

## LGNSW SUPPLEMENTARY QUESTIONS

### Strategic Planning and Coordination

1. **LGNSW highlights that there's no regionally coordinated plan to sequence projects. Can you give examples of where this lack of coordination has led to planning failures, resource conflicts, or community backlash?**

The lack of coordination and the resulting cumulative impacts on accommodation, services and resources is being felt by councils in relation to state significant development / infrastructure more generally. However, fast-paced renewable energy development is exacerbating these impacts in the Riverina, Hunter and Central Orana.

For example, the Hunter Central Coast REZ has started to see an increase in renewable energy projects including the Hunter Transmission Project, the Bowmans Creek Wind Farm (Stage 1 and Stage 2), the Maison Dieu Solar Farm and the proposed Mitchell's Flat Solar Farm in Singleton LGA. Although still in the early stages, the information available to the community lacked detail and transparency, resulting in significant community backlash. This has led Singleton Council to modify its approach to engaging with renewable energy projects and to write to the NSW Government seeking<sup>1</sup>:

- a. Further strategic studies within the renewable energy zone; with an outcome being the development of mapping to provide transparency, clarity and certainty to communities already affected on the best locations within each REZ for renewable projects, and specifically, where State significant renewable projects are not appropriate; and
  - b. Amendments to the State Environmental Planning Policy (Resources and Energy) 2021 to include a requirement for all energy projects to obtain a site verification certificate prior to lodging a development application as well as a requirement for a renewable energy bond to ensure any land used for renewables is returned to its pre-used state (or other defined best use state).
2. **Has NSW Government responded to your calls for regional master planning, including identification of inappropriate locations for renewables, and what authority do councils currently have to influence project siting?**

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<sup>1</sup> [https://singleton.infocouncil.biz/Open/2024/11/CM\\_26112024\\_MIN.PDF](https://singleton.infocouncil.biz/Open/2024/11/CM_26112024_MIN.PDF)

Councils currently do not have any authority to determine sites for State Significant renewable projects. This has caused land use conflicts around prime agricultural land and their loss to renewable and transmission projects. The role of key local strategies such as Rural Land Use Strategies should be elevated and referenced when proponents and the State Government consider project locations.

More broadly, EnergyCo and the State government are well positioned to coordinate a regional approach to site selection through their visibility of infrastructure needs and implementation, and their role as the consent authority for renewable projects.

**3. To what extent are councils included in decisions about REZ infrastructure corridors, and what changes would you propose to embed them earlier in the corridor selection process?**

Councils have a limited role in determining infrastructure corridors as the state is consent authority for this scale of project. However, councils should play a key role as local strategic documents (such as Rural Land Use Strategies) can better inform proposed corridors. Councils often enjoy greater trust and social licence with their communities and with their local expertise can ensure they work to achieve the best outcomes for their communities.

**Council Resourcing and Funding Gaps**

**4. Given councils are now the first point of contact for distressed residents, should proponents or the state be required to directly fund a dedicated REZ liaison officer within each LGA?**

Dedicated REZ officers would help to ease council burdens and build community understanding of the activity with their local areas, but a full-time liaison role may not be required in each LGA.

Possible models could be:

- Funding for functions related to the impacts of REZs, such as community engagement work or reviewing Environmental Impact Statements (EIS) and cumulative impacts.
- A small team of liaison officers for each REZ, covering the entire region. The team would carry out proactive and strategic community engagement as well as responding to queries.

**5. The NSW Government offered \$250,000/year for a few councils in the New England REZ, is it enough, should this be expanded, and if so, what should the baseline support package look like for all LGAs impacted by REZs?**

Councils welcome the funding from EnergyCo, although the three-year timeframe for the funding is inadequate as in many cases developments will only just be commencing construction by that stage. Council interaction in relation to these projects will continue beyond three years and often involve a variety of staff. For example, one council has estimated that 30 different council staff will have a touchpoint into various stages of the development process (from administration staff through to the General Manager) and the cost of recruitment is significant and can be difficult to fill for a short-term contract.

