



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

Hearing: 16 May 2025

### **SUPPLEMENTARY QUESTIONS**

Mr Steve Masters, CEO, ACEREZ

Mr Robert Armstrong, ACEREZ Operations Director

#### **Consultation Practices:**

*1. What specific strategies has ACEREZ implemented to ensure meaningful and inclusive consultation with landowners and local communities, beyond the statutory requirements?*

ACEREZ has appointed a dedicated property advisor to each impacted landholder to build trust and ensure continuity of the relationship. Together they negotiate a Property Access Plan (PAP) so that consideration can be given to each landholder's unique circumstances.

ACEREZ also has dedicated place managers based in the region to assist landholders and community with inquiries and to attend meetings with community development groups and other stakeholders to keep them abreast of the project's progress and milestones.

A dedicated First Nations Manager ensures that consultation is tailored specifically to First Nations groups to ensure full participation in the consultation process.

ACEREZ staff attend shows, market days and community events to answer questions and receive feedback, operate a 24/7 hotline for landowners and community members and ensure that written material is delivered to landholders and community in an efficient manner that suits them.

A Community Information Centre will soon open and serve not only as a one-stop shop for information about the REZ, but also as a community meeting place.

Sincerely,

Steve Masters | CEO | ACEREZ



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#### Information Dissemination:

*2. How does ACERERZ ensure that accurate and comprehensive information about the project is accessible to all stakeholders, especially those in remote areas?*

Comprehensive information is disseminated in a variety of ways to ensure it is accessible to all, including monthly construction updates, notifications and quarterly newsletters that are emailed to stakeholders. These are also all available on ACERERZ's website. In some cases, information is also posted or dropped in letter boxes where that is the stakeholder's preference.

Information is also shared with key stakeholder groups including the Community Reference Group, local councils and NSW Farmers to share with their constituents, providing another avenue for information sharing.

Sincerely,

Steve Masters | CEO | ACERERZ



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#### Land Acquisition:

*3. Reports indicate that some landowners felt coerced into agreements under the threat of compulsory acquisition. How does ACEREZ respond to these allegations, and what measures are in place to ensure fair negotiations?*

EnergyCo negotiated and was responsible for all land acquisition agreements.

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Steve Masters | CEO | ACEREZ



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#### **Compensation Framework:**

*4. The current compensation model offers \$10,000 per kilometre of transmission line over 20 years. Considering the permanent impact on land use, does ACERZ consider this adequate, and are there plans to review this framework?*

The Strategic Benefits Payment Scheme was established by the NSW Government.

Under the program, payments to landowners who host high voltage transmission are a set rate of \$200,000 (in real 2022 dollars) per kilometre of transmission hosted, paid out in annual instalments over 20 years.

These payments were set by the NSW Government. ACERZ's role is to administer the payments to landholders on behalf of the NSW Government.

These payments are separate, and in addition to, any compensation that is paid to landowners for transmission easements on their land in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*.

Sincerely

Steve Masters | CEO | ACERZ





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#### Impact on Agriculture:

*5. How has ACERZ assessed the potential long-term impacts of the transmission infrastructure on agricultural productivity and land values in the region?*

The infrastructure being built by ACERZ is consistent in design, scale and impact as similar infrastructure already built elsewhere on productive agricultural land in NSW, as well as throughout other states including South Australia, Victoria and Queensland.

ACERZ has not conducted an assessment on impacts on agricultural productivity or land values as these assessments are beyond the remit of ACERZ's engagement by EnergyCo.

These assessments are more appropriately done at the planning stage of the project and may have been considered by the Infrastructure Planner.

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Steve Masters | CEO | ACERZ



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#### **Bushfire Risk Mitigation:**

*6. What specific design and operational measures has ACEREZ incorporated to mitigate increased bushfire risks associated with new transmission infrastructure in a region prone to such events?*

The area within the easement will be cleared prior to the construction of the towers in accordance with the project's Environmental Impact Statement (EIS), which allows clearing of the powerline corridors of vegetation which may exceed 2m in height. A maintenance program has been established to control vegetation according to requirements, including inspecting hazardous trees along the perimeter of the easement.

The towers are earthed to the ground which ensures that any lightning strike or low-likelihood powerline faults are adequately conducted to the ground.

The swing and additional electrical clearance of the conductors contained within the permanent easement will comply with the Australian Standards.

Asset Protection Zones (APZs) have been identified around energy hubs and switchyards, as per bushfire risk assessments and Rural Fire Service (RFS) NSW requirements, to ensure a buffer zone is established between assets and vegetation. The energy hubs and switchyards will be vegetation-free within their boundaries (blue metal and/or concrete).

The hardware components and assets have been designed to a 50-year design life. The transmission line easements will have regular inspections, including hardware inspections to identify any premature wear and/or damaged components.

