

Submission  
No 139

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

**Organisation:** Murray River Council

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## Murray River Council Submission to the Inquiry into the Impact of Renewable Energy Zones (REZ) on Rural and Regional Communities and Industries in New South Wales

### Opening Statement

Murray River Council (MRC) is located within the South West Renewable Energy Zone (SW REZ), covering a diverse landscape of small communities and significant agricultural areas. The scale of renewable energy development in this region presents both opportunities and challenges.

MRC supports the transition to renewable energy but highlights the considerable socioeconomic, environmental, and infrastructure impacts associated with large-scale REZ projects. While these projects promise economic opportunities, the cumulative impact is placing an unsustainable burden on local government, services, and communities. The Council acknowledges the urgency of climate action but insists that the transition must be managed in a way that ensures local benefits and mitigates unintended consequences.

### Key Concerns

- **Infrastructure strain:** Increased demands on local roads, water, waste management, and essential services due to an influx of construction workers and large-scale infrastructure.
- **Housing shortages:** Rising rental costs, housing availability and affordability pressures exacerbated by workforce accommodation needs.
- **Strain on emergency services, health care, education, and utilities:** Local services already under pressure are not resourced to manage the influx of transient workers.
- **Significant community division:** Renewable Energy projects have led to tensions within communities, particularly between landholders hosting infrastructure and those affected indirectly.
- **Impacts on high-value agricultural land and biodiversity:** Renewable energy projects are encroaching on productive farmland and protected ecological zones.
- **New demands on local government resources:** Councils are under increased pressure from ratepayers to ensure their interests are fairly represented while being required to provide additional staffing, infrastructure planning, and financial oversight.
- **Noise and vibration impacts:** Proposed large-scale wind farms and construction activities are impacting community well-being.
- **Increased bushfire risk:** Large-scale battery energy storage and transmission infrastructure introduce additional fire hazards.

Additionally, the arbitrary boundary definitions of the SW REZ exclude many impacted communities from economic benefits while they bear the burden of negative externalities.

### **Murray River Council's Advocacy Position**

MRC is taking a leadership role in advocating for regulatory reforms that ensure:

- **Fair and equitable distribution of benefits** from REZ projects.
- **Stronger infrastructure planning and funding mechanisms** to support local governments.
- **Clear accountability from developers** regarding cumulative social, environmental, and economic impacts.

Council plays a lead role in community capacity building and engagement, ensuring that local aspirations, concerns, and opportunities are integrated into decision-making processes. However, the uncertainty surrounding access routes and project locations means that Council will require significant resources and financial support to maintain community social license, manage infrastructure needs, and maximise economic opportunities at the local level.

This submission outlines specific concerns and on-the-ground impacts faced by the Murray River region in response to the Inquiry's Terms of Reference.

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

#### **Socioeconomic impacts**

The rapid expansion of renewable energy projects in the South West Renewable Energy Zone is significantly reshaping the economic and social fabric of the Murray River region. However, lessons from other REZs, such as the Central-West Orana REZ, highlight the widespread socioeconomic disruptions and cumulative impacts that local governments are ill-equipped to manage without adequate state support. The Murray River region now faces similar pressures—strained infrastructure, housing crises, and community divisions—which must be urgently addressed to prevent long-term damage.

One of the most contentious aspects of these developments is the proposed transmission lines, which cut through valuable irrigated cropping land, one of the largest economic drivers in the Murray River region. For generations, farming families have relied on these highly productive lands for their livelihoods, and the introduction of large-scale energy infrastructure has created deep divisions within the community. Some multigenerational landholders have chosen to participate as host landholders, seeing renewable energy projects as a diversification opportunity that could provide a stable income stream. Others, however, strongly oppose the disruption to their properties, citing concerns over land fragmentation, loss of productivity, and long-term viability of farming operations. This stark contrast in viewpoints has led to irreversible fractures within the community, straining relationships between neighbours and eroding trust in both government and local councils, who are seen as having little control over the decision-making process.

Beyond the direct impact on agricultural operations, the influx of large-scale construction workforces is placing unprecedented pressure on local infrastructure and services. Small rural communities, which are not designed to accommodate sudden population surges, are struggling to meet the demands of these transient workforces. The communities of Moulamein and Kyalite, for example, have a combined population of just 500 residents, yet the VNI West transmission project alone is expected to bring in a peak workforce of 500 during the construction phase. This effectively doubles the local population overnight, placing enormous strain on already limited resources.

Several concerns have been raised regarding the social integration of these project personnel into local communities. Previous large-scale developments in regional areas have demonstrated an increase in antisocial behaviour, public safety concerns, and pressure on local health and emergency services. In Moulamein, the township has only one police officer, who was permanently appointed earlier this year after the position remained vacant for over five years. The sudden arrival of a transient workforce in numbers equal to the town's existing population will place immense pressure on law enforcement, health services, welfare support, and mental health resources, which are already stretched beyond capacity.

