

Office of the General Manager

LP | LAN900072

16 June 2025

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

SUPPLEMENTARY QUESTIONS | HEARING: 16 MAY 2025

Mr Brad Cam, General Manager, Mid-Western Regional Council

A. HOUSING & STRAIN

Q1 You mention displacement of local families and housing stress due to REZ workforce accommodation, has council implemented any strategies to help curb this?

Council has requested that all renewable projects have accommodation camps to prevent displacement of local families and housing stress.

Q2 If so, how was this funded and did this draw funding away from other crucial service delivery?

Council has asked for accommodation camps to be included in project consent.

Q3 Do you have an indication of how many permanent homes versus temporary dwellings would be needed to prevent local displacement as future REZ projects come online?

Council's recently adopted Mid-Western Region Housing Strategy, stipulates approximately 70 percent of the project workforce will likely be accommodated in temporary workers accommodation and the remaining 30 percent will be required to be housed in market housing.

Mid-Western Regional Council engaged PwC to prepare a report titled 'Managing the Impacts of State Significant Development' which assesses the impacts of additional population on housing as a result of SSD projects in the Mid-Western Region LGA. Page 32 of this report notes that up to 1,493 additional dwellings may be required in peak construction (2026) and that between 2023-2041, a median of 519 additional dwellings would be required per annum. This is in addition to the basic needs of the permanent and ongoing projected population growth. See the report here:

<https://www.midwestern.nsw.gov.au/Development/State-Significant-Development>

Q4 Given your low unemployment rate and established mining sector, do you believe it is realistically possible for REZ developers to draw meaningfully on the local workforce?

No, the Council does not believe it is realistically possible for REZ developers to draw meaningfully on the local workforce.

B. AGRICULTURE, LAND USE, AND DECOMMISSIONING

Q5 You state that over 8% of agricultural land may be repurposed, has Council mapped where this land is and what types of production it currently supports?

Yes. In 2024, Mid-Western Regional Council commissioned Syne Advisory to prepare a confidential study on the local economic impact of renewables development on the agriculture sector. The report provided an economic impact analysis based on the data available at the time to assess the impacts of land use changes from agricultural to alternative uses tied to SSD renewable projects developed within the Mid-Western Regional LGA. At the time of preparing the report (early 2024), the SSD projects that were planned across the Mid-Western Regional LGA were located on land that was primarily used for grazing and cropping.

A Figure from the report outlining the existing land use category with an overlay of the anticipated SSD projects (noting this figure has been updated with the latest SSD projects), titled 'Agricultural Land Use Map with REZ SSD Overlay' provides additional detail into the land classifications for REZ project sites, and is attached to this response.

Over 51,000 hectares are subject to renewables across the LGA of varying land uses. The grazing native vegetation and grazing modified pastures land uses are two of these land uses that have seen the largest percentage of land lost (7.7% and 9.1% respectively) resulting in limiting agricultural productivity.

Q6 Has Council modelled what impact this repurposing could have on regional food output or agri-businesses?

According to the above study commissioned by MWRC, the repurposing of 8% of agricultural land across the LGA will result in a ~9% reduction in the LGA's agricultural output. This equates to approximately \$14 million in total agricultural GBA loss (discounted term over a 41-year operational period), and the average loss of 16 direct and indirect full time equivalent jobs in the agricultural sector.

Q7 Has Council examined what land rehabilitation costs could be if developers walk away from unviable projects in 20–30 years?

No, Council has not explicitly examined what land rehabilitation costs could be if developers walk away from unviable projects in 20-30 years, however it is a growing concern. In 2023 the NSW Government published a solar decommissioning calculator (see: <https://www.planning.nsw.gov.au/sites/default/files/2024-11/solar-energy-decommissioning-calculator.xlsx>) which can be used as a guide to calculate the potential costs of decommissioning (noting this does not include land rehabilitation which varies significantly depending on the size, location, and original status of the land).

C. FIRE RISK AND INSURANCE LIABILITY

Q8 What advice has Council received from state agencies or insurers about how fire liability will be managed between landholders and REZ operators?

No advice has been received from state agencies or insurers about managing fire liability between landholders and REZ operators.

Q9 Should fire management plans for REZ projects be independently audited?

Yes. Independent auditing should be mandatory.

Q10 What engagement has taken place with local brigades and emergency services to assess their capacity to respond to fires in REZ zones?

Council is concerned that engagement to date has largely occurred at the individual project level, with limited consideration of the cumulative impact of multiple developments across the REZ. There has been no coordinated assessment of local emergency services' capacity to respond to increased fire risk resulting from the scale and concentration of infrastructure proposed. A strategic, zone-wide approach is urgently needed.

D. ROADS, INFRASTRUCTURE, AND DEVELOPER CONTRIBUTIONS

Q11 Has Council performed any modelling on the lifetime cost of road upgrades and ongoing maintenance from REZ traffic?

