Submission No 125

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

Organisation: Local Government NSW (LGNSW)

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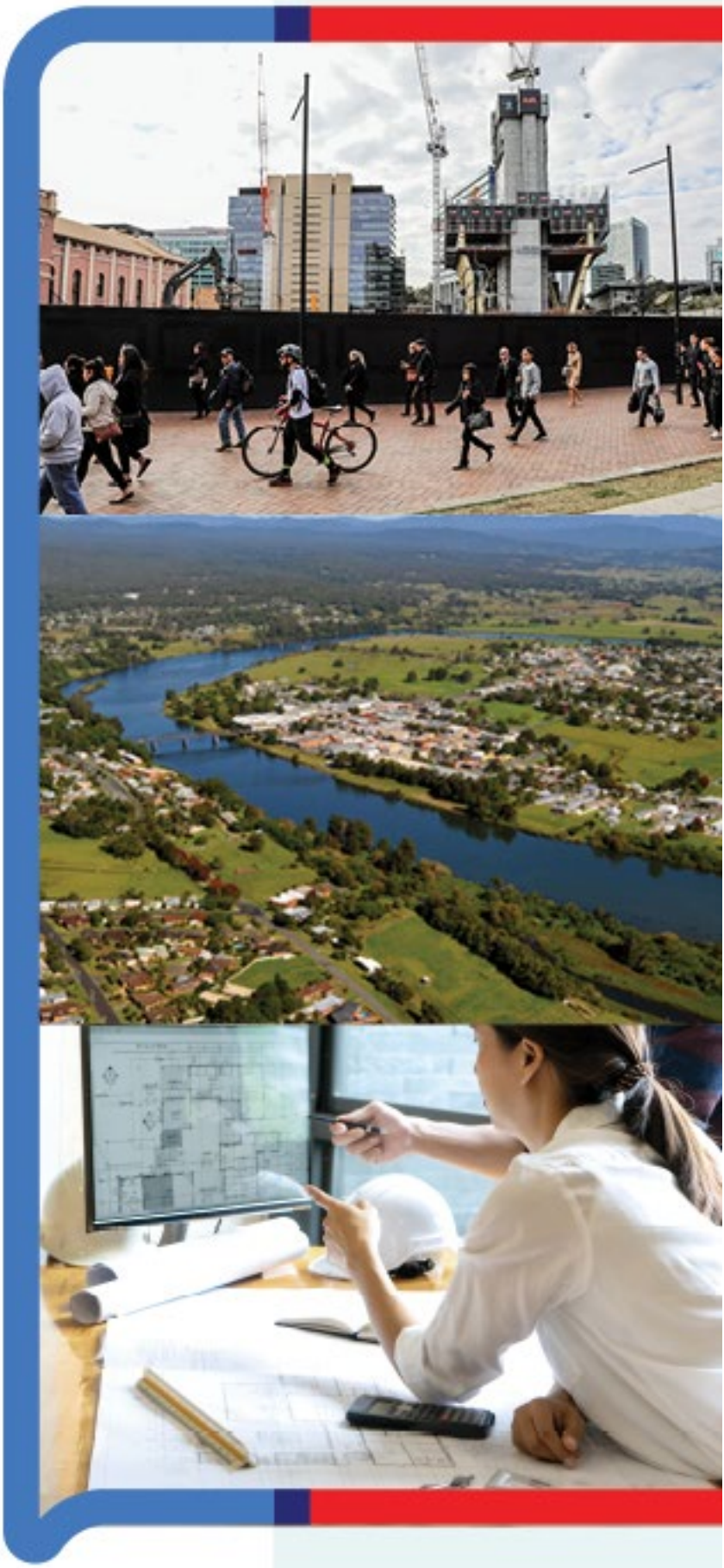
LOCAL GOVERNMENT NSW



LGNSW DRAFT SUBMISSION

THE IMPACT OF RENEWABLE ENERGY ZONES ON RURAL AND REGIONAL COMMUNITIES AND INDUSTRIES IN NSW

February 2025

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Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

OVERVIEW OF THE LOCAL GOVERNMENT SECTOR

- Employ nearly **50,000 people**
- Maintain more than **168,000km of roads & bridges**
- Recycle **1.75 million tonnes of waste**
- Operate more than **380 libraries that attract tens of millions of visits each year**
- Manage an estimated **4 million tonnes of waste each year**
- Manage more than **1,800 community & public centres**
- Manage more than **$220 billion of community assets**
- Spend more than **$2.5 billion each year on caring for the environment**
- Make kerbside waste collections for more than **3.1 million households**
- Spend more than **$2.4 billion on culture and recreation**

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Opening

LGNSW welcomes the opportunity to provide feedback to the Portfolio Committee No. 4 – Regional NSW inquiry into the impact of Renewable Energy Zones (REZs) on rural and regional communities and industries in New South Wales (NSW).

Local government is a key partner in the roll out of renewable energy generation, storage and transmission infrastructure. Councils are well-placed placed to understand their communities' needs and the local opportunities and challenges the transition presents.

This submission is informed by the policy positions of LGNSW and consultation with councils. LGNSW hosted a feedback forum with council staff and councillors in December 2024 and we are also aware of councils making their own submissions.

This submission is in draft form until endorsed by the LGNSW Board. The Committee is asked to consider this current version. If there are any changes following Board endorsement, these will be separately provided to the Committee.

Background

The NSW Government has legislative targets to reach net zero greenhouse gas emissions by 2050 and to reduce emissions by 50% by 2030 and by 70% by 2035 (compared to a 2005 baseline). In 2020, the government released the *NSW Electricity Strategy*[1] and the *NSW Electricity Infrastructure Roadmap*[2], which set out their plan to transform the electricity system and secure a clean, affordable and reliable electricity supply.

Renewable energy is now rapidly developing across NSW and over the past 5 years, the proportion of wind and solar in the NSW electricity generation mix has more than tripled. This is made up of 16 major wind farms and 24 major solar farms, as well as households and businesses with small-scale solar.[3]

While renewable energy infrastructure is generally permitted on all NSW land zoned for rural purposes (comprising around 78% of the state[4]), the NSW Government has created REZs to group the majority of new energy generation into specific geographic

[1] Department of Planning, Industry and Environment *NSW Electricity Strategy Detailed*, NSW Government
[2] NSW Climate and Energy Action (2020.) *NSW Electricity Infrastructure Roadmap*, NSW Government website, accessed 13 Feb 2025
[3] NSW Climate and Energy Action (n.d.) *Renewable Energy NSW*, NSW Government website, accessed 13 Feb 2025
[4] Department of Planning, Housing and Infrastructure (2024) *'Overview of the Renewable Energy Planning Framework'*, NSW Government

locations. The stated ambition is to more efficiently store and transmit energy across NSW.

Five locations have been identified so far:

- Central-West Orana REZ
- New England REZ
- South West REZ
- Hunter-Central Coast REZ
- Illawarra REZ

The Energy Corporation of NSW (EnergyCo) was appointed as the Infrastructure Planner for these regions. Its role is to recommend projects and work closely with communities, investors and industry to coordinate investment in generation, storage and network infrastructure in REZs.

Due to their size, economic value and/or potential impact, most renewable energy projects are classified as state significant. Large infrastructure projects, such as transmission lines, are usually Critical State Significant Infrastructure (CSSI), while wind and solar energy and battery energy storage systems (BESS) are typically State Significant Development (SSD).

State significant projects are subject to a development assessment process administered by the Department of Planning, Housing and Infrastructure (DPHI). The process includes community consultation and consideration of any environmental, social and economic impacts.

In 2023, DPHI released the draft Energy Policy Framework for public consultation, with the aim to provide greater consistency and transparency on how the impacts will be assessed and managed. LGNSW provided a submission in early 2024, which can be found on our website.[5]

DPHI released the final Renewable Energy Planning Framework in late 2024. The framework include guidelines for SSD related to wind, solar, transmission and hydrogen projects, as well as benefit sharing, private agreements and several assessment tools.[6] LGNSW welcomes the introduction of the guidelines in general, and acknowledges that some changes were made to the framework in response to concerns raised. However, LGNSW remains opposed to the benefit-sharing rate of $850/1050 per MW[7], as this represents an overall decrease in benefit to the community.

[5] LGNSW (2024) *LGNSW Submission Energy Policy Framework*
[6] Planning (2024) *Renewable Energy Planning Framework*, NSW Government website, accessed 13 Feb 2025
[7] Planning (2024) *Benefit-Sharing Guideline* November 2024

LGNSW Position

The LGNSW Policy Platform consolidates the voices of councils across NSW, reflecting the collective positions of local government on issues of importance and guiding LGNSW in its advocacy on behalf of the local government sector.

Specific positions relating to renewable energy projects include:

> 7.12 The State and Federal Governments to develop a strategic approach to state significant developments and renewable energy zones to ensure their impact on local infrastructure farmland and neighbouring communities is properly considered, local knowledge is embedded into community consultative processes, and local councils receive development contributions to fund the local infrastructure required to support them.
>
> 8.10 The State Government to work with regional and rural councils to find solutions that address the unique housing pressures associated with major infrastructure and state significant developments, renewable energy zones and seasonal demands for short-term and tourist accommodation in regional NSW.
>
> 10.8 A roadmap to transition away from natural gas, including updating of BASIX to remove installation of gas in new dwellings and renovations.
>
> 10.2 Ambitious but realistic policies and practices that promote council, community, industry and government commitment to renewable energy, energy conservation and energy efficiency.
>
> 10.13 Retention of the uranium mining ban in NSW, and support for sustainable and clean energy initiatives and jobs, including power sharing, community battery schemes and expansion of the Smart Energy Schools Pilot Program.

Specific positions relating to rural and regional communities include:

> 4.2 State and Commonwealth Government accept that rural councils will never be able to fund the basic standard of infrastructure and public services to which all Australians are entitled from own source revenue.
>
> 4.3 Recognition of the higher costs of infrastructure and service delivery faced by rural communities due to inherent and unavoidable economies of scale.
>
> 4.6 Incentives and measures to increase domestic and international migration to inland rural and regional communities, including for experienced and qualified staff.

Our policy position is informed by annual conference resolutions debated and agreed by councillors. The conference resolutions relevant to this submission, including several from the annual conference in November 2024, are listed in Appendix A.

Response

LGNSW supports the urgent need to transition away from fossil fuel industries to renewable energy sources to safeguard future generations from the worst effects of climate change. The rise in climate-driven extreme weather events in recent years and the current cost of living crisis has highlighted the need for safe, reliable and affordable energy sources. LGNSW also recognises that there are opportunities associated with the transition, including economic diversification, investment and the creation of highly skilled and well-paid jobs. LGNSW conference resolutions support these positions *(see Appendix A, R1).*

A huge influx of new renewable energy projects is on the way, with nearly 200 projects progressing through the NSW planning system.[8] While these projects are being introduced across NSW, REZs are generally seeing the greatest uptick. For example, the Central-West Orana REZ has 30 known renewable energy projects that are operational or proposed. The New England region is the focus of similar anticipated growth in renewable energy projects in coming years. On top of this, some councils are hosting other major projects, such as upgrades to coal mines, new regional hospitals or new road and train routes.

The cumulative impact of this rapid development will significantly affect the local labour market, housing, infrastructure, water, waste services, emergency response and transport routes. Councils are concerned that additional pressures could lead to critical shortages of already scarce resources, essential workers and services, such as hospital beds, ambulances, and school and childcare places. Further challenges include socio-economic impacts from Fly-In Fly-Out (FIFO) and Drive-In Drive-Out (DIDO) workers and land use conflicts arising from concerns about the loss of productive agricultural land and areas of ecological significance.

Renewable energy projects place additional demands on local government services and utilities beyond councils' infrastructure planning and budgets. Councils' resourcing is further strained by the need to provide technical input into SSD assessment processes and to review and update local strategies post approval, for example housing and employment strategies, and traffic management plans. Many councils must also respond to residents' inquiries and complaints relating to new and existing projects.