Another critical issue is housing affordability and availability. The arrival of large-scale renewable energy projects has driven rental prices to unsustainable levels, pricing out long-term residents and forcing key workers in essential industries such as healthcare, education, and emergency services to relocate due to a lack of housing. The housing market in the Murray River region (and Moulamein specifically) is already in crisis, with an extremely limited supply of properties for purchase and no available rental properties. In previous renewable projects across regional Australia, an influx of temporary workers has resulted in landlords withdrawing properties from the rental market in favour of short-term, high-yield agreements with developers. This has had severe social consequences, forcing local families out of their homes, reducing available housing for permanent residents, and making it almost impossible for new workers to settle in the area.

Despite these mounting pressures, local councils are not being adequately resourced or supported to manage the complexities of State Significant Developments (SSDs). The lack of experience in dealing with projects of this scale—combined with the absence of dedicated funding for impact mitigation—has placed an unfair burden on local government authorities, who are being forced to divert resources away from core community services to respond to these emerging challenges. Ratepayers are increasingly turning to council for assistance, demanding that their concerns be addressed, yet councils lack the legislative power, financial capacity, and technical expertise to meaningfully influence the decision-making processes surrounding REZ projects.

While the State Government promotes the economic benefits of these renewable developments, many of the promised long-term job opportunities fail to materialise for local communities. Construction roles are typically filled by specialised workers from outside the region, many of whom relocate once the initial build phase is complete. This transient nature of employment means that permanent economic growth within the local economy is not being realised, and once projects transition from construction to operation, only a fraction of the workforce remains, leaving communities with a legacy of social and infrastructure challenges but little sustained economic uplift.

The cumulative impact of multiple projects occurring simultaneously further compounds these issues, as local councils are forced to manage overlapping workforce demands, infrastructure

degradation, and housing crises, all while receiving little to no financial contribution from developers to offset these impacts.

Key Socioeconomic Issues Identified in the Murray River Region:

- **Displacement of agricultural land:** Transmission lines cutting through prime irrigated cropping land, creating long-term viability concerns for farmers.
- **Community division:** Deep fractures emerging between landholders who support and oppose hosting renewable projects, leading to breakdowns in trust and social cohesion.
- **Strain on local infrastructure and services:** Small communities like Moulamein and Kyalite likely to be overwhelmed by the arrival of transient workforces equal in size to the existing population.
- **Public safety concerns:** Lack of adequate law enforcement, emergency services, and health resources to handle increased demands from construction workforces.
- **Severe housing shortages:** No available rental properties, skyrocketing housing costs, and displacement of local residents.
- **Council under-resourcing:** Local councils being forced to manage SSD approvals without the necessary expertise or adequate financial support.
- **Lack of sustained employment benefits:** Most jobs concentrated in short-term construction roles filled by transient workers, with few long-term economic opportunities remaining.
- **Cumulative project impacts:** Multiple overlapping developments intensifying social, economic, and infrastructure challenges beyond what councils can manage.

To mitigate the growing socioeconomic strain caused by REZ developments, the NSW Government must take the following urgent actions:

- Mandate cumulative impact assessments before approving multiple projects in the same region.
- Enforce developer contributions for housing, road infrastructure, and emergency services.
- Create a Local Employment and Procurement Policy, requiring REZ developers to prioritise regional businesses and workers.
- Introduce funding for local councils to offset economic, social, and environmental costs.
- Implement stronger community consultation requirements, ensuring that local voices are heard and respected in decision-making processes.

### Cultural Impacts

Murray River Council acknowledges the critical importance of cultural heritage protection and meaningful engagement with Traditional Owners in the development of renewable energy infrastructure. However, the process for consultation and decision-making in the SW Rez has exposed serious gaps in transparency, inclusivity, and the equitable distribution of benefits for First Nations communities and the wider regional population.

- **Lack of Direct Engagement with Traditional Owners:** While developers and energy companies have conducted extensive consultations with First Nations groups over the past three years, Murray River Council has not been directly involved in these discussions. This absence has limited our ability to ensure that local Indigenous communities within our

jurisdiction have been adequately represented and that their concerns have been addressed in a meaningful way. Local government should play a key role in ensuring that First Nations voices are represented in planning decisions, not just in consultation processes.