Yes. Council engaged PricewaterhouseCoopers (PwC) to undertake an analysis of the impact of State Significant Developments, part of this was related to traffic on the local road network. The modelling indicated that increased demand could raise average road maintenance costs by approximately 55%, from \$8,539 per kilometre to \$13,270 per kilometre. This uplift is primarily driven by non-rate paying traffic, creating a significant long-term funding gap for maintenance and renewal, see the report here:

<https://www.midwestern.nsw.gov.au/Development/State-Significant-Development>

Q12 Given concerns about unapproved vehicle routes, has Council issued or enforced any local traffic control measures specific to REZ construction?

No. No specific traffic controls have been issued or enforced.

E. CONSULTATION FAILURES AND ENGAGEMENT FATIGUE

Q13 Do you believe the current Planning Portal is fit-for-purpose, and if not, what changes would make it accessible to everyday residents?

The Planning Portal is described as cumbersome, resource-hungry, and frustrating. Council believes a simpler, more transparent platform is needed, especially for the community.

Q14 Should EnergyCo be stripped of its community engagement function given the trust breakdown you've described?

As EnergyCo is not coordinating all REZ projects, this fragmented oversight significantly undermines its ability to deliver meaningful community engagement. In our experience, EnergyCo's engagement has been inconsistent, reactive, and largely ineffective in addressing local concerns or coordinating across the CWO-REZ.

F. TOURISM IMPACTS AND REZ BOUNDARY ADJUSTMENTS

Q15 Have you completed any visitor surveys or business impact assessments showing the economic impact from visual or noise pollution linked to REZ projects?

No assessments have been conducted.

Q16 Would you say the branding of Mudgee as a tourism and wine region is at risk of being undermined by REZ development? If so, how has that been communicated to State Government?

Yes. Council is concerned that large-scale and concurrent REZ developments risk undermining the Mudgee Region's established reputation as a premium wine and tourism destination. This was evident during the construction of the Stubbo and Wollar solar farms, where the use of visitor accommodation by the transient workforce displaced tourists and impacted the broader visitor economy. These concerns have been formally raised with Destination NSW, the Department of Regional NSW, and EnergyCo, and were also discussed with the REZ Steering Committee. Council continues to advocate for coordinated planning to prevent long-term impacts on the region's brand and tourism-dependent businesses.

Q17 What response have you received to your recommendation to formally exclude Mudgee and the southern part of the LGA from the REZ boundary?

No response has been received.

G. COMPENSATION AND VPA REFORM

Q18 Compensation has been concentrated among a few landholders, should compensation schemes be broadened to include neighbours automatically?

Yes, compensation schemes should be broadened to include neighbours automatically.

Q19 Has Council ever rejected or renegotiated a Voluntary Planning Agreement that it considered too prescriptive or self-serving from a developer?

Yes. Council has sought to renegotiate Voluntary Planning Agreements (VPAs) where terms have been overly prescriptive or not aligned with broader community benefit. In several cases, developers have shown reluctance to allow Council discretion in how funds are allocated, instead seeking to impose narrow conditions or delivery requirements that overburden Council and limit flexibility. Council maintains that VPAs should be genuinely, transparent, and enable locally informed investment in infrastructure and services.

Q20 Would you support state-mandated minimum VPA thresholds, or should Councils retain full discretion over these negotiations?

Council supports a baseline minimum VPA threshold set by the State to ensure fair and consistent contributions from developers. However, this should be set in consultation with Councils and apply across all renewable energy project types. Councils must also retain flexibility to negotiate above the minimum threshold to respond to local impacts, infrastructure needs, and community priorities.

H. COORDINATION, CAPACITY, AND STRATEGIC PLANNING

Q21 Council staff are overwhelmed by project volume. Has Council formally requested staff funding from the NSW Government, and if so, what response did you receive?

Yes. Council has formally requested additional resourcing to manage the increasing volume and complexity of REZ-related projects. Some funding has been provided by EnergyCo; however, it has been slow to arrive and staggered in its distribution, limiting Council's ability to plan and maintain adequate staffing levels. Timely and sustained funding is essential to ensure Councils can effectively respond to the scale of development occurring in REZ regions.

Q22 Do you believe the State Government's declaration of the CWO REZ was premature, given the absence of a regional land use strategy or infrastructure capacity review?

Yes, the declaration of the CWO REZ was premature. Without a regional land use strategy or infrastructure capacity review, the declaration of the REZ was made without an essential assessment of the systems/communities intended to support the REZ. This has placed a disproportionate burden on local councils, who are now expected to manage complex issues and community impacts beyond their resourcing and capacity.

Q23 Your submission repeatedly asks: "How much is enough?"—What, in your view, is the maximum proportion of the LGA's land or grid capacity that should be allocated to renewables?

Council proposed a maximum of 3,000 megawatts for REZ development in the LGA.

Q24 Should a statutory cap on REZ development per LGA be introduced to prevent regional overconcentration? How would you propose this be structured?

Yes. Introducing a statutory cap on Renewable Energy Zone (REZ) development per LGA could help prevent the overconcentration of projects in specific regional areas and ensure a more equitable distribution of both the benefits and burdens of energy transition.