Councils currently do not receive adequate funding and support to respond to these additional demands, as they are already highly resource constrained, and they do not receive development application (DA) fees for SSD. Furthermore, FIFO/DIDO workers utilise council services and assets without contributing to rates.

[8] NSW Climate and Energy Action (n.d.) *https://www.energy.nsw.gov.au/nsw-plans-and-progress/major-state-projects/shift-renewables/renewable-energy-nsw*, NSW Government website, accessed 13 Feb 2025

Many of these issues impact Local Government Areas (LGAs) outside of REZs, including those hosting projects themselves and neighbouring LGAs. The recommendations in this submission apply to all projects, whether they are located in a REZ or not.

Australia grapples with the urgency of addressing the intersecting challenges of climate change and biodiversity loss, but the transition to renewable energy should not come at the expense of the environment. Nature positive solar and wind farms can be achieved without compromising generation capacity, and productivity can be improved through incorporating nature.

LGNSW requests that the Portfolio Committee No. 4 – Regional NSW consider our recommendations in their advice, recommendations and final report to the NSW Government. A summary of our recommendations is listed in *Appendix B.*

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

Socio-economic impacts

The rapid development within REZs will lead to a large influx of people, which can drive increased demand for local services and infrastructure. This 'boomtown' effect can lead to social disruption and lower quality of life if demand for services exceeds supply, and community and business needs are not met.

The impacts on each community will vary depending on the existing availability of housing and local services, the design of the project, such as the use and location of temporary worker accommodation camps. It will also be affected by social factors such as the prevalence of temporary, FIFO and DIDO workers and whether workers choose to relocate their families. These impacts will be compounded by the prevalence of other major projects and events within the town.

Each local area will experience different pressure points, and a targeted response is needed to mitigate adverse impacts. Thorough strategic planning is needed to identify the capacity of the local service provision, assess the cumulative impacts of multiple projects, and adopt mitigation measures to address each issue. See sub-sections titled *Cumulative Impacts* and *Regional Framework - strategic planning* in this submission for more detail.

Temporary workers, including Fly-In Fly-Out (FIFO) and Drive-In Drive-Out (DIDO) workers

The majority of the workforce to construct renewable energy projects will be temporary and many will be made up of FIFO/DIDO workers. This can be hugely disruptive for host communities.

While certain service providers may benefit, such as short term accommodation providers, temporary workers can put pressure on housing availability and affordability, and lead to an increase in the cost of living in a local area. FIFO/DIDO workers can displace tourists which is problematic for local businesses and the community as they are less likely to purchase services and products that are tailored towards tourists, and more likely to use emergency and essential services.

When housed in out-of-town accommodation camps, FIFO/DIDO workers are less likely to purchase food and supplies from local vendors, particularly if there are bars and shops within the accommodation camps. The sub-section below titled *Housing and temporary accommodation covers* councils' preference for permanent accommodation that provides lasting benefits for communities. However, in areas where worker accommodation camps are necessary, locating camps close to towns, and providing a kitchen but no bar facilities, can encourage workers to purchase food locally and use local services. Proponents should work closely with councils to identify the appropriate location for camps that encourage local spending, without putting too much strain on services.

The rapid influx of temporary workers can also lead to decreased social cohesion and division between new workers and the existing community. LGNSW is aware that some councils have made reference to witnessing negative social impacts from the behaviour of some temporary renewable energy workers and have reported overcrowding in motel rooms. The NSW Government and proponents should consider how to mitigate the social impacts of FIFO/DIDO workers on communities and prevent anti-social behaviour.

FIFO/DIDO workers also utilise council services and assets without contributing to rates. The pressure on council services is covered in section (c) of this submission. There is a lack of forward projection of FIFO/DIDO numbers and planning, as well as a lack of independent research about the real cost impact of these workforces on host communities.

To limit these impacts and provide employment to local communities, existing residents and non-FIFO/DIDO workers should be chosen for roles where possible. The NSW Government should invest in training to upskill residents to work on renewable energy projects, in particular for long-term roles such as operation and maintenance. Local hiring and training targets could be introduced for major projects, with a focus on underrepresented cohorts. Those recruited from other areas could be offered incentives to migrate permanently. LGNSW advocates for policies that support permanent migration to inland rural and regional communities (LGNSW policy position 4.6).[9]

[9] LGNSW (2024) *LGNSW Policy Platform 2024*

Recommendations:

1. That where accommodation camps are needed, the NSW Government should require proponents to work closely with councils to identify the appropriate location that will encourage local spending without putting too much strain on services.
2. That the NSW Government encourage proponents to hire local residents and non-Fly-in Fly-out and Drive-in Drive-out workers where possible, for example by introducing local hiring and training targets.
3. That the NSW Government and proponents should consider how to mitigate the social impacts of Fly-in Fly-out and Drive-in Drive-out workers on communities.
4. That the NSW Government invest in training for local communities to enable them to take up permanent employment opportunities supporting the ongoing operation and maintenance of renewable energy facilities.
5. That the NSW Government offer incentives to workers recruited from other areas to migrate permanently.

Housing and temporary accommodation

In an environment where there are already significant pressures on housing supply statewide, many councils in REZs and other areas across the state are concerned that there is insufficient housing stock to support the required influx of workers for major projects. For example, an independent report for Mid-Western Regional Council found an additional 1,500 dwellings would be required in the next two years.[10]

Communities are likely to be affected by lower housing availability and affordability, particularly in the short to medium term. Property owners may benefit from a rise in the value of housing and in rental prices, but local people may be unable to afford these higher costs. The availability and cost of housing in these areas impacts their ability to attract and retain the workforce, including key sector workers where there are already shortages such as educational, medical and veterinary staff.

Councils would like to see the construction of new homes that will alleviate housing pressures and bring lasting benefits to regional areas. However, councils have reported a lack of developer appetite to build much-needed small scale housing projects. LGNSW supports the position that regional housing initiatives that bring forward new housing opportunities should be prioritised for REZs and Special Activation Precinct areas *(see Appendix A, R2)*. Proponents should work closely with councils to ensure proposals are aligned to regional housing strategies.

Councils have called for a requirement to be introduced for renewable energy proponents to provide accommodation for temporary construction workers, unless they have demonstrated that there is sufficient housing supply in the local area. This is

[10] PwC (prepared for Mid-Western Regional Council) (2023) *Managing the impacts of State Significant Development*

already mandated for major mining projects and infrastructure projects, such as Inland Rail. It could be mandatory as part of the renewable energy project application, and it should include a requirement to consider the cumulative housing needs of construction workers across multiple projects. This position is supported by LGNSW Annual Conference resolutions *(see Appendix A, R2)*.

In **Muswellbrook Shire**, the peak construction phase in 2025 is expected to require 1,909 workers, potentially demanding up to 955 accommodation rooms. Council does not support the use of temporary, out-of-town accommodation camps to provide temporary housing and accommodation but is supportive of construction workforce accommodation near existing urban areas, particularly where the accommodation will have long-term benefit as affordable housing, visitor accommodation, or establishes infrastructure that can be utilised by permanent housing after the temporary housing is removed.

While most councils' preference the construction of permanent new housing, it is recognised that projects in some remote locations necessitate temporary accommodation close to construction sites to allow for safe and reasonable travel times for project workers. It is critical that proponents work closely with councils to identify the appropriate type and location of housing and accommodation camps that can be tailored to suit the particular needs of each LGA.

LGNSW and councils have long called for better tools to manage short-term rental accommodation (STRA) impacts and incentivise property investors to make dwellings available for the long-term rental market, which could provide readily available accommodation for local residents who, in many regional locations, are competing with tourists and major project workers for housing. Councils seek reforms to the STRA regulatory framework, including stronger powers to cap the number of days per year that a property can be used for non-hosted STRA. The outcome of the NSW Government's STRA review[11], for which submissions closed in March 2024, has not yet been announced. LGNSW would welcome the urgent conclusion of this review and prompt regulatory changes to allow councils to relieve housing pressures.

[11] NSW government public consultation: Discussion paper on short and long-term rental accommodation | Planning Portal - Department of Planning and Environment, February 2024

Recommendations:

6. That for REZs and Special Activation Precinct areas, the NSW Government prioritise regional housing initiatives that bring forward new housing opportunities and are aligned to regional housing strategies.
7. That the NSW Government mandate renewable energy projects to supply temporary housing for construction workers, unless they have demonstrated that there is sufficient housing supply, considering the cumulative needs of all major projects in the local area.
8. That the NSW Government require proponents to work closely with councils to identify the appropriate type and location of temporary housing and accommodation camps.
9. That the NSW Government prioritise finalising its review of the Short-Term Rental Accommodation regulatory framework alongside the publication of the 2024 review outcomes.

Essential services

Many rural and regional areas already face acute shortages of essential workers, such as medical specialists and general practitioners, dentists, veterinary workers, and childcare workers. As discussed in the sub-section above titled *Housing and temporary accommodation*, reduced housing availability and affordability caused by the new renewable energy workforce could further affect the ability to attract and retain essential workers.

The new renewable energy workforce will also result in a greater demand for these essential services, which will be further exacerbated if their partners and families choose to relocate. Many councils are therefore concerned about overwhelming pressure on these services and a critical shortage of workers, ambulances, emergency beds and school places.

An independent report commissioned by Mid-Western Regional Council (within the Central West Orana REZ) in November 2023 highlighted increased pressure on childcare, primary and emergency care and ambulance services due to major projects in the area. For example, it found that 8 additional GPs may be required in the region in 2025/26 as well as up to 30 additional paramedics, 7 additional nurses, 9 additional ambulances and 8 additional emergency departments bays. This modelling assumes 16% of workers will be family households and 6% will be couple households.[12]

LGNSW advocates for new models for rural and regional service delivery and health, as well as policies that support qualified staff to permanently migrate (LGNSW policy positions 4.4 and 4.6).[13] The subsection titled *Housing and temporary accommodation,* within section (a) of this submission, recommends the NSW Government adopt policies

[12] PwC (prepared for Mid-Western Regional Council) (2023) *Managing the impacts of State Significant Development*
[13] LGNSW (2024) *LGNSW Policy Platform 2024*

and initiatives that support renewable energy workers to migrate to inland rural and regional communities.

Transport routes, roads and bridges

New renewable energy projects place significant pressure on local roads and bridges, particularly during the construction phase. For example, for Singleton Council, the Hunter Transmission project alone will have around 40 interfaces with the council's local road network.

The haulage of equipment and materials to a site, particularly large wind turbines and transmission towers, poses safety risks and creates logistical challenges of oversized, overweight vehicles travelling on regional arterial and local roads. Many existing highways are insufficient for the influx of oversized vehicles and require infrastructure upgrades to accommodate trucks transporting wind turbine blades.

In addition to the movement of equipment and materials, many councils are concerned about other new vehicles on the roads, for example trucks transporting wastewater from remote temporary worker camps to a treatment facility. The high number of large vehicles can lead to traffic delays, harming the productivity of the freight network, affecting emergency services and creating frustration amongst the community.

Heavy vehicles can also cause significant damage to local roads, and those involved with sand, gravel, water and cement transport pose a large risk in many areas. This results in additional costs for councils, which are required to repair local roads, and further inconvenience for residents during the repairs.

In addition, the ongoing financial constraints on councils mean the condition of rural bridges in many instances may be dependent on external funding for repair or replacement. Many local bridges are reaching the end of their useful life and the additional pressure caused by heavy vehicles leads to an increased risk of collapse. This poses a substantial safety risk for communities, as well as the potential for significant economic and social disruption.

The preparation and disclosure of haulage route considerations and their impact should be addressed with suitable traffic and transport management plans for the construction phase of these projects. This should include an audit of the condition of local roads and bridges prior to construction, which assesses whether they are suitable for the heavy vehicles required. If the roads and bridges are deemed unsuitable, the proponent and/or the NSW Government should fund upgrades prior to construction. Their condition should be monitored throughout and following the construction period any damage should be repaired and funded.