- **Impact on Cultural Landscapes:** First Nations groups have raised concerns about the potential impacts of large-scale renewable energy infrastructure on culturally significant landscapes. The scale and pace of development risk altering traditional lands and heritage sites, yet there remains uncertainty around how these concerns will be mitigated or whether sufficient protections will be enforced.
- **Lack of Transparency in Cultural Heritage Guidelines:** While First Nations consultation guidelines have been established and a reference group has been created, it remains unclear who was involved in developing these frameworks and whether representatives from Murray River Council's Indigenous community were included. Without clear governance structures, there is a risk that local cultural priorities are overlooked in favour of generalised, state-wide approaches that do not reflect regional realities.
- **Equity Issues in Regional Development:** A significant portion of Murray River Council's population falls outside the designated SW REZ boundary, meaning that while our communities will experience the same environmental, agricultural, and infrastructure challenges, they are excluded from employment opportunities, investment incentives, and community benefit schemes. This inequity contradicts the principles of fair regional development and risks deepening socio-economic disparities between those inside and outside REZ-designated areas.
- **Missed Opportunities for First Nations Economic Participation:** Many renewable energy projects promise economic and employment benefits for First Nations communities, yet no clear funding pathway exists for Traditional Owners and Indigenous businesses located outside the REZ boundary. This exclusionary approach risks further marginalising Indigenous groups in the Murray River region, denying them access to the very economic benefits that these projects claim to deliver.

Given these immediate concerns, Murray River Council strongly advocates for greater transparency, inclusivity, and fairness in the consultation and development processes. We urge decision-makers to ensure that our local Indigenous communities have a seat at the table, that cultural heritage protections are rigorously upheld, and that the benefits of renewable energy development are equitably distributed across all impacted areas—including those outside the SW Rez.

### **Agricultural Impacts**

Agriculture is the economic backbone of Murray River Council, with the Agriculture, Forestry & Fishing sector generating \$602.6 million annually—a figure that far exceeds the short-term economic gains promised by renewable energy projects. The region's fertile alluvial soils and extensive irrigation networks support high-value food production that is critical to both regional employment and national food security. However, the rapid expansion of large-scale renewable energy projects—particularly solar farms, wind turbines, and transmission corridors—is increasingly competing with agricultural land, creating both opportunities and significant risks for the sector:

- **Renewable energy projects are not occurring in isolation:** Multiple overlapping developments—including solar farms, wind farms, and transmission corridors—are leading to



significant cumulative encroachment on prime farmland. Without stronger land use protections, this gradual conversion risks permanently reducing the region's agricultural capacity and displacing food production industries.

- **Land Fragmentation and Reduced Usability:** Transmission easements and renewable infrastructure are causing land fragmentation at scale, limiting expansion opportunities, altering grazing rotations, and creating access issues for heavy farm machinery. This reduces agricultural efficiency while increasing operational costs for impacted landholders.
- **Cumulative Biosecurity Risks:** the introduction of construction crews, machinery, and maintenance vehicles across multiple REZ projects has heightened biosecurity concerns—including weed spread, soil degradation, and disease transmission—particularly in areas reliant on intensive cropping and livestock production. These risks are compounded by the lack of coordinated biosecurity protocols across different REZ proponents.
- **Regulatory Uncertainty Around Agrivoltaics** —the integration of solar energy production with agricultural activities—presents a potential opportunity for landholders, particularly in low-yield or drought-affected areas. However, the lack of a clear regulatory framework has left farmers uncertain about how land use agreements will be enforced, how infrastructure may impact soil health, and whether long-term agricultural productivity can be maintained. The NSW Government must establish clear agrivoltaics policies, ensuring that any co-location of solar farms and agriculture is scientifically validated, financially viable, and environmentally sustainable.
- **Lack of Transparency & Unequal Bargaining Power in Land Agreements:** Many landholders affected by transmission corridors have reported insufficient compensation for lost productivity, operational disruptions, and long-term land value reductions. However, confidentiality clauses in individual landholder agreements prevent collective bargaining, limiting farmers' ability to negotiate fairer terms. This power imbalance favours energy companies over rural communities, reinforcing the need for transparent, standardised compensation frameworks that ensure landowners receive equitable financial returns.

Despite these challenges, some landholders within Murray River Council see renewable energy projects as an economic opportunity to future-proof their businesses and increase their resilience against climate and market volatility:

- **Reliable Income in a Drying Climate:** With increasingly dry conditions and impending droughts, hosting renewable infrastructure offers landholders a stable, long-term income stream. This financial security allows farmers to sustain livestock and maintain operations even in the face of commodity price fluctuations, water restrictions, and adverse weather events.
- **Investment in Agricultural Innovation:** Long-term lease agreements with renewable energy proponents provide landowners with capital to reinvest in their farms, enabling improvements in property infrastructure, adoption of new technologies, and expansion of their workforce.
- **Informed Decision-Making:** Many host landholders are well-researched and proactive, having visited other regions with established renewable energy zones to learn about successful farming practices alongside renewable infrastructure, such as wind turbines and agrivoltaic systems.