During the operational stage, an asset maintenance plan will be developed that focuses specifically on bushfire risks. This will include:

- An ongoing vegetation management program of the easements and APZs.
- LiDAR which provides surveillance and mapping of vegetation.
- A thermal imaging program for the detection of hot spots on the electrical network



- A bushfire defect rectification program prior to the start of the bushfire season

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Mr Robert Armstrong, ACER EZ Operations Director

#### Emergency Response Coordination:

*7. How is ACER EZ collaborating with local emergency services, such as the NSW Rural Fire Service and VRA Rescue NSW, to ensure rapid response capabilities in the event of infrastructure-related emergencies?*

ACER EZ attends the Mid-Western Local Emergency Management Committee (LEMC) and provides updates on the progress of the Central-West Orana Renewable Energy Zone (REZ) transmission project. The first meeting was held on 9 May 2024.

ACER EZ has attended and will continue to attend emergency services stakeholder meetings, at which ACER EZ will present its Emergency Management Plan (Bushfire & Flood Management), found here:

[Emergency Management Plan.pdf](#)

These stakeholder meetings include, but are not limited to:

- Dubbo Regional Emergency Management Committee (REMC) (attended on 21 November 2024 and 5 June 2025)
- Castlereagh Bush Fire Management Committee (BFMC) (10 June 2025)
- Warrumbungle LEMC (19 June 2025)
- Mid-Western LEMC (scheduled on 14 August 2025)

ACER EZ has offered to attend any other emergency services stakeholder subcommittee meetings. Mid-Western NSW Ambulance, Central-West NSW Police Force and Volunteer Rescue Association (VRA) NSW have attended site for a project overview and to understand the scope of works and emergency management procedures.

ACER EZ has offered to host a site visit for the relevant emergency services once the Merotherie temporary workforce accommodation is established.





Sincerely,

Steve Masters | CEO | ACEREZ



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#### **Environmental Monitoring:**

*8. What ongoing environmental monitoring programs are in place to assess and address the ecological impacts of the REZ infrastructure during and after construction?*

During the development of detailed design, avoidance of impacts to biodiversity was considered and measured against the approved impacts. The approved impacts are set out in the project's Planning Approval (SSI 48323210), issued 26 June 2024.

During construction planning, the minimisation of disturbance is a key component considered to ensure that the project does not exceed the approved impacts.

Throughout construction the project carries out monitoring and measuring for the purpose of minimising impacts and to demonstrate that the approved impacts are complied with.

ACEREZ has offered to host a site visit for the relevant emergency services once the Merotherie temporary workforce accommodation is established.

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#### Project Expansion:

*9. The REZ's intended network capacity has been increased from 4.5 GW to 6 GW by 2038. How does ACEREZ plan to manage this expansion without exacerbating existing community and environmental concerns?*

ACEREZ has been appointed by EnergyCo as network operator to design, build, finance, operate and maintain the Central-West Orana Renewable Energy Zone transmission infrastructure.

The scope of the contract is for the infrastructure to support the 4.5GW total network capacity to the NSW transmission network. Any increase to network capacity beyond 4.5 GW will be subject to additional design work through the contract augmentation regime and all other necessary approvals.

If any augmentation that alters the footprint of the REZ is approved in the future, ACEREZ will work proactively with EnergyCo in managing community and environmental concerns and leveraging any learnings from the initial construction of the REZ

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Steve Masters | CEO | ACEREZ



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#### Regulatory Compliance:

*10. What mechanisms are in place to ensure ACEREZ's compliance with regulatory standards throughout the 35-year operation period, and how are these monitored and enforced?*

The regulatory obligations and standards applicable to ACEREZ are contained within three different pieces of legislation. Each legislative framework contains extensive provisions for reporting, compliance and enforcement with powers for the regulators to take action against ACEREZ for any instances of non-compliance. The core legislation is set out in the NSW Electricity Infrastructure Investment (EII) Act (2020) which establishes the arrangements for renewable energy zones in NSW and is regulated jointly by EnergyCo and the Australian Energy Regulator (AER).

As a transmission network service provider, ACEREZ is subject to the National Electricity Law and National Electricity Rules where compliance against the standards is monitored and enforced by the AER. ACEREZ is also subject to the NSW Electricity Supply (ES) Act and the conditions of the NSW Transmission Operator's Licence which is administered and enforced by the Independent Pricing and Regulatory Tribunal (IPART). Under the Transmission Operator's Licence, ACEREZ must ensure it has in place sufficiently robust systems to ensure compliance with national and state regulatory standards.

IPART and the AER have published information and guidance on their websites regarding their compliance and enforcement framework for electricity networks (AER: [Networks compliance and enforcement | Australian Energy Regulator \(AER\)](#) and IPART: [IPART Compliance and Enforcement Policy - December 2017 | IPART](#))

As an additional safeguard, ACEREZ's contractual arrangements with EnergyCo for the delivery and operation of the Central-West Orana REZ ensures compliance with regulatory standards throughout the 35-year operation period.

Compliance with the overall regulatory environment is monitored through extensive and regular reporting across IPART, the AER and EnergyCo on performance and





activities. These parties have the statutory powers to initiate an independent audit of ACEREZ's systems and processes to test compliance.