Overall, there is a critical need to strategically improve transport routes to facilitate the passage of renewable energy project components to project sites. One proposal, which is supported by LGNSW Annual Conference resolutions, is to reclassify impacted local roads as state roads for the duration of renewable energy construction works *(see Appendix A, R3).*

LGNSW also advocates that public notification in advance of when these movements will occur should be part of a wider community engagement plan *(see Appendix A, R3).* A live app could be funded by renewable energy project proponents and/or the NSW Government to allow emergency services and community members to track the movement of oversize vehicles and plan alternate routes.

Recommendations:

10. That the NSW Government require haulage route impacts to be considered and addressed through traffic and transport management plans, including an audit of the condition of local roads and bridges, and whether they are suitable for heavy vehicles.
11. That the NSW Government or proponents fund upgrades to local roads to ensure they are suitable for heavy vehicles or to fund damage repairs.
12. That the NSW Government consider reclassifying local roads as state roads for the duration of renewable energy construction works.
13. That the NSW Government mandate that the community engagement plan include advanced public notification of when large transport movements will occur.
14. That the NSW Government put in place a requirement for renewable energy project proponents to fund a live app to allow emergency services and community members to track the movement of oversize vehicles and plan alternate routes.

Water supply

Water is another key pressure point for councils, and many hold concerns that the water requirements for the commissioning and operation of renewable energy projects can be overlooked at the project proposal stage. As with other areas of concern, it is the cumulative impacts of multiple projects, and the lack of data on these impacts, that councils are most concerned about.

Some councils cited unrealistic expectations by proponents that their required water supply can be purchased from the local water utility, obtained from neighbouring properties or transported in, without impacting other users. In reality, purchasing water from the local water utility can limit the water available to other industries and residents, surface water diversion reduces inflows to councils' reservoirs, and transporting water from other areas can impact local roads.

Councils' strategic planning does not always account for the increased water demand due to renewable energy projects and it is difficult for them to obtain the required data to do so. For example, the additional water for concrete production and workers may not be factored into regional water budgets.

Waste and resource recovery

Waste generated through the commissioning, operation and decommissioning of renewable energy projects can be substantial. LGNSW's welcomes that proponents must set out in the Environmental Impact Statement (EIS) how waste will be minimised and how reuse and recycling will be optimised.

The *Wind Energy Guideline* [14] and *Large-Scale Solar Energy Guideline* [15] state that applicants must "identify potential end markets for waste materials, noting that some end-of-life market options will be subject to technological advances and the development of markets over time". To ensure resource recovery is maximised, councils would like this to be strengthened to mandate that proponents sign contracts with reuse or recycling facilities before submitting the application for the commissioning phase and first few years of operation.

Not all waste associated with renewable projects can be recycled. For example, the *Wind Energy Guideline* recognises that 5-15% of a wind turbine cannot be recycled and there will be residual materials that will need to go to landfill[16]. This could include ancillary products such as plastic packaging.

There will also be equipment failure during the operational phase, for example, some councils were told by industry experts that solar panel failure may be as high as 10% of panels. The volume of damaged and failed panels or turbines could potentially increase because of future climate driven extreme weather events. It is critical that a recycling contract is already in place to avoid the infrastructure ending up in landfill.

The waste volumes can overwhelm waste processing facilities in rural and regional communities and significantly shorten the expected life of a landfill. This can trigger a need for new or expanded landfill sites to be opened, resulting in unexpected costs to councils for planning approvals, design and construction.

Councils seek greater information and support to prepare for incoming waste volumes, types and disposal methods. A requirement could be introduced that as part of the development application process, proponents must consult and obtain approval on their Waste Management Plan from the council's Waste Operations Unit. This additional workload for council could be funded by the NSW Government or through the collection of assessment fees from the project applicant.

The introduction of the above process would allow all parties to better understand upfront the total quantity of waste that will be generated, the mitigation and recycling plan, and where use of council facilities is permitted. It could also provide an opportunity for councils that may be interested to explore how they can work together with proponents in implementing circular economy practices into the developments.

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[14] Department of Planning, Housing and Infrastructure (2024) *Wind Energy Guideline*, NSW Government
[15] Department of Planning, Housing and Infrastructure (2024) *Large-Scale Solar Energy Guideline*, NSW Government
[16] Department of Planning, Housing and Infrastructure (2024) *Wind Energy Guideline*, NSW Government

Recommendations:

15. That the NSW Government require proponents to obtain contracts with recycling facilities that cover waste generated during the commissioning phase and first few years of operation.
16. That the NSW Government mandate that as part of the assessment process, proponents must consult and obtain approval on their Waste Management Plan from the council's Waste Operations Unit.

Agricultural land

Agriculture is a key focus of many of the affected local economies and is an important part of these communities' identities. There are concerns about the potential loss of productive agricultural land due to the influx of renewable energy projects and communities would like to see measures in place to ensure that some of the most productive land is earmarked for protection.

The sub-section titled *Regional Framework - strategic planning* below, calls for mapping that highlights sites that are inappropriate for development. LGNSW supports the position that the state government secures food-producing land to allow the community to become more self-sufficient and reduce the loss of productive land to renewable energy production *(see Appendix A, R4).*

A greater focus on co-located projects that combine renewable power with agricultural production may help to mitigate some community concerns. Section (h) in this submission recommends that co-located projects are explicitly encouraged and incentivised. There can be benefits for both activities, for example the shade created by solar panels provides benefits for livestock grazing and horticulture, while the solar arrays see improved productivity and lifespan.

Environmental impacts

The transition away from fossil fuels is essential for protecting nature from climate change but building renewable energy infrastructure should not come at nature's expense.

As recognised in the *Wind Energy Guideline* [17] and *Large-Scale Solar Energy Guideline* [18], renewable energy sites should be chosen that minimise biodiversity impacts and avoid areas of high ecological value. However, the guidelines should specifically address avoiding wildlife corridors, which are vital for maintaining wildlife connectivity in an already fragmented landscape. Councils suggested that projects could be located on rehabilitated mine land, or mine-owned buffer land.

[17] Department of Planning, Housing and Infrastructure (2024) *Wind Energy Guideline*, NSW Government
[18] Department of Planning, Housing and Infrastructure (2024) *Large-Scale Solar Energy Guideline*, NSW Government

Solar energy systems that focus on conservation alongside solar production, which can be termed 'conservoltaic' or regenerative solar systems, should be explicitly encouraged and incentivised. These systems should be highlighted as best practice in the *Large-Scale Solar Energy Guideline*, in addition to agrisolar (see section (h) of this submission). These farms improve biodiversity by adding structural complexity and providing shelter and shade for flora and fauna. Conservoltaic systems also benefit from reduced solar panel degradation, lower ambient temperatures, and less dust accumulation.

The *Building Better Biodiversity on Solar Farms Guide* [19] presents strategies and tools to restore nature and use regenerative farming techniques while producing solar energy. These include simple and accessible steps such as salvaging rock piles, logs and trees from a cleared area and spreading them throughout the site to maintain important habitat. Perimeter fences can be designed with small gaps to enable animals such as turtles to move across sites, and posts can be installed to allow animals such as gliders and koalas to move across high security fencing. As part of the environmental assessment process, developers could be required to follow these regenerative techniques or explain why they are not applicable on their site.

Where vegetation is cleared and offsetting is required, proponents are currently permitted to do so outside of the affected LGA, leading to a loss of local biodiversity. Additional emphasis should be placed on improving local biodiversity outcomes on the project site and within the surrounding area. Proponents should be required to conduct direct revegetation and habitat restoration within the project site for at least a proportion of their offset requirement.

For example, planting trees and shrubs along project boundaries enhances biodiversity and improves wildlife connectivity. It can also lead to greater community buy-in by screening views of solar farms and improving visual amenity. Areas within a project site that are less suitable for infrastructure, such as riparian zones, steep slopes or rocky areas, can also be ideal locations to carry out revegetation. Muswellbrook Shire Council has added conditions to renewable energy projects to include riparian planting to achieve a nature positive outcome and has reported that project proponents have been happy to accept the condition.

Where proponents cannot offset within the project area, neighbouring properties and the wider community should be approached for offset sites. This is another way of potentially increasing community buy-in as local property owners would receive payments for creating stewardship sites.

[19] Community Power Agency (2024) *Better Biodiversity on Solar Farm Guide*

Birds and bats face additional threats from wind energy and transmission lines due to the risk of fatal collisions, as well as displacement of their habitats and migratory corridors. International environmental organisations such as the International Union for Conservation of Nature (IUCN) produce useful guides which could aid assessments of environmental impacts for renewable energy projects in NSW. The IUCN's *Industry guidance for early screening of biodiversity risk for offshore wind* sets out the key types of risks associated with a wind energy project's location and provides links to further guidance to understand the risk[20], while their more detailed guidelines for project developers titled *Mitigating biodiversity impacts associated with solar and wind energy development* contains significant detail on both wind and solar developments[21].

Recommendations:

17. That the NSW Government update the *Wind Energy Guideline* and *Large-Scale Solar Energy Guideline* to specifically address avoiding impacts in wildlife corridors.
18. That the NSW Government place additional emphasis on improving local biodiversity outcomes on the project site and within the surrounding area by requiring proponents to:
    i. Conduct direct revegetation and habitat restoration within the project site for at least a proportion of their offset requirement.
    ii. Explore whether neighbouring properties and the wider community could be offset sites as the next port of call.
19. That the NSW Government encourage developers to follow best practice international guidelines for mitigating the biodiversity impacts associated with renewable energy development.

Cumulative impacts

For several years, councils have been highlighting concerns about the cumulative impacts of major projects in their local areas on workforce and raw materials availability, access to essential services, housing, infrastructure, agricultural land, biodiversity and community cohesion. There have been numerous calls for the NSW Government to carry out holistic studies and strategies to monitor and mitigate these impacts.

We welcome the introduction of *Cumulative Impact Assessment Guidelines for State Significant Projects*[22] that new projects must be assessed against. However, these guidelines only apply to other nearby projects that have already been approved, and therefore proponents do not have to account for projects going through the development assessment process at the same time.

[20] International Union for Conservation of Nature (2021) *Early risk screening guidance onshore wind*
[21] International Union for Conservation of Nature (2021) *Mitigating biodiversity impacts associated with solar and wind energy development*
[22] Department of Planning, Housing and Infrastructure (2024) *Cumulative Impact Assessment Guidelines for State Significant Projects*, NSW Government

Councils recognise that EnergyCo may have been previously under-resourced to carry out the much-needed strategic work on cumulative impacts, and welcome that this is now in progress. This work should be completed for each REZ as soon as possible and should comprehensively cover all proposed, approved and operative renewable energy projects (including non-state significant projects). It should consider their impacts on all forms of infrastructure and services, as well as environmental and social impacts.

Many councils are facing peak construction periods in 2026/27 which is when the greatest impacts will be felt. These critical strategic studies should consider other major projects within the region, not just renewable energy projects, to gain a fuller understanding of the likely level of demand for goods and services, and the broader impacts the area will face.

LGAs outside REZs must not be forgotten. Neighbouring LGAs can experience 'spillover effects', including pressure on their local infrastructure, services and housing. In addition, other parts of the state hosting renewable energy projects would benefit from similar studies, especially those with multiple upcoming major projects, for example the construction of a new solar farm planned for the same time as an upgrade to a road or rail network.

It is important that councils are consulted and involved during the development of these studies, and that they are given full access to the findings. Councils have generally been relying on obtaining information from EISs during the state government's assessment process, and LGNSW is aware of at least one council that has commissioned and paid for its own social impact study[23]. This is time-consuming and costly for councils that are already resource-poor.

Due to this lack of data, it is challenging for councils to plan and budget for future infrastructure and service needs, and many are deeply concerned about critical shortages. To improve council and community confidence in the transition, the NSW Government should publicly demonstrate how it is monitoring and mitigating the cumulative impacts of concurrent projects.