Councils seek longer-term support packages that also enable councils to tailor the support to best meet their local needs. For example, some councils may prefer to engage a person in a coordinating role, while others may prefer to spread the funding to supplement specific teams to ensure that core functions are not overwhelmed.

A significant concern for some councils is that the time and effort they spend engaging in state significant projects takes them away from delivering for their community. Some councils have reported being behind schedule on delivering services in relation to water, sewer and other capital works programs because resources are being directed to local infrastructure projects that support transport of renewable energy oversize and/or overmass (OSOM) vehicles. This has had an impact on services for the community while they are working on the renewable energy projects.

**Environmental and Agricultural Impacts**

**6. LGNSW has flagged the loss of prime agricultural land and biodiversity corridors, do you believe current planning guidelines sufficiently safeguard these assets, or are projects being greenlit in high-risk locations?**

The Hunter Transmission Line project is resulting in substantial biodiversity impact due to clearing of around 300ha of native vegetation across three LGAs, most of it has high threatened species value or is otherwise affecting both biodiversity corridors and/or connectivity. The EIS is due for public exhibition later this year, which will provide a clearer picture of the likely impact on biodiversity corridors.

Another example is the proposed Mitchell's Flat Solar Farm (referred to in question 1) which is seeking to install high voltage transmission lines over 14 kilometres within the road reserve along several roads. The extent of clearing for the transmission line would have significant impact on an identified Endangered Ecological Community. The area of the proposed transmission line is located within an area of core flora and fauna connectivity.

The proposed project is located on land that is mapped as Biophysical Strategic Agricultural Land. While this does not preclude development, it requires a level of assessment ahead of lodging a development application to ensure appropriate protection of significant agricultural value occurs. The strategic agricultural land map for the Upper Hunter identifies this land as Biophysical Strategic Agricultural Land however, unlike coal mining and coal seam gas developments, there is no statutory requirement for renewable energy developers to obtain a site verification certificate for renewable developments on strategic agricultural lands.

### **Community and Council Engagement**

#### **7. Many councils feel REZ consultations are top-down and tokenistic. Should proponents be legally required to co-develop their consultation plans with local councils before seeking project approval?**

LGNSW's position is that the NSW Government should provide funding to councils to engage with renewable energy proponents to develop appropriate community consultation plans.

Many councils are already struggling to resource the additional work created by renewable energy projects in their LGAs so it is important that any requirement for proponents to co-develop their consultation plans is accompanied with additional funding and resourcing.

NSW Government-funded REZ officers could support strategic community consultation across multiple projects, where it is sequenced and streamlined to avoid overwhelming the community with individual consultations for each project. 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.

#### **8. You raised concerns that some projects are being declared CSSI (Critical State Significant Infrastructure) and bypass landholder consent. Should this designation be prohibited for renewables, and if not, when is it appropriate?**

The lack of transparency around the determination of CSSI is concerning as it does not include an avenue to challenge these determinations. The LGNSW Policy Platform makes clear that local government should retain control over the determination of locally appropriate development, and that local planning powers must not be overridden by misuse of State Significant Development provisions.

Engagement prior to a CSSI announcement is also not required and councils are often not given any formal advance notice. This does not give councils or communities adequate ability to be engaged and provide input into these decisions.

Greater transparency, engagement and demonstrated need and success of CSSIs would be welcome and help build social licence and confidence in their value and need. It is difficult to determine whether CSSIs have been appropriately applied for renewable projects without public knowledge of criteria and measures of success. The Department should make these documents public and engage broadly with key local stakeholders, councils and proponents.

**9. Are councils formally notified or consulted before a renewable project is declared CSSI? Should they be given statutory rights to object or seek review of such a declaration?**

LGNSW understands that communities and councils are not required to be consulted prior to a project being declared CSSI (although engagement is still a stage in the SEARS/EIS process that follows). This process also lacks a set of criteria that the minister uses to determine whether a project is 'critical' and removes any ability to challenge the decision.

