to avoid fatigue.

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

- No comment, other than it not unlikely that renewable energy business could explore bankruptcy or liquidation opportunities to exclude final decommissioning payments.

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

- No comment. Murrumbidgee Council has not heard from the Net Zero Commission or Commissioner.
- Council only heard from EnergyCo in middle of 2024, 2 years after the SW REZ was formed.

**l) any other related matters:**

- The assessment and approval process to date has seen the loss of local government planning powers as follows;
  1. Council is now unable to apply legally adopted developer contributions under Section 7.12 of the Environmental Planning and Assessment Act 1979.
  2. Proposed conditions of consent put forward by Council during the consultation process are ignored and replaced with standardised general conditions by the consent authority.
  3. Councils are prevented under the Roads Act from refusing to grant consent on a Section 68 Road Works approval relating to road works undertaken by renewable energy developments, even though it is the local roads authority responsible for approving development on or in a local road.



- Renewable energy developers often undertake consultation and communication with both council and land owners in an aggressive and confrontational manner.
- Dinawan Substation is the location where the Humelink, PEC and VNI West transmission lines meet disperse and where at least 4 separate renewable energy developments are also attempting to connect to, creating a spaghetti junction of transmission power lines converging in an area of 300m.

This will create a bizarre and unacceptable visual impact in this area created by the lack of appetite or ability of state government control agencies to require co-location of transmission lines on towers.

This situation is made worst by the complete dismissal by state and federal governments, in their obvious haste to complete the projects, to underground transmission lines. Yet again Australian governments fail to match technologies employed by overseas countries resulting in second rate out dated outcomes forced on Australian communities.

- EnergyCo have offered councils within the REZ funding of \$250K pa for 3 years too to fund Council resources involved in managing renewable energy developments and an uncontested one off grant for infrastructure works.

However it is considered by most Councils within the SW REZ that the \$250k per year, to basically undertake EnergyCo's role for 3 years, is too limited in time frame, as staff resources will be required to monitor the impacts of construction, administration of VPAs etc over a much longer time period.

The one off non-contestable grant for infrastructure works will ONLY apply to projects within the REZ itself. In Murrumbidgee Council this excludes the towns and communities of Darlington Point, Coleambally and Jerilderie. Energy co have refused to extend this area covered by the grant to include all of the Council area that hosts a REZ.

This means that projects within Murrumbidgee Council within the REZ will only benefit the renewable energy developers themselves and about 6 landowners.