Councils would greatly value better tools to support their own monitoring of planned and ongoing projects and the impacts within their LGAs. The Energy Co map tool provides a helpful visual overview of renewable energy projects in NSW with links to further information but it should be expanded to include projects that fall outside of REZs.

The Renewable energy project tracker also provides some limited information in a searchable table format. However, it should be expanded to include smaller, non-state significant renewable energy projects and ideally converted into an interactive dashboard that contains more detailed project information.

[23] PwC (prepared for Mid-Western Regional Council) (2023) *Managing the impacts of State Significant Development*

The dashboard should include the option to filter projects by LGA and should show summary data on the number of projects in operation, in construction and approved. A best practice dashboard would include additional information that would allow the cumulative impacts of projects to be monitored, such as the number of workers required, water requirements, predicted waste volumes, road usage and vegetation cleared. The dashboard should also include projects across all of NSW, not just within a REZ, ensuring all councils can monitor impacts effectively.

Recommendations:

20. That the NSW Government complete thorough cumulative strategic studies for each LGA hosting renewable energy projects as soon as possible, in consultation with councils, covering:
    i. All major projects i.e. proposed, approved and operative renewable and non-renewable projects
    ii. Impacts on all forms of infrastructure, industries, services and amenities, including the environment.
    iii. Impacts on neighbouring LGAs
21. That the NSW Government publicly demonstrate how it is monitoring and mitigating the cumulative impacts of concurrent projects.
22. That EnergyCo expand their mapping tool to include renewable energy projects that fall outside of REZs.
23. That the NSW Government create an interactive dashboard that councils and the public can use to monitor the cumulative impacts linked to planned and operative renewable energy projects, including non-state significant projects and non-REZ areas.

Regional Framework - strategic planning

Councils hold strong views that the planning process for the approval and construction of renewable energy projects is not being co-ordinated or managed in a regionally strategic way when it comes to timing of implementation. Multiple projects have been individually approved within an area without an adequate assessment and understanding of the cumulative impacts or demands for materials and human resources. This could lead to significant impacts on host communities and councils, as well as delays to renewable energy projects and other projects within the region.

To alleviate these pressures, ideally major projects should be sequenced and strategically located, based on the ability of an area to support the increased demands on infrastructure, services, resources and the workforce. Councils would like to see the development of regional master planning and mapping that highlights both appropriate and inappropriate locations for renewable energy projects and a pipeline of proposed commencement to operation. This would enhance the NSW Government's adopted regional plans, that have a future outlook to 2041[24], to provide greater transparency and certainty to affected communities, councils, renewable energy project proponents and other businesses. It should be a key step in implementing the *NSW Government's*

[24] Planning (n.d.) *Regional plans*, NSW Government website, accessed 13 Feb 2025

Electricity Infrastructure Roadmap[25] and would provide greater certainty as to how and when the investment and jobs envisaged in the Roadmap will materialise.

The regional master planning should account for the cumulative impacts on biodiversity, habitat connectivity and productive agricultural land. For example, biodiversity corridors should be identified as an inappropriate location for renewable energy projects and strategic planning should consider how to improve wildlife connectivity e.g. by creating new corridors through regeneration on the boundaries of project sites.

LGNSW advocates that the NSW Government should:

- conduct further regional master planning and strategic studies regarding appropriate locations of renewable energy projects within REZs *(see Appendix A, R5).*
- provide funding for local councils to complete rural land use strategies and update land uses permissible under the *State Environmental Planning Policy (Transport and Infrastructure) 2021* and *Standard Instrument Local Environmental Plan* to include reference to REZs and the appropriateness of renewable energy types within specific locations *(see Appendix A, R6).*

The work on regional level strategic planning should be led by the NSW Government, e.g. EnergyCo, in consultation with councils and proponents of new and existing renewable energy projects.

Recommendations:

24. That the NSW Government lead work on regional level strategic planning, in consultation with councils and renewable energy proponents that includes:
    i. sequencing and locating projects based on the ability of an area to support the increased demands on infrastructure, services, resources and the workforce,
    ii. developing mapping that highlights both appropriate and inappropriate locations for renewable energy projects,
    iii. work to avoid and mitigate the cumulative impacts on biodiversity, habitat connectivity and productive agricultural land.

(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

Energy storage systems, most commonly battery energy storage systems (BESS), are increasingly important pairings to renewable energy projects. Assessment considerations unique to BESS have specific locational requirements, safety precautions and hazard protections relative to the technology in use. Considerations

[25] NSW Climate and Energy Action (2020.) *NSW Electricity Infrastructure Roadmap*, NSW Government website, accessed 13 Feb 2025

such as fire safety risk, contamination risk, hazard and handling risk should be explained in the Renewable Energy Planning Framework.

Councils are concerned about gaps in fire safety planning and feel they lack adequate information regarding fire risk, management and containment, including water and road requirements. They also hold concerns about the capability and capacity of the local Rural Fire Service (RFS) network to manage chemical fires and electrical fires from renewable energy projects, particularly battery storage and wind farms, gas pipelines and possibly waste to energy and green hydrogen plants.

The NSW Government should carry out a review of firefighting resources and gaps in each subregion, taking into account proposed renewable and non-renewable major projects, and the distance to travel to fire stations. Some small rural communities do not have firefighting squads and will need support from a flying squad.

The NSW Government should also consider establishing a full-time professional response team dedicated to managing and mitigating the fire risk in each REZ. This could be similar to Coal Services[26], a specialised health and safety scheme for the NSW mining industry, or the scope of Coal Services could be expanded to cover the renewable energy sector.

These response teams and/or the local RFS should receive tailored training for renewable energy projects, for example chemical fire response, high-altitude, wind turbine awareness, hazardous materials, communication protocols, community relations and simulated drills. Equipment upgrades should also be considered, for example, foam systems, high-reach appliances, communication and rescue equipment, and community awareness programs. Such training and equipment should be funded by the state and/or from the renewable energy projects themselves,

Transmission lines can impact the ability of landholders to fight bushfires on their properties. For example, landowners in Snowy Valley LGA that are affected by the construction of the Humelink project by Transgrid hold serious concerns about the risk to their properties, as they are not permitted to fight a fire within the 70m wide easement. Recognising the heightened fire risk caused by transmission infrastructure, Snowy Valleys Council advocates it would be equitable for Transgrid to make a monetary contribution to the Emergency Services Levy in affected local government areas.

[26] Coal Service (n.d.) *Coal Services*, accessed 13 Feb 2025

Recommendations:

25. That the NSW Government carry out a review of firefighting resources and gaps in each subregion, taking into account proposed renewable and non-renewable major projects, and the distance to travel to fire stations.
26. That the NSW Government establish professional response teams dedicated to managing and mitigating the fire risk in each REZ, including flying squads to support rural communities without adequate firefighting support.
27. That the NSW Government provide tailored training (including on chemical fire responses) and equipment upgrades (such as foam systems) to the dedicated professional team and local RFS.
28. That Transgrid make an annual contribution to the Emergency Services Levy in the local government area where assets and infrastructure are located.

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

The main costs and pressure points for councils are during the assessment and construction phases of major projects, and communities are most impacted during the construction phase.

Council resources

The impact of renewable energy developments on councils' resources is significant and takes away resources from servicing their communities, particularly where there is a large influx of projects. For example, Tamworth Regional Council is currently aware of at least nineteen renewable energy projects in different stages of project development that are either located within the Tamworth region or will impact Tamworth Regional Council infrastructure and communities.

As covered under section (a) of this submission, projects will put pressure on council services and utilities such as water, waste, and road networks, due to demand beyond councils' infrastructure planning and budgets. Substantial resourcing and costs are often required from across the organisation to support the roll out of renewable energy generation. Councils therefore require external funding from the NSW Government and proponents to plan for and support this higher level of service provision.

During the planning and assessment phases, council officers from across the organisation must provide technical information across a range of disciplines, for example to feed into the review of EIS and draft conditions of consent. For their own internal resource planning, councils rely on estimated impacts and timeframes included in the EIS. However, councils feel that the construction timeframes are unlikely to be realistic due to other projects occurring at the same time, creating competition for raw materials and workers.

In the absence of government-led strategic planning, councils have been attempting to assess and plan for the substantial cumulative impacts of multiple projects within their LGAs. This is challenging as there is a lack of forecast data, for example of temporary workers and possible family members they may bring with them. Some councils facing an influx of major projects have paid for studies carried out by consultants to understand the cumulative risks and impacts. This is very costly for councils and should be funded by the NSW Government, as covered in section (a) of this submission, subsection titled *Cumulative Impacts*.

Council planning is made additionally challenging by frequent updates to data and amendments to renewable energy projects. To alleviate pressure on council resources, councils have suggested that the NSW Government should implement a limit on permissible amendments to SSD applications for renewable energy projects to a maximum of two iterations before final determination by DPHI and the IPC. This position is supported by LGNSW Annual Conference resolutions *(see Appendix A, R7)*. Once development details are confirmed, councils are obliged to review and update local strategies, such as accommodation and employment strategies and traffic management plans, to account for the additional demands. This takes time and resources.

Furthermore, councils are also handling numerous resident inquiries about REZs, leading to additional strain on council resources. Councils have reported that many individuals in the community said they were unaware they should contact EnergyCo or were unable to reach EnergyCo's representatives.

Despite this multitude of pressures on resources, councils do not receive DA fees for SSD applications or other reliable or recurring financial support. In addition, FIFO/DIDO workers utilise council services and assets without contributing to rates.

As a result, councils require additional support in the form of funding and resourcing, particularly to support their planning and infrastructure department. LGNSW welcomed the NSW Government's contribution of $250,000 each year, over the next three years, to six councils involved with the delivery of the New England REZ, to plan for their community's future as part of the renewable energy transition[27]. This model should be expanded and implemented as standard practice to support councils across all REZs and other councils facing pressures due to renewable energy projects.

Further, where councils identify a need, DPHI should fund and make available suitably qualified, experienced town planners to relocate to rural and regional areas to support councils' planning responsibilities for reviewing SSD applications for all major projects. This position is supported by LGNSW Annual Conference resolutions *(see Appendix A, R8).*

Alternatively, specific funding could be provided from the NSW Government for each renewable energy project or transmission line. The funds would be used to hire and upskill staff or engage specialist consultants, in disciplines such as environmental

[27] Multi-million dollar boost for councils to help deliver NSW renewable energy future | EnergyCo

management, planning, roads and traffic assessment, and negotiating Planning Agreements.

Recommendations:

29. That the NSW Government introduce a limit on permissible amendments to renewable energy SSD applications to a maximum of two iterations before final determination.
30. That the NSW Government and proponents adequately reimburse affected councils for costs associated with assessing and planning for each renewable energy project and transmission line.
31. That the NSW Government fund and make available suitably qualified, experienced town planners to relocate to rural and regional areas to support councils' planning responsibilities for reviewing SSD applications for all major projects.

Council rates

There are currently four categories of rateable land outlined in the *Local Government Act 1993* (LG Act): farmland, residential, mining, and business. Currently, the land occupied by wind and solar farms is rated as business. The Valuer General, at the request of councils, will issue multiple assessments for a parcel of land, with the land apportioned according to predominant use. A business rate will apply for the wind and solar footprint with the remaining portion continuing to be assessed as farmland.

Some councils find the land rating process unclear, and there have been calls for a new 'renewable energy' category to be created within the LG Act. It would be helpful for the NSW Government to review the LG Act to improve clarity, as well as increase education to councils.

Recommendations:

32. That the NSW Government review the *Local Government Act 1993 to* improve clarity on land rating and consider adding a new 'renewable energy' category for rateable land.
33. That the NSW Government improve educational resources for councils to ensure the renewable energy rating system is well-understood.

(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

As recommended in section (a) of this submission, the NSW Government should carry out regional strategic planning to identify suitable pathways for transmission lines that minimise social and environmental costs and impacts on agricultural land.