The Department should look to develop clear criteria around what constitutes CSSI and educate and engage local communities, councils and proponents. Criteria should also come with key measures of success of a CSSI to demonstrate that the use of this instrument justifies the lack of engagement and protection from appeal.

It is LGNSW's policy position that strategic planning that affects local communities and councils should have representation from councils and consider local strategies and desired local outcomes. Greater involvement from councils and communities during earlier stages is an effective way to ensure better local outcomes, greater social licence and strategic alignment. A proactive engagement approach is a preferable and effective way to reduce the need for challenges post declaration of CSSI/SSI/SSD projects.

**10. Given that CSSI applications bypass DA fees and local planning control, do you believe councils are fairly compensated for their reduced authority and increased responsibilities?**

This item and question 16 are aligned and can be responded to together.

CSSI, SSI and SSDs do not compensate councils for any contribution made during the assessment process and all related fees are paid to the NSW Government. However, councils are often key stakeholders and have expert knowledge on the sites, communities and impacts of the developments. Any council input to improve the assessment process or respond to consultation is made at a council's cost which means it is directly subsidised by the ratepayers of that LGA. This is unfair as the developer receives the direct benefit of that cost paid by ratepayers. Councils are

compelled to provide this information and support engagements with their community because it will lead to better representation and outcomes.

LGNSW maintains that these contributions should be recognised and compensated. See policy platform reference:

*7.14 The NSW Government to increase support for councils to assist housing delivery through: a) development assessment fee recovery and other resourcing, including remunerating councils for their role in assessing SSD applications,*

**11. In your view, has the definition of "critical" been stretched too far when applied to renewable projects? Should there be stricter criteria to prevent overuse of the CSSI designation?**

Councils generally oppose designating renewable energy projects as CSSI as this can result in community and local government input being more easily disregarded. The lack of consultation and ability to challenge a CSSI determination is exacerbated by the absence of clear criteria or triggers for SSI to CSSI. While there are key criteria such as minimum capital expenditure requirements for all SSD/SSI projects -the determination of a project as 'Critical' appears to be a subjective decision made by the minister. Any designation of 'Critical' should have far greater transparency to build confidence and set expectations early for community, council and proponents.

Given the lack of criteria around CSSI determination, it is difficult to assess whether there is an overuse CSSIs and there is little information on what material impact CSSIs have had on accelerating key infrastructure delivery. Criteria are needed alongside measures of success to determine if the number and use of CSSIs are appropriate.

**12. How transparent is the process of declaring a project CSSI? Are councils or the public able to challenge or scrutinise this decision effectively?**

As outlined in question 9, the process for declaring CSSI is via Ministerial declaration so the ability to challenge or scrutinise this is very limited for both council and the community.

**13. Can you provide examples of cumulative impacts not addressed under current assessment processes?**

Each of the projects through their EIS have done their own high-level assessment of cumulative impact, but this information is not being collated across projects to consider the total impacts across multiple sectors such as transport, health, roads, supplies and education.

There are also impacts between these sectors, for example the transport and roads impacts need to factor in cumulative impacts in the education sector. For example, with more students there will need to be additional transport services or road capacity for more vehicles, all having an impact on local roads and traffic congestion at certain times of the day.

#### **14. Should developers be required to contribute to the Emergency Services Levy?**

The current Emergency Services Levy (ESL) is primarily raised from insurance policies (73.7% of total budget) with a local government contribution raised from council rates (11.7% of total budget). Developers/operators or landowners would have an insurable interest and are likely to be making contributions through insurance (if it is purchased in Australia) and/or council rates.

The NSW Government is currently reviewing the funding of emergency services.

LGNSW's position on this matter is that the ESL should be removed from councils and insurance policies and replaced by a broad-based property levy collected by the NSW Government.

#### **15. What resourcing model would provide long-term planning capacity for councils in REZ regions?**

See responses to questions 4 & 5.