Murray River Council recognises the critical need for a balanced approach to regional development—one that protects the viability of agriculture while ensuring communities can benefit from renewable energy investments. Key actions must include:

- **Stronger Agricultural Land Protections:** Enforce clear land-use policies that limit renewable energy encroachment on high-value farmland.
- **Transparent Consultation and Fair Compensation:** Providing landholders with clear pathways for negotiation, fair compensation for affected properties, and dispute resolution mechanisms to prevent unfair agreements.
- **Comprehensive Cumulative Impact Assessments:** Require regional-level assessments that evaluate how multiple renewable projects interact, rather than assessing projects in isolation.
- **Collaborative Regional Planning:** Enabling landholders to engage in open, cooperative discussions, particularly around shared incentives for neighbouring properties to ensure the best outcomes for the entire agricultural community.

Without these measures, the rapid expansion of Renewable Energy Zones risks creating long-term land use conflicts that could compromise Murray River Council's most significant economic sector. A proactive, inclusive, and well-regulated approach is essential to ensuring that agriculture and renewable energy can coexist without disadvantaging local farmers.

## Environmental Impacts

The immediate and cumulative environmental impacts of large-scale renewable energy developments within Murray River Council are significant and multifaceted, with risks ranging from altered water quality and biodiversity loss to waste mismanagement and infrastructure strain. While these projects align with broader clean energy goals, the lack of comprehensive environmental planning and regulatory enforcement has resulted in unmanaged risks that threaten both natural ecosystems and local communities. Without urgent intervention, transparent oversight, and developer accountability, these environmental challenges will escalate beyond council control, imposing long-term ecological and financial burdens on ratepayers and future generations. Immediate issues include:

- **Water quality and salinity concerns:** The decommissioning of wind turbine towers, which leaves behind approximately 2000 tonnes of concrete per turbine, raises significant concerns regarding long-term water quality. There is uncertainty about how this residual concrete may alter groundwater salinity, potentially compromising local water supplies and affecting both human and ecological health.
- **Disruption of local ecosystems:** Transmission infrastructure associated with these developments fragments ecosystems, directly threatening biodiversity. In sensitive areas—such as Yanga National Park, which harbors 21 endangered and vulnerable species (including 12 water bird species)—habitat fragmentation can disrupt migratory paths, breeding grounds, and feeding areas, leading to long-term detrimental effects on local wildlife.
- **Waste management and industrial by products:** Current waste management plans have not adequately addressed the scale of industrial waste generated by these projects. The overwhelming volumes of waste, including oversized and non-recyclable items, place additional pressure on small, local landfill facilities that were originally



designed for community waste. This not only risks overburdening council's waste management system but also shifts processing and transport costs onto the local community, potentially leading to environmental and financial repercussions.

Large-scale renewable projects are generating substantial waste that local facilities are not equipped to manage.

- Unlicensed landfills are being targeted by developers for industrial waste disposal, exceeding capacity.
- Recyclable materials from decommissioned infrastructure are not being properly managed, shifting costs onto councils and ratepayers.
- MRC does not accept the waste types required for disposal, yet developers continue to list our facilities as disposal sites.
- **Uncertainty in decommissioning and site rehabilitation:** a lack of clearly defined decommissioning strategies means that Murray River Council may ultimately inherit the responsibility for site rehabilitation. Without detailed, enforceable plans, the long-term cumulative impacts on land use and water resources remain largely unknown, requiring ongoing monitoring and potentially significant future investment by the council.
- **Unregulated Water Demand from Renewable Energy Projects:** Murray River Council's existing water and sewer infrastructure is not designed to accommodate large-scale REZ projects, yet no clear strategy exists for sourcing or regulating the high volumes of water required for construction, cooling, and maintenance. Without mandatory water allocation frameworks, these projects risk diverting critical resources away from agriculture and residential use, exacerbating drought vulnerability in one of NSW's most water-sensitive regions.
- **Failure to Account for Climate Variability & Water Security Risks:** Despite repeated warnings from climate experts, no formal drought contingency measures have been integrated into REZ project approvals. This is particularly concerning given: The Murray-Darling Basin Plan already prioritises irrigation and environmental flows, yet REZ projects are not subject to the same regulatory oversight. Water-intensive solar farms and wind turbine cooling systems could further reduce water availability during periods of extended drought.