Compensation for transmission infrastructure

The wider communities impacted by transmission infrastructure receive comparatively little compensation over the life of the project compared with local communities that host renewable generation infrastructure. Transmission infrastructure results in many of the same temporary impacts, such as traffic, road closures and workforce availability, and long-term impacts to visual amenity, local character and tourism, as well as environmental costs.

More detail is needed in the *Transmission Guideline* in relation to issues of social licence and compensation for the broader community, not just to host landholders[28]. The compensation provided to communities should fairly compensate for the impacts and could be delivered through Community Enhancement Funds, in line with our annual conference resolutions *(see Appendix A, R9).*

Recommendation:

34. That the NSW Government amend the *Transmission Guideline* to increase the compensation provided to communities for hosting transmission infrastructure to fairly compensate for impacts.

Transmission lines within road reserves

The *Transmission Guideline* encourages transmission infrastructure to be located on suitable public land[29] but we understand from councils that there is a lack of clarity in NSW legislation regarding the use of road reserves by private entities. The *State Environmental Planning Policy (Transport and Infrastructure) 2021* (Transport and Infrastructure SEPP) permits infrastructure planned by public entities within local road corridors, such as transmission lines, gas pipelines and water supply systems for renewable energy projects. However, Muswellbrook Shire Council noted in its 2024 submission to the Draft Energy Policy Framework that the current legal framework does not explicitly address the conditions under which private entities can use local road corridors for infrastructure, maintenance, and decommissioning[30]. The Transport and Infrastructure SEPP should be amended to address this.

Locating infrastructure on public land also has implications for council workload and councils advise they are not being fairly compensated for their resource-intensive work

[28] Department of Planning, Housing and Infrastructure (2024) '*Transmission Guideline*', NSW Government
[29] Ibid.
[30] Planning Portal (2024) *Council submissions to the Draft Energy Policy Framework*, NSW Government website

on the negotiation and formalisation of easements. Road reserves may also need to be widened to accommodate the infrastructure. While private landowners receive $200,000 per kilometre for hosting transmission lines[31], public entities must negotiate outcomes themselves. To assist with fair negotiations between developers and councils, the *Transmission Guideline* should be updated to include a minimum level of compensation to councils.

Road reserves can contain significant native biodiversity, including ecological communities that may not be represented in national parks, public reserves or private land. They provide important wildlife habitat and corridors, maintaining connectivity between fragmented ecosystems. Careful planning is needed to identify appropriate sites for transmission infrastructure that avoid regional biodiversity corridors and improve habitat connectivity. As set out under section (a) of this submission, subsection *Environmental Impacts,* where impacts are unavoidable, revegetation must be carried out nearby to provide a suitable alternate wildlife corridor. The *Transmission Guideline* should explicitly mention the need to maintain and improve habitat connectivity and wildlife corridors through both avoidance and offsetting.

Recommendations:

35. That the NSW Government amend the *State Environmental Planning Policy (Transport and Infrastructure) 2021* to explicitly address the conditions under which private entities can use local road corridors for infrastructure, maintenance, and decommissioning.
36. That the NSW Government update the Transmission Guideline to:
    i. include compensation for councils,
    ii. explicitly mention the need to maintain and improve habitat connectivity and wildlife corridors through both avoidance and offsetting.

Undergrounding of transmission lines

Undergrounding of transmission lines and alternative construction methods should also be given further consideration to encourage solutions that lessen social, financial and environmental impacts. LGNSW supports the undergrounding of transmission infrastructure, highlighting that many proposed lines would stretch across and impact areas of state and national ecological significance *(see Appendix A, R10).*

Recommendation:

37. That the NSW Government give further consideration to undergrounding transmission lines and alternative construction methods that lessen social, financial and environmental impacts.

[31] Ibid.

Compensation for wind and solar

The *Benefit-Sharing Guideline* sets out a maximum benefit sharing rate of $850 per MW per year for solar projects, and $1050 per MW per year for wind projects[32]. Councils are strongly opposed to these caps as the new rates represent an overall decrease in benefit to the community in comparison to before the guideline was introduced. This is because the newer maximum figures are for the total contribution, which includes contributions to council, private agreements and any community funds.

Armidale Regional Council has adopted a *Renewable Energy Community Benefit Framework* that sets out the same compensation figures as the minimum community benefit threshold[33]. The *Benefit-Sharing Guideline* should be amended to increase the maximum benefit sharing rate or to make the current rate the minimum compensation amount, rather than the maximum.

Some councils are also concerned that linking the benefit values to Consumer Price Index (CPI) will not be sufficient to keep up with the actual cost increases 'on the ground', resulting in further effective reduction in benefit to the community. A regular review measure (e.g. every 5 or 10 years) of the cap amount should be undertaken to ensure the benefit value is not eroded. LGNSW's conference resolutions support these positions *(see Appendix A, R11).*

The *Wind Energy Guideline* [34] and *Large-Scale Solar Energy Guideline* [35] are unclear on how to define the size of the impact area. These guidelines should provide more clarity while recognising that the affected area will vary by local conditions, as well as the issue being assessed e.g. water, visual amenity, biodiversity, housing.

Recommendations:

38. That the NSW Government amends the Benefit Sharing Guideline to increase the maximum benefit sharing rate or to make the current rate the minimum compensation amount, rather than the maximum.
39. That the NSW Government conduct a regular review of the compensation amounts to ensure the benefit value is not eroded.
40. That the NSW Government updates the wind and solar guidelines to provide greater clarity on how to define the size of the impact area while recognising that the affected area will vary by local conditions and the issue being assessed.

[32] Department of Planning, Housing and Infrastructure (2024) *'Benefit-Sharing Guideline'*, NSW Government
[33] Armidale Regional Council (2024) *'Renewable Energy Community Benefit Framework'*
[34] Department of Planning, Housing and Infrastructure (2024) *Wind Energy Guideline*, NSW Government
[35] Department of Planning, Housing and Infrastructure (2024) *Large-Scale Solar Energy Guideline*, NSW Government

Discounted energy prices

Compensation to affected landowners can include the proponent providing discounted energy prices, which is listed as an option and presented as case study in the *Benefit-Sharing Guideline* [36]. However, this can lead to the unintended consequence of landowners consuming more power, as they are able to do so more cheaply.

Muswellbrook Shire Council has instead been encouraging energy proponents to provide a land rate rebate to affected landowners whose land is not part of the project site, through an arrangement with council. The *Benefit-Sharing Guideline* could be updated to list a land rate rebate (in partnership with the council) as one of the options and the existing case study could be replaced with this example.

Recommendations:

41. That the NSW Government update the Benefit Sharing Guideline to:
    i. include the example of offering a land rebate (in partnership with the council)
    ii. replace the case study on discounted energy prices.

Application of the Energy Policy Framework

The Benefit-Sharing Guideline only applies to state-significant wind, solar and BESS on rural zoned land. However, small projects and other types of projects can also result in similar negative impacts on local communities.

The framework, and the Benefit-Sharing Guidelines in particular, should be amended to apply to renewable energy projects of any size, and councils should be given discretion to apply benefit sharing to projects below the state significant threshold. Councils suggested it should also be expanded to apply to all forms of energy and storage/firming projects, including hydrogen production, pumped-hydro, geothermal, waste to energy, transmission infrastructure and coal mine and coal-fired power stations. This would lead to improved transparency and provide a consistent, fair basis for determining benefit sharing.

Recommendations:

42. That the NSW Government expands the Energy Policy Framework, and the Benefit Sharing Guidelines in particular, to include all forms of energy generation, storage and transmission projects.
43. That the NSW Government grants councils the discretion to apply benefit sharing to projects below the state significant threshold.

[36] Department of Planning, Housing and Infrastructure (2024) *'Benefit-Sharing Guideline'*, NSW Government

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

The Benefit-Sharing Guideline sets out that benefit-sharing at the local community level could be administered by the relevant council or by the applicant in partnership with a community, community organisation or institution, or other applicants in the LGA[37]. The sub-section below titled *Council-managed programs*, advocates that councils are generally best placed to understand the initiatives that would be more beneficial to the area.

Councils would like to see greater upfront payment of benefits, rather than over the lifetime of the development, to allow community benefits to occur sooner. This could help to build social licence and support for projects.

Councils also consider that greater transparency in benefit sharing is important. While it is appreciated that privacy is needed in relation to agreements with the host property, other benefit sharing arrangements should be public to assist all parts of the community to appreciate both the impacts and likely benefits of proceeding with a proposal. Section (a) of this submission, subsection titled *Cumulative impacts* recommends the NSW Government create a dashboard which shows data on all renewable energy projects in operation, in construction and approved. This dashboard could include detail on the community benefit sharing arrangements.

Recommendations:

44. That the NSW Government requires proponents to make greater upfront payment of benefits, rather than over the lifetime of the development.
45. That the NSW Government encourages greater transparency in benefit sharing, for example through a dashboard that details the arrangements for each renewable energy project.

Council-managed programs

The Benefit-Sharing Guideline recommends that a planning agreement is used to establish a community benefit fund for council-managed programs, which are subject to requirements under section 7.4 of the *Environmental Planning and Assessment Act 1979*[38].

The Guideline also recommends that councils should administer at least 85% of the total-benefit sharing value[39]. While this is welcomed, councils would prefer stronger language where it is mandated (rather than recommended) that councils are given the

[37] Department of Planning, Housing and Infrastructure (2024) *'Benefit-Sharing Guideline'*, NSW Government
[38] Department of Planning, Housing and Infrastructure (2024) *'Benefit-Sharing Guideline'*, NSW Government
[39] Department of Planning, Housing and Infrastructure (2024) *'Benefit-Sharing Guideline'*, NSW Government

option to manage the majority of benefit payments, aside from private agreements with host landholders. In situations where small councils may not have the resources to manage community benefit funds, and the NSW Government should provide funding and assistance to support this.

Councils have strong governance and financial management arrangements in place and are best placed to understand their community's needs at a strategic level. Councils must comply with the Integrated Planning and Reporting (IP&R) framework, which includes thorough community engagement to develop 10 year Community Strategic Plans and 4 year delivery plans. Through the IP&R process, communities often identify new infrastructure, such as sporting centres, swimming pools, parks or streetscape improvements, which can be delivered where councils are able to pool the benefit payments from multiple projects.

Councils are also best placed to work with other entities to deliver community needs or address impacts caused by renewable energy projects. For example, where projects result in housing shortages or affordability issues for residents due to an influx of workers, councils could partner with NSW Land and Housing Corporation or other providers to secure affordable housing in the area.

There is also the option for councils to establish a community grant fund for smaller projects and initiatives, to help spread the funding to different groups in the community beyond the higher profile groups. Councils can establish advisory committees with representatives from the community to provide advice on the allocation of funds from all projects in an area.

Recommendations:

46. That the NSW Government update the Benefit Sharing Guideline to mandate that councils are given the option to manage the majority of benefit payments, aside from private agreements with host landholders.
47. That the NSW Government provide funding for small councils to manage community benefit funds, that would otherwise not have the resources to do so.

Neighbouring councils

The direct impacts of large-scale renewable energy projects may not necessarily be limited to the LGA boundary within which they are situated. Where major developments are expansive, this can not only place added pressure on local infrastructure, services and housing within that LGA, but can also have direct impacts in neighbouring LGAs. The Benefit-Sharing Guideline would benefit from more detail on how to deliver benefit sharing across multiple LGAs. Councils advise that the process currently relies on strong communication, relationships and collaboration between councils and the proponent.

Generation and storage projects within a REZ pay access fees if they connect to new network infrastructure projects. This can contribute to regional-scale funds for

community and employment-related initiatives in the region, for example, for upgrades to telecommunications and internet infrastructure.[40] However, this only applies to projects within a REZ. In addition, as covered in the sub-section above titled *Council-managed programs*, councils are generally best placed to understand the initiatives that would be more beneficial to the area.