#### **16. Are current SSD processes leading to duplication or delay for councils? Is it possible to quantify the impact on councils?**

See response to question 10 for the first part of this question.

Some councils have attempted to quantify the impact. For example, Singleton Council has identified that for the Hunter Transmission project alone there will be 46 different interfaces between the project and local roads when the project commences. This and other renewable and infrastructure projects in the pipeline will create a significant workload for council staff, with Singleton Council estimating additional staffing and resourcing would cost \$2.7M over the next four years.

**17. How can private entities using council roads be more transparently regulated and compensated?**

LGNSW interprets this question as asking how private entities using council roads can be more transparently regulated and asking how councils can be compensated for road use and damage?”

Recommendation 11 of the LGNSW submission to this inquiry calls for the NSW Government or proponents to fund upgrades to local roads to ensure they are suitable for heavy vehicles or to fund damage repairs.

This could be delivered via a planning agreement or a condition of approval for local development. For SSD projects, the NSW Government should include a condition to repair/upgrade the road or work with council to do that.

Existing frameworks such as Road Occupancy Licenses (ROLs) and Works Authorisation Deeds (WADs), which are governed under s138 of the *Roads Act 1993*, may assist in some circumstances.

Private entities should be required to restore roads to their original conditions if any damages occur during works on council roads, and should be liable for any cost of road repairs.

**18. Would LGNSW support mandatory reporting on all community benefits via a central dashboard?**

Yes, councils and the community would value greater transparency in benefit sharing and a mandatory central dashboard could be an appropriate tool for this. Ideally the dashboard would be broader and include other relevant information about renewable energy projects such as their predicted impacts on essential services. This is particularly relevant because benefits can be shared with entities other than councils, meaning that it is uncertain whether they will in fact result in community gains as intended.

**19. Have LGAs reported changes in tourism numbers as a result of REZ development?**

LGNSW does not have data showing impacts on tourism resulting from REZ development. LGNSW has heard from councils that surge workforces during the construction phase of renewable projects can reduce availability of accommodation that would otherwise be used by tourists,

Councils have also told LGNSW that there have been occasions where the influx of workers for renewable energy development has supported the local economy during



traditional low seasons for tourism, however it can be difficult to attract visitors back after a period where accommodation has been scarce. Councils would also be wary of secondary impacts on tourist markets such as the degradation of roads due to REZ activity leading to travel avoidance by visitors.

## **20. Should tourism-sensitive areas be excluded from REZ zoning?**

Not necessarily, as sometimes the economic activity generated by REZs can support an area during the tourism low season. Better strategic planning of development and ensuring measures are put in place ahead of time (e.g. worker accommodation) would be a preferred step.

Existing industries such as tourism must be considered at the EIS stage and Social/Economic Impact Assessments. Each region will have nuanced needs and impacts that should be identified and addressed.

## **21. What policies would drive more nature-positive solar or wind?**

To achieve nature positive projects, policies should be introduced that drive proponents to avoid and minimise impacts, as well as conduct active revegetation. Sites of high ecological value could be prohibited for renewable energy projects, which could be supported by government-led strategic planning and resourcing council consultation on the location of projects.

Solar energy systems that focus on conservation alongside solar production ('conservoltaic' or regenerative solar systems) should be explicitly encouraged and incentivised, for example through introducing tax incentives. As part of the environmental assessment process, developers could be required to follow regenerative techniques or explain why they are not applicable on their site. This could include those listed in the Building Better Biodiversity on Solar Farms Guide, such as salvaging cleared rock piles, logs and trees and spreading them throughout the site to maintain important habitat.

Where vegetation is cleared and offsetting is required, proponents should be required to conduct direct revegetation and habitat restoration within the project site for at least a proportion of their offset requirement to avoid a loss of local biodiversity. A flexibility could be allowed for revegetation in neighbouring properties or within the LGA, if it is not possible on the project site.

Muswellbrook Shire Council 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.