It is crucial for developers to provide detailed assessments of water usage and source locations before construction begins, and to fully fund any necessary infrastructure upgrades. Otherwise, the increased demand could lead to service disruptions that affect both the local community and critical public services. Murray River Council can only produce enough potable water to meet the needs of the current population. Unless significant upgrades to Water Treatment Plants take place, all potable water (drinking water) will need to be transported into the region by truck, putting further strain on local roads. Work to upgrade Water Treatment Plants can take place, however no funding has been provided to do so. Further, there has been no consideration or mitigation measures implements should the region enter a period of drought (as predicted).

- (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**

The risk of bushfires associated with large-scale renewable energy infrastructure—particularly battery storage facilities, wind turbines, and high-voltage transmission lines—is a growing concern for Murray River Council. Many of the proposed projects will be located in fire-prone areas, significantly elevating the risk to agricultural lands, rural communities, and emergency response services.

#### Key Fire Risk Concerns:

- Wind turbines, battery storage, and transmission infrastructure introduce new ignition hazards in high-risk agricultural zones, where fires can spread rapidly due to dry conditions and wind exposure.
- No mandated developer insurance requirements place unfair financial liability on farmers and local councils, while landowners near SW REZ infrastructure face rising insurance costs without compensation.
- Local Rural Fire Service (RFS) lacks resources and specialised training to respond to high-risk energy-related fires, particularly chemical fires from battery storage and electrical faults from transmission lines.
- Current fire response capacity is insufficient, as RFS is volunteer-dependent, making it impractical to rely solely on local emergency crews to manage complex renewable energy fire scenarios.

#### Urgent Actions Required:

- Mandate full insurance coverage from developers to ensure that landowners and councils are not financially burdened by fire-related risks.
- Establish a professional, full-time REZ Fire Response Unit dedicated to managing and mitigating renewable energy-related fire risks.
- Provide specialised training and equipment upgrades for RFS, including:
  - Battery storage and chemical fire response protocols
  - Wind turbine & high-altitude fire suppression techniques
  - Hazardous materials handling
  - Advanced communication protocols for REZ emergency response
  - Simulated drills and emergency preparedness exercises.

Without proactive risk management, mandatory insurance policies, and properly resourced emergency services, the expansion of renewable energy projects could significantly heighten fire dangers across the region, placing rural communities, farmlands, and critical infrastructure at risk.

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

Murray River Council is deeply concerned about the long-term financial implications of being located within the SW REZ. While short-term costs, such as road construction for individual projects, are being managed through the approval process, long-term costs have been overlooked, leaving local councils to bear the financial burden.

Murray River Council has established a network of collaboration with LGAs across both the SW REZ and neighbouring REZs, revealing common challenges associated with the construction and ongoing maintenance of renewable energy projects. A key issue is the severe impact on local road networks, where heavy vehicle movements are accelerating road degradation well beyond what councils can afford to repair.

Key infrastructure concerns:

- Developers are not required to contribute to road upgrades or ongoing maintenance, despite the increased strain on local roads.
- Rural roads are deteriorating faster than councils can afford to repair, with no financial assistance from project proponents.
- Lack of proper traffic management planning is leading to congestion and safety risks. Contractors and local drivers, in an attempt to avoid traffic congestion or route restrictions, frequently use unapproved shortcuts, causing damage to roads not designed for heavy or frequent traffic—leaving ratepayers to cover repair costs.

Murray River Council will seek from each Renewable Energy Project proponent a cumulative impact assessment of the existing traffic conditions and traffic from nearby developments. Details of measures to mitigate and / or manage potential impacts, including a schedule of all required road and associated road infrastructure upgrades (including pavement strengthening, pavement widening, corner realignment, intersection upgrade, drainage and culvert upgrades, bridge upgrades, etc.) resulting from construction and worker transportation related traffic and over-mass / over-dimensional traffic haulage routes) and any other traffic control measures, developed in consultation with the relevant road authority. The assessment should include, but not limited to, the following cumulative impacts: transport and traffic impacts arising from multiple renewable energy project on State, regional and local roads. The includes the significant increase on maintenance and resources required by the Council for project-related roads during both the construction and operation phases.

Other considerations, Murray River Council is not resourced to oversee and enforce breaches of local load limits.

**(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**

Existing compensation frameworks for hosting transmission lines fall short of addressing the long-term financial losses and operational constraints experienced by farmers. They fail to

capture the enduring impact on productivity, land use, and future investment potential, leaving farmers with inadequate redress for the significant disruptions to their livelihoods.

## **(ii) adequacy of the shared benefits being offered to neighbours of large-scale renewable projects**

Current benefit-sharing schemes lack transparency and fail to ensure equitable financial returns for all impacted communities. While host landholders may receive compensation, neighbouring residents and businesses—who also experience significant disruptions—are largely excluded from financial benefits despite enduring:

- **Construction-Related Disruptions:** Noise, dust, and traffic congestion affect daily life and property use for extended periods.
- **Permanent Landscape & Amenity Changes:** The visual impact of wind turbines, solar farms, and transmission lines alters rural character, diminishing property values and affecting tourism-dependent regions.
- **Increased Financial Burdens:** Many neighbouring landholders face higher insurance costs and reduced land resale values, yet no compensation mechanisms are in place to offset these losses.