Recommendations:

48. That the NSW Government amend the Wind Energy Guideline and Large-Scale Solar Energy Guideline to provide more clarity on how to define the impact area, while acknowledging that the affected area will vary by local conditions. The impact area should not be limited to the site and adjacent properties.
49. That the NSW Government amend the Benefit Sharing Guideline to include additional detail on how benefit sharing should be conducted across multiple LGAs.

(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

Under the current system where projects are not sequenced, there is uncertainty and competition among project proponents for essential resources such as skilled employees and construction materials. This could result in labour shortages, supply chain disruptions, and logistical challenges that have the potential to slow the construction of projects, increase construction costs and affect overall feasibility of the renewable energy transition.

Councils report there is a lack of reliable data on the additional workforce and materials required for renewable energy projects, and the knock-on impact of this on local populations. As recommended in section (a), the NSW Government should carry out cumulative impact assessments and regional strategic planning to sequence projects. This will be important to alleviate the surge in demand for materials and human resources and mitigate the risk of project delays.

Workforce

As recommended in section (a), subsection titled *Temporary workers,* local people and services should be employed for renewable energy projects where possible to ensure benefits are felt within the community and to reduce the need for FIFO/DIDO workers. For example, heavy industry services like earthmoving can be supported by local providers. The *Temporary workers* subsection also highlights there must be

[40] Department of Planning, Housing and Infrastructure (2024) *'Benefit-Sharing Guideline'*, NSW Government

investment in local workforce training and education to ensure local long-term employment on projects.

However, workforce constraints are likely to be a problem in many LGAs. Careful planning is needed to assess the risk of diverting local labour and creating skills shortages, which could reduce the availability of services and increase their cost. This should be addressed as part of the monitoring of cumulative impacts and strategic planning recommended under section (a), subsections titled *Cumulative Impacts* and *Regional Framework - strategic planning.*

For new transmission lines between the Bayswater Power Station Substation and the NE REZ, EnergyCo (2024) estimates a peak construction workforce of approximately 1,250 jobs. A similar peak for the NE REZ would expand **Armidale Regional Council's** labour force by 7%, necessitating careful planning to manage the substantial impacts on local resources and infrastructure. Even if a sizeable portion of this workforce comprises FIFO/DIDO workers, some diversion of the local labour force to REZ projects is likely, potentially leading to skills shortages and higher costs for certain services.

Raw materials

Councils have heard from developers that it is already challenging to access the required concrete and raw materials for major and small-scale projects. High transportation costs for heavy materials like quarry products, cement, and sand mean there is competition to source these locally. Businesses that supply these goods and services will benefit from increased demand.

However, the remainder of the community can be adversely impacted by the lower availability of these supplies and suppliers. Businesses require certainty around development timelines and contracts to ensure preparedness, but councils advise that the construction timeframes noted in EISs are unlikely to be realistic due to other projects occurring at the same time.

The solar and wind decommissioning calculators provide valuable insight into the quantum of materials that go into a major generation facility and could be actively used in the assessment process, rather than just being a tool between the landowner and developer.

Recommendation:

50. That the NSW Government consider how the solar and wind decommissioning calculators could be used as part of the development assessment process for renewable energy projects.

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

Accommodation availability

The influx of FIFO/DIDO workers will increase demand for short stay accommodation, including hotels, motels and privately-owned short term rental accommodation (such as Airbnb) . Local accommodation providers will benefit but it can lead to a displacement of tourists due to a lack of availability or higher prices.

This displacement is problematic for local businesses and the community as FIFO/DIDO workers are less likely to contribute to the local economy through purchasing services and products, and more likely to use emergency and essential services. The biggest impacts will be felt by businesses and services that cater to, and rely on tourism, such as local tours, souvenir shops and some food providers.

The increased competition for short stay accommodation may also impact major events like festivals and university graduation ceremonies. Section (a) of this submission recommends that careful planning is carried out to assess accommodation availability, and that proponents should provide accommodation for their temporary workforce.

Visual amenity

Renewable energy production and transmission projects can negatively impact natural attractions, which can affect the desirability of tourism in an area. Native trees and shrubs should be planted to screen views where possible, for example along solar farm project boundaries, outside of asset protection zones. This will would also likely lead to greater community buy-in, while improving wildlife connectivity.

Overhead powerlines are also viewed as detrimental to the visual landscape and could affect visitation. As recommended in section (d) of this submission, undergrounding of transmission lines and alternative construction methods should be given further consideration and communities hosting transmission infrastructure should be fairly compensated.

Snowy Valleys has been working hard to reinvent itself as a nature tourism destination and the impact of the soon-to-be constructed transmission infrastructure will impact the natural landscape for the next 50 years and beyond. These communities should be fairly compensated in a similar way to communities that host renewable energy generation infrastructure.

Within towns, the visual impacts of transmission cables can be reduced through using aerial bundled cables (ABC) or underground cables. This would protect street trees from 'wine glassing' i.e. removing branches to make space for overhead cables, and would allow for larger trees and greater canopy cover. LGNSW's annual conference resolutions call for increased funding for ABC, including supporting co-funding

programs provided by Ausgrid, Essential Energy and Endeavour Energy *(see Appendix A, R12 and R13)*.

LGNSW understands that Ausgrid's proposal for a co-funding scheme with local councils to implement ABC projects was not approved by the Australian Energy Regulator for the 2024-2029 regulatory period[41]. The NSW Government should provide funding for ABC or underground cables given the social and environmental benefits, including visual amenity, air quality and climate change mitigation and adaption.

Recommendations:

51. That the NSW Government require proponents to plant native trees and shrubs to screen views where possible, for example along solar farm project boundaries, outside of asset protection zones.
52. The NSW Government should provide funding for aerial bundled cables or underground transmission cables within regional towns.

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

Co-location of large scale solar and agriculture

Co-location projects that combine solar power with other productive land uses on the same site, such as agricultural production and ecological conservation, should be explicitly encouraged and incentivised. These approaches should be designed in from the outset as it is usually challenging to retrofit. Shared systems can help to minimise land use conflict and improve community buy-in for renewable energy projects.

Agrisolar, agrivoltaics or the co-location of solar with agriculture, is where the productive land underneath solar panels is used for farming. There are benefits for the productivity and lifespan of the solar arrays, as well as to the livestock grazing or horticulture. The presence of vegetation helps to increase the energy yield by lowering ambient temperatures and supressing dust accumulation, while sheep grazing reduces the need for mowing, spraying and fire maintenance.

Agricultural activities can also benefit from panels providing protection from sun, rain, hail and wind, improved soil moisture retention and protection from livestock predation[42]. Agrisolar can help to mitigate communities' concerns about the loss of productive land and improve social licence by demonstrating the benefits for agriculture, particularly during drought and other adverse weather.

[41] Australian Energy Regulator (2004), *Final Decision – Ausgrid Distribution determination 2024–29 (Attachment 5 – Capital expenditure)*
[42] Clean Energy Council (2021) *Australian guide to agrisolar for large scale solar*

There has been a rapid increase of agrisolar internationally due to government-funded programs but there has been slower adoption in Australia.[43] A workshop hosted by Macquarie University and Transforming Energy Markets Research Centre in June 2024 concluded that more research and regulatory guidance is needed to support the implementation of agrisolar in NSW.

The Clean Energy Council suggests state-led schemes could incentivise agrisolar principles in large-scale solar projects, with the example of the Solar Massachusetts Renewable Target program that provides a fixed energy price incentive.[44]

The 2023 report 'Pursuing an Agrivoltaic Future in Australia,' highlights barriers to agrivoltaic adoption including a lack of clear policy. The Large-Scale Solar Energy Guideline contains a brief section on co-location with agriculture and a link to the Clean Energy Council's agrisolar guide.[45] However, the guideline should explicitly promote agrisolar to maximise land use and regional economic benefits.

The solar guideline also does not cover conservoltaic systems, which focus on enhancing conservation measures alongside solar energy production, for example by planting native grasses. These farms improve biodiversity by adding structural complexity and providing shelter and shade for flora and fauna. As with agrisolar, conservoltaic solar systems benefit from improved solar panel efficiency and reduced panel degradation due to lower ambient temperatures and less dust accumulation.

Recommendation:

53. That the NSW Government update the Large-Scale Solar Energy Guideline to explicitly promote agrisolar and conservoltaic systems.

Alternatives to traditional large-scale renewable projects and other measures to support the renewable energy transition

Some councils expressed interest in pumped hydro, green hydrogen and geothermal energy. LGNSW's Annual Conference resolutions and Policy Platform support other measures the NSW Government could carry out to transition communities to renewable energy. The Annual Conference resolutions are listed in Appendix A and include:

- Increasing the production of energy closer to major cities and demand centres, for example through offshore wind and rooftop solar *(see Appendix A, R14, R15 and R16).*
- Introducing controls and providing funding for government buildings and infrastructure, including schools, to include solar power or an alternative renewable source *(see Appendix A, R17, R18 and R19).*

[43] Transforming Energy Markets Research Centre (2024) *Agrivoltaics in NSW Workshop*
[44] Clean Energy Council (2023) *Solar And Agriculture Could Be Perfect Match*, accessed 13 Feb 2025
[45] Clean Energy Council (2021) *Australian guide to agrisolar for large scale solar*

- Funding community batteries *(see Appendix A, R20)* and supporting councils to develop and implement community energy projects, including for apartments and small businesses *(see Appendix A, R21 and R18)*.
- Updating the NSW Building Sustainability Index (BASIX), including to ban the installation of gas in new dwellings and renovations, or allowing councils to apply higher BASIX standards within their communities *(see Appendix A, R22).*
- Supporting the uptake of electric vehicles through investment, concessions, guidelines and legislation, for example to support charging and parking infrastructure (LGNSW policy position 10.12)[46].

Recommendations:

54. That the NSW Government explore how to increase the production of energy closer to major cities and demand centres, for example through offshore wind and rooftop solar.
55. That the NSW Government introduce controls and providing funding for government buildings and infrastructure, including schools, to include solar power or an alternative renewable source.
56. That the NSW Government fund community batteries and supporting councils to develop and implement community energy projects, including for apartments and small businesses.
57. That the NSW Government update the NSW Building Sustainability Index (BASIX), including to ban the installation of gas in new dwellings and renovations, or allowing councils to apply higher BASIX standards within their communities.
58. That the NSW Government support the uptake of electric vehicles through investment, concessions, guidelines and legislation, for example for charging and parking infrastructure.

Non-suitable alternatives: nuclear and waste to energy

LGNSW supports the retention of the uranium mining ban in NSW (LGNSW policy position 10.13)[47]. However, any change in government policy on nuclear power generation would necessitate clarification on whether nuclear energy would be contemplated in REZs. Section (k) of this submission recommends the NSW Net Zero Commissioner could play a role in clarifying this.

LGNSW and councils also hold concerns regarding the impact of waste to energy incinerators due on communities and the environment (LGNSW policy position 11.2)[48].

[46] LGNSW (2024) *LGNSW Policy Platform 2024*
[47] Ibid.
[48] Ibid.

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

Community consultation

Councils report that many communities currently feel helpless and disenfranchised about the rapid change that is taking place around them. In parallel, many are confused, overwhelmed and fatigued by the multitude of projects they are being consulted on.

To manage this, strategic community consultation could be designed in partnership with councils in a way that is carefully sequenced and avoids overwhelming the community. LGNSW's position is that the NSW Government should provide funding to councils to engage with renewable energy proponents in the first instance to develop appropriate community consultation plans *(see Appendix A, R6).*

Consultation on projects within the same area should be combined where possible, in order to avoid a large number of separate meetings and 'consultation overload'. This would allow both councils and communities to better understand the cumulative impacts and benefits of the projects within their LGA and provide more meaningful input.

Many councils would like to see meaningful consultation begin at the site selection phase, rather than for the environmental impact assessment stage. A strategic community consultation plan could support some proponents to develop a social licence before the formal development process begins.

Recommendation:

59. That the NSW Government fund councils to engage with renewable energy proponents to develop community consultation plans that carefully sequences and combines consultation opportunities.