A suggestion would be to structure this effectively, the cap should:

- Be based on a combination of factors such as land availability, existing infrastructure capacity (e.g., grid connection), cumulative environmental and social impacts, and the LGA's existing contribution to the state's renewable energy targets.
- Include a threshold or maximum percentage of land or generation capacity (e.g., MW or number of projects) relative to the LGA's geographic size or population density.
- Be reviewed periodically (e.g., every 3–5 years) to reflect technological changes, policy shifts, and community sentiment.
- Include exceptions or allowances for projects that deliver significant local benefits, such as community ownership, direct local employment, or infrastructure upgrades.

A statutory cap, if well-designed, would support more strategic planning, avoid infrastructure bottlenecks, and reduce the risk of community fatigue or backlash from regions disproportionately impacted by intensive renewable energy development.

Q25 Mr Cam described a steering committee supporting the region's response to REZ activity. Could you elaborate on who established the committee and why it currently lacks implementation funding? How might the State Government help strengthen its role?

The steering committee was set up at the Council's request to address issues such as water, sewer, waste, health, emergency services, police, and roads. However, no decisions are made as no one is held accountable, and there is no funding to resolve the issues.

Q26 Mr Cam also raised the idea of setting a limit on the scale of REZ development. In your view, what factors or criteria should inform whether a region has reached an appropriate capacity?

The scale of REZ development within a region should be guided by clear, evidence-based criteria to ensure sustainable outcomes and maintain community support. Key factors to consider include:

- Cumulative Social Impact: Assessment of community sentiment, social licence fatigue, housing pressures, and strain on local services.
- Environmental and Land Use Constraints: Availability of suitable land and impacts on biodiversity, productive farmland, and visual amenity.
- Infrastructure Capacity: Adequacy of existing transmission, transport, and workforce infrastructure to support further development.
- Workforce and Economic Readiness: Local capacity to meet workforce needs and deliver tangible economic benefits to the region.
- Project Density and Proximity: High concentration of projects may contribute to industrialisation of the landscape and increased cumulative impacts.
- Community Benefit Delivery: Extent to which benefit-sharing mechanisms are in place and contributing to long-term regional resilience.

Establishing a structured framework based on these criteria would support balanced development, reduce regional overconcentration, and foster greater public trust in the rollout of the energy transition.

Q27 From your experience with projects like Squadron and ACERES, what improvements would you suggest ensuring Councils are engaged earlier and more meaningfully in the planning process?

Council recommends the introduction of clearer project staging and the development of a coordinated REZ masterplan to provide greater visibility over proposed developments and their cumulative impacts. This masterplan should have been developed along with the REZ declaration, with clear guidance on infrastructure, land use planning, environmental constraints, and community outcomes. Early and structured engagement led by EnergyCo is essential, ensuring Councils and communities are meaningfully involved before key decisions are made - rather than being consulted reactively once project parameters are set. This would enable better coordination, improved land use outcomes, and stronger alignment with local strategic planning.

Q28 Do you feel the consultation processes to date have reflected the needs and aspirations of your community? What mechanisms would help bridge any gaps?

Consultation occurs, but no action is taken to address the issues raised.

Q29 Are there ways the NSW Government could better coordinate with councils to ensure information-sharing and planning transparency across all levels of government?

Yes. One key improvement would be ensuring regular, structured meetings between councils and decision-makers at the State level. Currently, many engagements occur with representatives who are not empowered to make critical decisions, which delays outcomes and limits meaningful collaboration. Direct access to senior decision-makers would greatly improve planning transparency, information-sharing, and alignment across all levels of government.

Q30 What positive outcomes — such as local jobs, infrastructure or community benefits — have flowed from these projects? How could these be enhanced or better communicated to the broader public?

Some positive outcomes have included short-term local employment opportunities, particularly in civil construction and site preparation. Local businesses have also benefited through contracts for services such as earthmoving and the supply of goods like uniforms and PPE. However, no tangible infrastructure improvements or broader community benefits have been realised to date

These outcomes could be enhanced through clearer benefit-sharing frameworks and accountability mechanisms. Regular public reporting and coordinated communication led by EnergyCo or the State would help ensure communities are aware of, and actually receive, the benefits associated with hosting large-scale renewable energy projects.

Q31 Would you support the establishment of a standardised local engagement framework, co-designed with councils, to ensure consistency across REZ projects?

Yes. Council would strongly support the establishment of a standardised local engagement framework co-designed with councils. Such a framework would ensure consistency across REZ projects and enable councils and communities to have a genuine voice during the early stages of project development. Early engagement is critical to addressing local concerns, aligning projects with regional priorities, and building long-term community trust.

Q32 Which local or regional roads in your area should become state roads as a consequence of increased usage because of renewable energy projects?

Bylong Valley Way should become a state road due to traffic avoiding the Golden Highway

Yours sincerely,

BRAD CAM
GENERAL MANAGER