It is also important that the new strategic offset delivery agreements (SODAs) that have been introduced under the Biodiversity Conservation Amendment (Strategic Offset Delivery Agreements) Regulation 2025 deliver a local natural positive outcome. Major renewable energy projects will be able to enter into SODAs with the Environment Agency (DCCEEW) rather than offset impacts through biodiversity credits, and some councils shared concerns that this approach may not be aligned with their local biodiversity strategies.

## **22. What engagement failures are most common across REZ projects?**

Major issues with engagement to date is that the quantity and complexity of projects overwhelms and confuses communities, and communities and councils feel that their views are not listened to. It is critical that local knowledge is both considered and taken advantage of, as councils and communities understand the local area and existing pressures and can provide meaningful input. However, it is also important that the NSW Government funds councils to engage with renewable energy proponents to develop strategic community consultation plans that cover multiple projects, rather than individual projects (*as recommended in response to question 7*).

## **23. Would councils support a code of practice for REZ proponents on engagement?**

LGNSW anticipates a code of practice for REZ engagement would be supported by councils. However, this is unlikely to resolve the issues raised in response to question 22 above, which would require NSW Government involvement to address effectively.

## **24. Should bond conditions be tailored to local environmental risks?**

Yes. It is appropriate for bond conditions to reflect the specific risks to development in its local and regional setting.

## **25. What risk does the current bond-free approach pose for LGAs?**

Some councils are concerned that without bonds, proponents are not liable to return land to its pre-use state, or other defined future state. This could lead to a longer-term loss of agricultural land, underutilised land that could otherwise host greater biodiversity, or additional environmental damage to the site that requires remediation. It may result in financial implications for the landholder due to a loss in value of their

land and the potential for significant costs involved in converting the land to another state.

Councils are also concerned about the impact of the significant waste generated through decommissioning a renewable energy project, and the ability of this waste to overwhelm council landfills and resource recovery centres. Decommissioning bonds should therefore address waste disposal, recycling and reuse of materials to mitigate impacts on council services and to maximise resource recovery.

## **26. What oversight role should the Net Zero Commission play in balancing climate and local social outcomes?**

The NSW Government could consider whether it is appropriate for the Net Zero Commission to oversee and coordinate the cumulative environmental and social impacts. The Commission could also provide independent advice on strategic planning of renewable energy projects, including inappropriate locations due to unacceptable environmental or social impacts.

Some councils also suggested the Commission could act as an ombudsman for renewable energy projects within each REZ, providing support in agreement facilitation, dispute mediation, and enforcement.

## **27. It was discussed that councils face pressure from nearly 200 projects, with workforce and housing impacts from fly-in fly-out or drive-in drive-out workers who use services but don't pay rates. What possible planning reforms or funding models would help councils manage service and infrastructure pressure caused by transient REZ workforces, especially when they don't contribute rates?**

LGNSW calls on the NSW Government to consider increasing community benefit fund (CBF) contributions in line with international benchmarks. While these markets are more mature, CBF amounts are higher in the UK and Europe and enable larger scale projects such as housing and infrastructure to be funded. Often lucrative, the economic output from renewable projects should be better captured and distributed for community benefit, particularly as renewable projects represent significant, once in a generation levels of investment in regional and rural NSW.

In addition to a greater community benefit scheme in NSW, alternative funding avenues can be found in leveraging project capital into legacy housing projects (see Dubbo example below). Initiatives such as these should be further supported by grants specifically designed to address the critical and culminative housing and infrastructure impacts that can occur in REZs.

Dubbo Regional Council's public-private partnership with renewable energy proponents is facilitating long-term housing for the community. The council has resolved to lease 10 hectares of council-owned land for the development of temporary worker accommodation for a wind farm that will be transitioned into legacy housing and infrastructure.

**28. LGNSW raised concerns about secrecy and conflict from private landholder agreements and called for greater transparency in engagement. What level of mandatory disclosure does LGNSW believe should apply to private REZ agreements to mitigate division and enhance public trust?**

LGNSW's submission acknowledged the need for privacy in relation to private agreements with the host property and suggested that 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.