Council consultation

Councils are a critical stakeholder in renewable energy projects and can also play a key role in building a social licence among the community. For example, Hay Shire Council has successfully built community support by engaging early and often. The council developed a document titled *Fundamental Principles for Successful Renewable Energy Development in Hay LGA*[49] which brings together the community's views and concerns to deliver a unified message to the NSW Government, EnergyCo, developers and other stakeholders.

To obtain council buy-in and leverage their support, councils should be given the option to be a partner in the regional strategic planning process and be funded appropriately

[49] Hay Shire Council (2024) *Fundamental Principles for Successful Renewable Energy Development in Hay LGA*

for this. LGNSW supports the position that the NSW Government should fund councils to develop rural land use and other strategies *(see Appendix A, R6).*

However, councils require additional funding and more detailed and earlier data to better understand and plan for the increased pressure on their services. An example of this is temporary workforce data forecasts on demographics, potential family members they may bring and locations they will reside.

Many councils expressed that they are not sufficiently consulted on the REZs or the pipeline of projects in their LGA. However, councils in the NE REZ welcomed a series of council engagement workshops conducted by EnergyCo and hope this type of engagement will continue. Neighbouring councils are often impacted by major projects, including through increased pressure on services, local roads and other infrastructure and must also be consulted.

Recommendation:

60. That the NSW Government put in place mechanisms to ensure that where appropriate, neighbouring councils are consulted throughout the assessment process and can input into the conditions of consent for renewable energy projects.

Critical State Significant Infrastructure (CSSI)

Wind or solar development can be declared as CSSI if it includes a significant energy storage system. The Wind Energy Guideline[50] and Large-Scale Solar Energy Guideline[51] set out that for CSSI projects, applicants do not need the landowners' consent to lodge an application and a decision is not subject to judicial review. Councils generally oppose designating renewable energy projects as CSSI as this can results in community and local government input being more easily ignored.

Recommendation:

61. That the NSW Government avoid declaring renewable energy projects as Critical State Significant Infrastructure where possible.

[50] Department of Planning, Housing and Infrastructure (2024) *Wind Energy Guideline*, NSW Government
[51] Department of Planning, Housing and Infrastructure (2024) *Large-Scale Solar Energy Guideline*, NSW Government

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

The NSW Government's recent Renewable Energy Transition Update (released November 2024) sets out why they do not require decommissioning bonds from renewable energy developers[52]. However, some councils would like to require proponents to commit to an environmental management bond to ensure the land is returned to its pre-use state, or other defined future state. LGNSW calls for the NSW Government to fund councils to produce strategies that include this requirement *(see Appendix A, resolution* 6*).*

Councils would like to see bonds released in a timely manner and provide lasting benefit to the community. Councils should be given the option to be a major stakeholder in the management of these funds.

The solar and wind decommissioning calculators are a useful tool and are a welcomed inclusion in the wind and solar energy guidelines. To improve transparency and certainty on the overall impact to the community during the decommissioning phase, the calculators would also benefit from adding the timeframes over which costs will be incurred.

Other limitations of the calculators are that they only allow for decommissioning and land rehabilitation on a project-by-project basis and allow for subjective assessment. Standards could be developed with the aim to improve objectivity and environmental outcomes, including for a greater area of impact than just the host site.

Recommendations:

62. That the NSW Government fund councils to produce strategies that include a requirement for proponents to commit to an environmental management bond to ensure the land is returned to its pre-use state, or other defined future state.
63. That the NSW Government require bonds to be released in a timely manner and provide lasting benefit to the community.
64. That the NSW Government give councils the option to be a major stakeholder in the management of these funds.
65. That the NSW Government enhance the solar and wind decommissioning calculators to include:
    i. timeframes over which costs are incurred
    ii. standards that consider optimum environmental outcomes for the local area both on and surrounding the host site.

[52] Renewable Energy Transition Update (p14)

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

Councils report there is a lack of oversight and coordination of cumulative and cross-boundary issues which is set out in section (a). The NSW Government could consider whether it is appropriate for this to be overseen by the Net Zero Commission and Commissioner.

If there were a change in government policy for nuclear power generation, the NSW Net Zero Commissioner could play a role in clarifying whether nuclear energy would be contemplated in REZs. However, as covered in section (h) of this submission, LGNSW's supports the retention of the uranium mining ban in NSW (LGNSW policy position 10.13)[53].

Councils would value additional information on the role of the Net Zero Commission and Commissioner, including the interaction and division of responsibilities between different government agencies.

Recommendations:

66. That the NSW Government consider whether Net Zero Commission and Commissioner, or another appropriate body, should provide oversight and coordination of cumulative and cross-boundary issues.
67. That the NSW Government provide additional information on the role of the Net Zero Commission and Commissioner, as well as other relevant government bodies.

[53] LGNSW (2024) *LGNSW Policy Platform 2024*

Appendix A: Relevant LGNSW Annual Conference Resolutions

R1. Renewable energy and safe, secure jobs (2024 - Resolution X18 - City of Newcastle)

"That Local Government NSW:

1. welcomes the NSW transition towards a low carbon economy that simultaneously creates secure, safe and well-paid jobs
2. supports the NSW Premier the Hon. Chris Minns in his comments regarding the continuation of prohibiting nuclear generated power in NSW and reiterates its commitment to being a nuclear free State.
3. reaffirms its commitment to renewable energy and highlights the importance of transitioning towards reliable and affordable energy options, particularly during the current cost of living and climate crisis."

R2. NSW Govt to ensure new housing is prioritised for Renewable Energy Zones (2022 – Resolution 39 - Armidale Regional Council)

"That Local Government NSW:

1. requests the NSW Government commit to ensuring that Regional Housing initiatives that bring forward new housing opportunities be prioritised for Renewable Energy Zones (REZ) and Special Activation Precinct areas.
2. requests the NSW Government direct Department of Planning and Environment to require all State Significant Development proposals within the Renewable Energy Zones to supply housing for construction workers unless they have demonstrated adequately that there is sufficient housing supply in the local area and that such assessment be required to consider the cumulative on housing demand of concurrent projects. "

R3. Transportation of renewable energy project infrastructure (2023 – Resolution 77 - Muswellbrook Shire Council)

"That Local Government NSW:

1. Calls upon the NSW Government to resolve road infrastructure constraints associated with the transportation of renewable energy project infrastructure to Renewable Energy Zones.
2. Advocates for all impacted local roads to be reclassified as State Roads for the duration of renewable energy construction works.
3. Advocates for a live app. to be funded by renewable energy project proponents that will enable impacted community members to track the passage of oversize vehicles through their Shire and

to thereby enhance the safety of communities who must negotiate the passage of these oversize vehicle movements."

R4. Food-producing land for self-sufficient community (2022 Special – Category 2 Resolution X39 - Snowy Valleys Council)

"That LGNSW investigate ways of working with the state government to secure food-producing land to allow the community to become more self-sufficient and to stem the flow of land to renewable energy production."

R5. Strategic Studies within Renewable Energy Zones (2024 – Resolution 66 - Singleton Council)

"That Local Government NSW requests the NSW Government to conduct further strategic studies regarding appropriate locations of renewable energy projects within renewable energy zones."

R6. Funding for the development of strategies within Renewable Energy Zones (2024 – Resolution 63 - Singleton Council)

"That Local Government NSW advocates to the NSW Government to provide appropriate funding for local councils within Renewable Energy Zones to complete rural land use and other strategies to support the local councils' ability to:

1. Engage with renewable energy development proponents strategically in the first instance, to develop appropriate community consultation plans
2. Provide clear land uses permissible under the State Environmental Planning Policy (Transport and Infrastructure) 2021 and Standard Instrument Local Environmental Plan to now include reference to the renewable energy zone and appropriateness of renewable energy types within specific locations across NSW
3. Require renewable energy proponents to commit to an environmental management bond to ensure the land is returned to its pre-use state (or other defined future state)."

R7. Limit on permissible amendments to Development applications for SSD renewable energy projects (2024 – Resolution 65 - Tamworth Regional Council)

"That Local Government NSW calls on the NSW State Government to implement a limit on permissible amendments to Development Applications for State Significant Development renewable energy projects to a maximum of two iterations before final determination by Planning NSW and the Independent Planning Commission of the project."

R8. Resourcing the assessment of renewable energy project Development Applications (2024 – Resolution 64 - Tamworth Regional Council)

"That Local Government NSW calls on the NSW Government and Department of Planning, Housing and Infrastructure to allocate qualified, experienced town planners from its departmental ranks to relocate to rural and regional areas to act as the local council planner responsible for the review of all Development

Applications for State Significant renewable energy projects, with this initiative funded by the NSW Government."

R9. Transgrid to pay royalties (2024 – Resolution 60 - Snowy Valleys Council)

"That Local Government NSW lobbies the Australian Government and the NSW Government to establish significant Community Enhancement Funds for Local Government Areas impacted by Transgrid, other energy projects and other significant infrastructure projects as proposed in the NSW State Government Draft Energy Policy Framework for renewable energy projects."

R10. Undergrounding Transgrid transmission infrastructure (2023 – Resolution 76 - Snowy Valleys Council)

"That, in the interests of the conservation of biological diversity and visual amenity, Local Government NSW advocates for the undergrounding of Transgrid transmission lines currently proposed as above ground infrastructure that would stretch across many areas of state and national ecological significance."

R11. Ensuring an adequate CIV percentage for Renewable Energy VPAs (2024 – Resolution 61 - Tamworth Regional Council)

"That Local Government NSW calls on the NSW State Government and Department of Planning, Housing and Infrastructure to:

1. Increase the per megawatt value of community benefits for wind and solar farm development adopted in the Department's Draft Energy Policy Framework; and
2. Ensure the Department's Draft Energy Policy Framework include a standardised community benefit contribution/payment for battery energy storage systems and transmission lines."

R12. Co-funding for aerial bundled cables (ABCs) with councils (2022 – Resolution 60 – City of Sydney)

"That Local Government NSW:

(i) encourages NSW councils to consider supporting Ausgrid's co-funding of aerial bundled cables;
(ii) write to Essential Energy and Endeavour Energy to encourage implementation of similar programs across NSW; and
(iii) write to the NSW Department of Planning and Environment for funding to support councils with their contribution towards the program."

R13. Co-funding for electricity funding (2023 – Category 2 Resolution X70 - City of Newcastle)

"That Local Government NSW calls on the NSW Government to re-establish a more equitable Ausgrid funding program for Aerial Bundled Cable (ABC) or undergrounded cable upgrades to protect urban canopies from wine glassing and destruction, and the importance of adding the protection of street trees in their operations into Ausgrid's accompanying climate resilience framework."

R14. Climate change (2022 – Resolution 51 - Broken Hill City Council)

"That Local Government NSW calls on the Australian Government to provide leadership and support so that at least 50% of renewable energy is generated in the capital cities of Australia."

R15. Offshore wind farms strategy (2023 – Resolution 80 - Warrumbungle Shire Council)

"That Local Government NSW calls on the NSW Government to develop a comprehensive offshore wind farms strategy close to major demand centres in order to speed up the transition to renewables."

R16. Renewable Energy Assets (2023 – Category 2 Resolution X72 - Warrumbungle Shire Council)

"That as a high proportion of the cost of the transition to renewable energy is the construction of transmission lines from rural areas to the metropolitan area, Local Government NSW should lobby the State Government to construct more renewable energy assets in the metropolitan area with particular emphasis on wind generation off the northern and southern beaches."

R17. Power provision to government owned infrastructure (2024 – Resolution 67 - Bega Valley Shire Council)

"That Local Government NSW:

1. advocates to the NSW Government to develop appropriate planning controls and aligned funding mechanisms to ensure that new local, state, and federal government buildings and infrastructure that consume electricity include provision of solar power or an alternative renewable source in their design and construction where feasible.
2. utilises the Renewable Energy Infrastructure mapping portal to drive investment in renewable energy for government assets."