These regulatory obligations and standards and the regulatory powers to impose penalties for non-compliance remain in effect over the full 35-year term of the project.

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#### Financial Transparency:

*11. Considering the significant public and private investment involved, how does ACERERZ ensure financial transparency and accountability in the project's execution?*

The Central-West Orana REZ is a Public Private Partnership between EnergyCo and ACERERZ. While EnergyCo is the infrastructure planner, ACERERZ is responsible for designing, building and funding the project. The process is being carefully scrutinised by the regulators to ensure no money is being wasted and the REZ is delivering value for money.

Once the REZ is operational, generators will pay access fees, and a portion of those access fees will go back into the community.

ACERERZ anticipates the AER will publish its revenue adjustment proposal determination of the REZ in the coming months. The role of the AER ensures a level of regulatory scrutiny on the project's costs and publication of the AER determination will aid transparency on the project's outcomes.

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#### Community Benefit Programs:

*12. Beyond the \$128 million allocated for community benefits, what additional initiatives does ACEREZ have planned to support local communities affected by the REZ development?*

ACEREZ is strongly committed to supporting the communities in which we work. A Community Investment Program, designed to complement the NSW Government's \$128 million Community and Employment Benefit Program, is currently being finalised and more details will be shared in coming months.

ACEREZ has also commenced an interactive school education STEM program for schools inside the REZ which aligns with the NSW Curriculum.

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#### Long Term Support:

*13. How does ACEREZ plan to support communities in the long term, particularly in areas such as job creation, skills development, and infrastructure improvements?*

ACEREZ has considered the phasing, number and type of workers required to construct, operate, and maintain the Central-West Orana REZ transmission infrastructure. The workforce will comprise a combination of existing skilled workers and contractors and existing skilled offshore workers along with the development of Local skilled workers and engagement of Local non-skilled workers.

ACEREZ is committed to implementing a comprehensive training and management approach to build the long-term capability and capacity of NSW and Australia's renewable energy and transmission and substation construction sectors. This approach includes the development of local workers to transition where possible through to maintenance and operations.

To provide the best opportunity for the local workforce to capture current and future employment and skills development opportunities, ACEREZ will partner with employment support specialists and training providers within the region to implement targeted strategies and programs. These may include:

- Pre-employment programs to attract young people and local workers from within the REZ for entry level roles and those workers transitioning to the industry.
- Certificate II Transmission Line Construction (UET20422) pathway for experienced workers transitioning from other industries including tunnelling, complex infrastructure, and telcos. This pathway will also be utilised for developing labourers or trades assistants through a traineeship pathway.
- Certificate III in ESI Transmission Overhead will implement development pathways via apprenticeship programs for new entrants and trade recognition pathways for





experienced mature aged workers and those looking to transition from distribution and other qualified vocations.

ACEREZ is also investigating an apprentice sponsorship program. The aim of this program is to support engagement of local apprentices via a Group Training Organisation model to be placed with local trade businesses. ACEREZ would sponsor the apprentices for the first two years of their apprenticeship. Small businesses are often challenged with taking on an apprentice with limited work experience and there is a cost to the business as the apprentice isn't always able to support business productivity during this time. By sponsoring, ACEREZ can support them to learn and work with local businesses until they have enough knowledge in their third year to work with less supervision and support business productivity. Utilising a Group Training Organisation model supports apprentices transitioning from the sponsorship program to the host employer with the GTO or as a direct employee.

ACEREZ Maintenance & Lifecycle (M&L) will be establishing a permanent maintenance facility in the region at Mudgee. This facility will consist of office space, dedicated training resources and workshops. As part of this, M&L will have a largely in-house maintenance delivery philosophy with technicians, engineers, asset management specialists, other specialist and administrative roles based at this location.

In addition to this, M&L intend to develop a comprehensive apprenticeship and graduate program during the operations phase of the project. This program is intended to ensure a progressive intake annually, with the purpose of a continual flow of skilled workers at the end of these training programs entering the workforce either with ACEREZ M&L or with other businesses within the community.

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### Decommissioning and Land Restoration

*14. What are ACERERZ's plans for decommissioning infrastructure and restoring land at the end of the project's life cycle, and how are these plans communicated to stakeholders?*

ACERERZ has been appointed by EnergyCo as network operator to design, build, finance, operate and maintain the Central-West Orana REZ transmission infrastructure for the next 35 years. At the end of the term, the Infrastructure Planner (EnergyCo) will take control of the transmission network. The lifespan of transmission far exceeds the 35-year term of the agreement and no decommissioning by ACERERZ will be necessary during that term.

The site of the temporary workers accommodation at Merotherie will be restored to its original state once the accommodation is decommissioned at the end of the construction period.

The accommodation facility is referred to as "temporary" in all communication to stakeholders and engagement with local neighbours and businesses has been ongoing since late last year.

Sincerely,

Steve Masters | CEO | ACERERZ