Increased developer contributions through Voluntary Planning Agreements (VPAs) should be mandated to ensure lasting local benefits.

## **(iii) financial impact of compensation on the state's economy**

No comment.

## **(iv) tax implications resulting from compensation received by impacted residents**

Understandably, Murray River Council landholders are concerned that if hosting payments are subject to taxes, the final payments may not be sufficient to justify the loss of agricultural production.

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

Voluntary Planning Agreements (VPAs) are critical to ensuring that local councils receive adequate compensation for the disruptions and long-term impacts associated with hosting large-scale renewable energy projects. While the Department of Planning's recently released guidelines provide some direction for VPA development, significant challenges remain in ensuring that these agreements deliver meaningful, community-driven benefits.

Key Concerns with Current VPA Frameworks:

- Proponents are hesitant to support VPAs or attempt to dictate how and where funds are spent, undermining the ability of councils to prioritise local needs.
- VPAs are not a branding tool for developers; they exist to support communities that are bearing the burden of renewable energy infrastructure.

- Councils must retain full discretion over how VPA funds are allocated, ensuring they align with the Community Strategic Plan (Council's highest-level strategic document) and the Integrating Planning and Reporting Framework (IP&R).

### **Lack of State & Federal Government Support**

There is a complete disconnect between the Department of Planning and local community sentiment, with little regard for the widespread opposition to these developments. The rapid and forceful approval process has only reinforced concerns that these projects are being pushed through without genuine consultation.

Despite the state and federal governments failing to provide direct investment, local governments are left to negotiate VPAs alone, often facing unnecessary bureaucratic obstacles that limit their ability to maximise financial contributions for essential infrastructure. Murray River Council is committed to leveraging every possible funding opportunity to deliver critical infrastructure projects that would otherwise never be undertaken.

### **Need for External Expertise in Negotiations**

Murray River Council lacks the in-house expertise to negotiate complex VPA agreements, making it necessary to engage external specialists to ensure that agreements are fair, financially adequate, and structured in the best interests of our community.

Without state and federal governments taking greater responsibility, local councils will continue to bear the financial and administrative burden of ensuring that renewable energy projects do not leave communities worse off.

### **(f) current and projected supply and demand levels of manufactured products, raw materials, and human resources required for completion of Renewable Energy Zones and their source**

The SW REZ is expected to significantly impact supply chains, local industry participation, and workforce availability within the Murray River Council region. Based on the experiences of other REZ-affected councils, there are major concerns about supply shortages, lack of local procurement opportunities, and an increased reliance on external labour markets.

The scale and pace of REZ developments will place considerable pressure on local and regional supply chains for key construction materials, including:

- Steel, concrete, and cabling for solar, wind, and transmission infrastructure.
- Specialised components for wind turbines, solar panels, and battery storage systems.
- Gravel, sand, and aggregates for road upgrades and site preparation.
- Heavy machinery & transport logistics for oversized loads.

### **Projected Issues & Challenges:**

- Heavy reliance on imported components – the majority of wind turbines, solar panels, and battery storage components are imported from overseas. This means minimal local manufacturing opportunities, reducing economic benefits for regional businesses.

- Increased demand for construction materials – Council example: Mid-Western Regional Council has already seen local shortages of quarry materials, steel, and precast concrete, leading to supply chain bottlenecks and increased costs. Similar shortages are anticipated in the Murray River region, impacting both REZ projects and other local infrastructure developments.
- Disruptions to existing industries – the surge in demand for bulk materials and heavy transport logistics could inflate costs for the agricultural and construction sectors, reducing affordability and accessibility of essential resources for non-REZ-related projects.

### **Recommended Actions:**

- Mandatory local procurement targets – Developers should be required to source a percentage of materials locally where feasible, ensuring that regional suppliers benefit from REZ investments.
- Infrastructure & supply chain planning – The State Government must assess whether regional suppliers and logistics networks can meet demand, rather than assuming the market will adjust organically.
- Investment in local manufacturing capabilities – The government should support retooling grants for regional manufacturers to allow greater participation in renewable energy supply chains.

### **Current and future strains in Murray River Council**

- **Housing and Community Services:** The influx of transient construction workers is exacerbating an already critical housing shortage, pricing out local residents and making it increasingly difficult for essential workers (healthcare, emergency services, education) to remain in the region.