R18. Renewable energy for buildings and infrastructure (2022 – Resolution 52 - Bega Valley Shire Council)

"That Local Government NSW advocates for controls to be established to ensure that new Local, State and Federal Government buildings and infrastructure that consume electricity include provision of solar power or an alternative renewable source in their design and construction where feasible."

R19. Solar system for schools (2022 – Special Conference Category 2 Resolution X23 - Orange City Council)

"That Local Government NSW calls on the NSW Government to develop a program that builds on and complements the Solar my School program and supports schools to lower their energy costs, as well as decrease CO2 emissions, through installation of solar systems that meet their specific needs in a cost-efficient and effective manner."

R20. Power Sharing (2023 – Resolution 73 - North Sydney Council)

"That Local Government NSW lobbies the State and Federal Government to:

1. Adopt a policy to encourage neighbourhood power sharing and community battery scheme for Local Government Areas.
2. Secure financial and logistical support for the introduction of pilot neighbourhood schemes for power sharing schemes and community batteries.
3. Secure funding for a community awareness and education campaign in co-operation with LGNSW and member councils to promote community batteries and self-sufficiency in power generation. "

R21. Supporting the transition to net-zero in our communities (2022 - Special Conference - Category 2 Resolution X41 - Randwick City Council)

"That Local Government NSW calls on the NSW State Government to:

a) recognise the key role played by local government in tackling climate change;
b) facilitate the net-zero transition of the built environment through inclusion of net zero, energy efficiency and climate resilience mechanisms within the relevant state planning instruments; and
c) establish a community energy target, and fund and support councils to develop and implement community energy projects to help increase the uptake of affordable renewables for their residents, including for apartment dwellers, residential and public housing tenants, small businesses and community organisations."

R22. Amendments to BASIX (2023 – Category 2 Resolution X79 - Queanbeyan-Palerang Regional Council)

"That Local Government NSW calls on the NSW Government to update the Building Sustainability Index (BASIX) to remove installation of gas in new dwellings and renovations, to support a rapid transition away from fossil fuels and towards electrification powered by renewable energy.

This issue was also raised by Wollongong City Council. "

Appendix B: Summary of Recommendations

LGNSW requests that the Portfolio Committee No. 4 – Regional NSW consider all of our recommendations in their advice, recommendations and final report to the NSW Government.

1. That where accommodation camps are needed, the NSW Government should require proponents to work closely with councils to identify the appropriate location that will encourage local spending without putting too much strain on services.
2. That the NSW Government encourage proponents to hire local residents and non-Fly-in Fly-out and Drive-in Drive-out workers where possible, for example by introducing local hiring and training targets.
3. That the NSW Government and proponents should consider how to mitigate the social impacts of Fly-in Fly-out and Drive-in Drive-out workers on communities.
4. That the NSW Government invest in training for local communities to enable them to take up permanent employment opportunities supporting the ongoing operation and maintenance of renewable energy facilities.
5. That the NSW Government offer incentives to workers recruited from other areas to migrate permanently.
6. That for REZs and Special Activation Precinct areas, the NSW Government prioritise regional housing initiatives that bring forward new housing opportunities and are aligned to regional housing strategies.
7. That the NSW Government mandate renewable energy projects to supply temporary housing for construction workers, unless they have demonstrated that there is sufficient housing supply, considering the cumulative needs of all major projects in the local area.
8. That the NSW Government require proponents to work closely with councils to identify the appropriate type and location of temporary housing and accommodation camps.
9. That the NSW Government prioritise finalising its review of the Short-Term Rental Accommodation regulatory framework alongside the publication of the 2024 review outcomes.
10. That the NSW Government require haulage route impacts to be considered and addressed through traffic and transport management plans, including an audit of the condition of local roads and bridges, and whether they are suitable for heavy vehicles.
11. That the NSW Government or proponents fund upgrades to local roads to ensure they are suitable for heavy vehicles or to fund damage repairs.
12. That the NSW Government consider reclassifying local roads as state roads for the duration of renewable energy construction works.

13. That the NSW Government mandate that the community engagement plan include advanced public notification of when large transport movements will occur.
14. That the NSW Government put in place a requirement for renewable energy project proponents to fund a live app to allow emergency services and community members to track the movement of oversize vehicles and plan alternate routes.
15. That the NSW Government require proponents to obtain contracts with recycling facilities that cover waste generated during the commissioning phase and first few years of operation.
16. That the NSW Government mandate that as part of the assessment process, proponents must consult and obtain approval on their Waste Management Plan from the council's Waste Operations Unit.
17. That the NSW Government update the Wind Energy Guideline and Large-Scale Solar Energy Guideline to specifically address avoiding impacts in wildlife corridors.
18. That the NSW Government place additional emphasis on improving local biodiversity outcomes on the project site and within the surrounding area by requiring proponents to:
    i. Conduct direct revegetation and habitat restoration within the project site for at least a proportion of their offset requirement.
    ii. Explore whether neighbouring properties and the wider community could be offset sites as the next port of call.
19. That the NSW Government encourage developers to follow best practice international guidelines for mitigating the biodiversity impacts associated with renewable energy development.
20. That the NSW Government complete thorough cumulative strategic studies for each LGA hosting renewable energy projects as soon as possible, in consultation with councils, covering:
    i. All major projects i.e. proposed, approved and operative renewable and non-renewable projects
    ii. Impacts on all forms of infrastructure, industries, services and amenities, including the environment.
    iii. Impacts on neighbouring LGAs
21. That the NSW Government publicly demonstrate how it is monitoring and mitigating the cumulative impacts of concurrent projects.
22. That EnergyCo expand their mapping tool to include renewable energy projects that fall outside of REZs.
23. That the NSW Government create an interactive dashboard that councils and the public can use to monitor the cumulative impacts linked to planned and operative renewable energy projects, including non-state significant projects and non-REZ areas.
24. That the NSW Government lead work on regional level strategic planning, in consultation with councils and renewable energy proponents that includes:

i. sequencing and locating projects based on the ability of an area to support the increased demands on infrastructure, services, resources and the workforce,
ii. developing mapping that highlights both appropriate and inappropriate locations for renewable energy projects,
iii. work to avoid and mitigate the cumulative impacts on biodiversity, habitat connectivity and productive agricultural land.

25. That the NSW Government carry out a review of firefighting resources and gaps in each subregion, taking into account proposed renewable and non-renewable major projects, and the distance to travel to fire stations.
26. That the NSW Government establish professional response teams dedicated to managing and mitigating the fire risk in each REZ, including flying squads to support rural communities without adequate firefighting support.
27. That the NSW Government provide tailored training (including on chemical fire responses) and equipment upgrades (such as foam systems) to the dedicated professional team and local RFS.
28. That Transgrid make an annual contribution to the Emergency Services Levy in the local government area where assets and infrastructure are located.
29. That the NSW Government introduce a limit on permissible amendments to renewable energy SSD applications to a maximum of two iterations before final determination.
30. That the NSW Government and proponents adequately reimburse affected councils for costs associated with assessing and planning for each renewable energy project and transmission line.
31. That the NSW Government fund and make available suitably qualified, experienced town planners to relocate to rural and regional areas to support councils' planning responsibilities for reviewing SSD applications for all major projects.
32. That the NSW Government review the Local Government Act 1993 to improve clarity on land rating and consider adding a new 'renewable energy' category for rateable land.
33. That the NSW Government improve educational resources for councils to ensure the renewable energy rating system is well-understood.
34. That the NSW Government amend the Transmission Guideline to increase the compensation provided to communities for hosting transmission infrastructure to fairly compensate for impacts.
35. That the NSW Government amend the State Environmental Planning Policy (Transport and Infrastructure) 2021 to explicitly address the conditions under which private entities can use local road corridors for infrastructure, maintenance, and decommissioning.
36. That the NSW Government update the Transmission Guideline to:
    i. include compensation for councils,
    ii. explicitly mention the need to maintain and improve habitat connectivity and wildlife corridors through both avoidance and offsetting.

37. That the NSW Government give further consideration to undergrounding transmission lines and alternative construction methods that lessen social, financial and environmental impacts.
38. That the NSW Government amends the Benefit Sharing Guideline to increase the maximum benefit sharing rate or to make the current rate the minimum compensation amount, rather than the maximum.
39. That the NSW Government conduct a regular review of the compensation amounts to ensure the benefit value is not eroded.
40. That the NSW Government updates the wind and solar guidelines to provide greater clarity on how to define the size of the impact area while recognising that the affected area will vary by local conditions and the issue being assessed.
41. That the NSW Government update the Benefit Sharing Guideline to:
    i. include the example of offering a land rebate (in partnership with the council)
    ii. replace the case study on discounted energy prices.
42. That the NSW Government expands the Energy Policy Framework, and the Benefit Sharing Guidelines in particular, to include all forms of energy generation, storage and transmission projects.
43. That the NSW Government grants councils the discretion to apply benefit sharing to projects below the state significant threshold.
44. That the NSW Government requires proponents to make greater upfront payment of benefits, rather than over the lifetime of the development.
45. That the NSW Government encourages greater transparency in benefit sharing, for example through a dashboard that details the arrangements for each renewable energy project.
46. That the NSW Government update the Benefit Sharing Guideline to mandate that councils are given the option to manage the majority of benefit payments, aside from private agreements with host landholders.
47. That the NSW Government provide funding for small councils to manage community benefit funds, that would otherwise not have the resources to do so.
48. That the NSW Government amend the Wind Energy Guideline and Large-Scale Solar Energy Guideline to provide more clarity on how to define the impact area, while acknowledging that the affected area will vary by local conditions. The impact area should not be limited to the site and adjacent properties.
49. That the NSW Government amend the Benefit Sharing Guideline to include additional detail on how benefit sharing should be conducted across multiple LGAs.
50. That the NSW Government consider how the solar and wind decommissioning calculators could be used as part of the development assessment process for renewable energy projects.
51. That the NSW Government require proponents to plant native trees and shrubs to screen views where possible, for example along solar farm project boundaries, outside of asset protection zones.
52. The NSW Government should provide funding for aerial bundled cables or underground transmission cables within regional towns.

53. That the NSW Government update the Large-Scale Solar Energy Guideline to explicitly promote agrisolar and conservoltaic systems.
54. That the NSW Government explore how to increase the production of energy closer to major cities and demand centres, for example through offshore wind and rooftop solar.
55. That the NSW Government introduce controls and providing funding for government buildings and infrastructure, including schools, to include solar power or an alternative renewable source.
56. That the NSW Government fund community batteries and supporting councils to develop and implement community energy projects, including for apartments and small businesses.
57. That the NSW Government update the NSW Building Sustainability Index (BASIX), including to ban the installation of gas in new dwellings and renovations, or allowing councils to apply higher BASIX standards within their communities.
58. That the NSW Government support the uptake of electric vehicles through investment, concessions, guidelines and legislation, for example for charging and parking infrastructure.
59. That the NSW Government fund councils to engage with renewable energy proponents to develop community consultation plans that carefully sequences and combines consultation opportunities.
60. That the NSW Government put in place mechanisms to ensure that where appropriate, neighbouring councils are consulted throughout the assessment process and can input into the conditions of consent for renewable energy projects.
61. That the NSW Government avoid declaring renewable energy projects as Critical State Significant Infrastructure where possible.
62. That the NSW Government fund councils to produce strategies that include a requirement for proponents to commit to an environmental management bond to ensure the land is returned to its pre-use state, or other defined future state.
63. That the NSW Government require bonds to be released in a timely manner and provide lasting benefit to the community.
64. That the NSW Government give councils the option to be a major stakeholder in the management of these funds.
65. That the NSW Government enhance the solar and wind decommissioning calculators to include:
    i. timeframes over which costs are incurred
    ii. standards that consider optimum environmental outcomes for the local area both on and surrounding the host site.
66. That the NSW Government consider whether Net Zero Commission and Commissioner, or another appropriate body, should provide oversight and coordination of cumulative and cross-boundary issues.
67. That the NSW Government provide additional information on the role of the Net Zero Commission and Commissioner, as well as other relevant government bodies.