With no long-term strategy for worker accommodation, Murray River council faces additional social and financial burdens, as increased demand strains public services and undermines community stability. It is imperative that detailed plans for temporary worker accommodation are provided, ensuring that these facilities are strategically located to minimise disruption to local communities. This includes implementing robust traffic management and noise reduction strategies to protect the well-being of our residents.

Murray River Council insists on stringent measures to mitigate environmental impacts. This encompasses comprehensive waste management protocols, water conservation efforts, and ensuring that worker accommodation does not adversely affect local wildlife or ecosystems. The health and safety of workers must be prioritised, with adequate medical facilities and services, and disease prevention measures in place.

Local health services are already under significant pressure, and these proposed Renewable Energy projects must not place any further burden on them; these services must be provided by the developer. The ongoing accommodation requirements, once the development has been completed and is operational, also needs to be considered and addressed. Our communities are currently experiencing a severe shortage of housing; therefore, developers must ensure



they organise adequate accommodation for their workers, independent of the current accommodation supply within the community.

Murray River Council requests the development of and consultation during the creation of an Accommodation Strategy.

- **Workforce Development:** A comprehensive workforce development strategy is essential to ensure that local residents and businesses benefit from renewable energy projects. Murray River Council must be consulted prior to finalisation to ensure that the strategy aligns with regional employment needs and economic priorities. The strategy must:
  - Prioritise local workforce participation by implementing training programs to upskill local workers for both construction and long-term operational roles.
  - Ensure long-term job creation, extending beyond the construction phase to include ongoing maintenance and renewable energy sector employment.
  - Mandate developer engagement with local businesses, requiring proponents to source materials and services locally where possible.
  - Provide detailed traffic and infrastructure impact management plans to prevent disruptions caused by increased workforce movements and construction-related activity.

A major concern for Murray River Councils is the lack of opportunities for local businesses to participate in REZ projects due to procurement processes that prioritise large multinational firms.

Key Issues:

- "Local content" is defined too broadly – REZ projects classify "local content" as Australia-wide, not specific to the Murray River region, meaning local businesses struggle to compete against larger firms based in metro areas.
- Lack of prequalification support for local businesses – Many small and medium-sized enterprises (SMEs) are excluded from tenders due to compliance and certification barriers.
- State and federal governments are not investing in supply chain development – Despite billions in renewable energy investments, there is no strategic plan to support regional industries in transitioning to renewable energy supply chains.

To address these challenges, targeted support is needed to enable local businesses to participate meaningfully in REZ developments. This includes:

- Workforce upskilling programs, ensuring that local tradespeople and workers can meet project skill demands.
- Tender preparation assistance, helping small and medium-sized businesses navigate the procurement process.
- Pre-qualification support, enabling local businesses to meet the compliance and capability requirements set by project proponents.
- Without clear commitments from developers and targeted government support, the economic benefits of renewable energy projects will bypass the local community, undermining the region's long-term workforce sustainability.

- **Call for Greater Coordination & Government Accountability:** The development of the SW REZ is beyond the scope of core local government business, yet councils are being left to manage the economic, environmental, and social consequences with insufficient resources and authority.

The NSW Government and EnergyCo must immediately implement a Statewide Strategic Coordination Framework, ensuring that:

- Project sequencing is properly managed, preventing overlapping impacts on housing, infrastructure, and essential services.
- Councils receive direct financial compensation for the administrative and logistical burdens placed on local governments.
- REZ developers fund the offset to infrastructure degradation, increased service demands, and environmental restoration costs.
- REZ developers fund the repair and maintenance of infrastructure (such as roads) that experience increased use as the community diverts away from high traffic areas. This is not just the expected transport routes identified in the EIS, but also local roads impacted by the diversion of 'business-as-usual' traffic due to the expected impact of the construction activities.
- Fund the delivery of VPAs. The agreements will require ongoing management and the projects and programs identified by the community will need to be delivered through the VPA to deliver community benefits.
- Fund the monitoring of projects, including projected and real time cumulative impacts.

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

Tourism plays a vital role in the Murray River economy, supporting an estimated 665 jobs in Tourism plus 211 in Accommodation and Food Services, representing 18.6% of total employment in the region. This is significantly higher than the state and national averages, highlighting the disproportionate reliance of Murray River communities on visitor expenditure.

By comparison:

- Tourism supports only 5.4% of total employment in New South Wales (200,024 jobs out of 3,672,240).
- In Victoria, tourism accounts for 5.4% of total employment (170,403 jobs out of 3,163,746).
- Nationally, tourism supports 5.8% of jobs (694,526 jobs out of 12,049,411).

**Projected Risks to Tourism from Renewable Energy Developments**

Despite its economic significance, the tourism industry is at risk of decline due to poorly planned REZ developments that will fundamentally alter the region's landscape and visitor experience.

**Key Concerns Include:**

- **Loss of Scenic & Natural Appeal** – Large-scale wind turbines, solar farms, and high-voltage transmission lines will reduce the visual attractiveness of key tourist areas, impacting visitor demand.
- **Accommodation Shortages & Rising Costs** – The diversion of available accommodation to temporary REZ construction workers could displace tourists and drive-up costs, discouraging overnight stays.
- **Disruptions to Local Hospitality & Events** – Increased industrial traffic, noise pollution, and land use changes may deter visitors from attending regional festivals, wine tourism experiences, and outdoor recreation activities.

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

While large-scale wind and solar are the dominant technologies being deployed in Renewable Energy Zones (REZs), they come with significant land use conflicts, infrastructure burdens, and social concerns—particularly in regional and agricultural areas such as the Murray River region. To ensure a balanced, sustainable, and community-supported energy transition, it is critical to explore alternative renewable energy solutions that minimise environmental and economic disruption while still contributing to clean energy targets.

Bioenergy and waste-to-energy solutions offer alternatives that can simultaneously address energy needs and waste management challenges while generating economic benefits for rural communities.

The Western Murray Land Improvement Group (WMLIG) plays a critical role in advancing bioenergy and waste-to-energy initiatives within the Murray River region. Their work highlights sustainable alternatives, demonstrating how regional communities can harness local resources to generate renewable energy while improving environmental outcomes and supporting economic resilience.

Murray River Council currently does not have a formal Renewable Energy Policy to guide decision-making, development approvals, or community engagement in relation to renewable energy projects. Given the increasing number of large-scale renewable developments occurring within the region—particularly as part of the (SW REZ)—there is an urgent need to establish a clear, structured policy framework to ensure that renewable energy investments align with the long-term economic, environmental, and social interests of the community.

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

Murray River Council, along with the broader community, is experiencing renewable energy fatigue due to the overwhelming and fragmented nature of developer consultations. The council's resources are being significantly strained by the sheer volume of engagement required across multiple business units, with little coordination or streamlining of consultation efforts from developers or the NSW Government.

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

The lack of robust, enforceable decommissioning bonds for large-scale renewable energy projects presents a major financial and environmental risk to councils, landholders, and communities. If renewable energy developers go into liquidation or bankruptcy, there is no guaranteed mechanism ensuring that decommissioning and site rehabilitation costs are covered—leaving councils and landowners burdened with massive liabilities.

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

The Net Zero Commission and Commissioner have a critical role in ensuring that the renewable energy transition is managed equitably, transparently, and sustainably for regional communities, councils, and industries affected by large-scale REZs.

Murray River Council has now heard from the Net Zero Commission or Commissioner.

Murray River Council first engaged with representatives from EnergyCo in August 2024, when discussions began regarding commissioning commitments for all seven councils within the SW REZ. However, these proposed commitments appear to be insufficient and structured primarily to serve the interests of EnergyCo, rather than ensuring fair, transparent, and mutually beneficial agreements for affected councils and communities.

**(l) any other related matters.**

At its January meeting, Murray River Council resolved to take a leadership role in advocating for greater regulatory flexibility in boundary definitions within the SW REZ. As part of this effort, we are seeking support from our fellow councils within the REZ to form a united advocacy initiative that highlights the pressing need for reform in the access scheme and boundary framework.

The current SW REZ access scheme contradicts the recommendations of former commissioner Anthony Dyer, whose findings emphasised the importance of equitable and inclusive benefits distribution. While local government areas have consistently shown a willingness to collaborate with EnergyCo, the existing boundary definitions create significant disparities.

A substantial percentage of our regional population sits outside the defined REZ boundary, meaning that while they will experience the daily impacts of large-scale renewable projects, they will not have access to the employment, investment, or community benefits generated within the zone. The township of Moulamein (population of 500) sits just a few kilometres outside the REZ boundary. This inequity contradicts the fundamental principles of fair and balanced regional development.

As LGAs, we have a long-term commitment to our communities—long after EnergyCo has completed its work in this region. It is our responsibility to ensure that all affected communities receive a fair share of opportunities, including local employment, infrastructure improvements, and economic benefits.

To address these concerns, we propose a coordinated advocacy effort among councils within the SW REZ to:

- Call for a review of the REZ access scheme, ensuring that it aligns with local government priorities and the long-term interests of affected communities.
- Advocate for boundary flexibility that allows for a more inclusive distribution of economic and social benefits.
- Engage with EnergyCo and the NSW Government to reinforce the need for a just transition that supports all impacted residents, regardless of arbitrary zoning lines.

Should you require any further information or would like to discuss this further, please do not hesitate to contact me on

Yours sincerely,

Sarah Ryan  
**Acting CEO**