

19 August 2025

Hon Mark Banasiak  
Committee Chair  
Portfolio Committee 4  
Parliament of NSW  
6 Macquarie St, Sydney NSW 2000  
Email: [portfoliocommittee4@parliament.nsw.gov.au](mailto:portfoliocommittee4@parliament.nsw.gov.au)

The Chair,

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

**Hearing: 17 July 2025**

**QUESTION ON NOTICE**

**Question for Armidale Regional Council (Submission 62)**

**The Hon. PETER PRIMROSE:** In his address, Mayor Coupland raised a very important point: the need for all the proposals to be backed up with economic development. We had a discussion about that. I think we're about to run out of time, but my question to you would have been something like, in addition to what you've already stated, are there any other specific issues, requirements or proposals that you may have in relation to that very important matter? Chair, if witnesses do have any additional information on that, maybe they could take that question on notice and provide those details to the Committee.

**ROBERT BELL:** Can I have two seconds?

**The CHAIR:** Yes.

**ROBERT BELL:** One of the issues for us is the end of life. We'll get to why I think that the decommissioning's not very good for the State issues—the requirements. We're working with a number of the universities about "imagine if we decommissioned these solar panels in Uralla shire". We've got the land. We've got an industrial area set up. The technology's available. Imagine at the end of all of this—because already some of the rooftop solar is over 20 years old. Let's say, if we've got a million panels in the shire already, 1 per cent of them need decommissioning, refunding or recycling—you know, circular economy. That's our first aim. That's a project that could start as soon as we have those people—the funds to do it. After that, there's already a company who has said they'd like to be close to the battery that's being put in the New England solar farm because they're a high-power usage—they're a gas supply company. Those are the sorts of things that will come when we have access to reasonable-priced energy. I appreciate your time, so thank you.

**SAM COUPLAND:** Could I just have one second?

**The CHAIR:** Yes.

**SAM COUPLAND:** That's a great question. There are going to be plenty of nice-to-haves that roll through but, in short, unless the State gets behind long-term economic development here—and that's water and meaningful accommodation—the whole thing's just going to be a disaster. I wouldn't concentrate on anything else unless there's a commitment to solve those first two. It's as simple as that.

**The Hon. PETER PRIMROSE:** Can I maybe again ask, given how important it is, if the witnesses could take the question generally on notice. If you have any additional information, please provide it because I think it's a very important issue.

**SAM COUPLAND:** Yes.

**ROBERT BELL:** Absolutely.

The New England Renewable Energy Zone (NEREZ) has the potential to be the most productive REZ in New South Wales, expected to deliver nearly half of the State's renewable energy generation target. However, the rollout of the NEREZ is currently hampered by fragmented, 'blobby' planning (vague circles drawn on a map, signalling intent without the follow-through rigour of an integrated strategy) and a lack of coordinated State leadership. In the face of this vacuum, Armidale Regional Council (ARC) has taken the initiative to identify and plan for solutions. These are not simply responses to local impacts; they represent strategic win-wins, actions that unlock NEREZ potential while delivering long-term regional economic benefits. Priority areas are discussed below.

### **Water security**

Water is the most immediate and acute constraint on the NEREZ. The Armidale region already faces a substantial town water supply deficit. Current secure yield is 2,428 ML/year, while current demand is 4,312 ML/year, representing a shortfall of 44%. Overlaying NEREZ demand transforms this problem into an impending disaster, especially if peak construction coincides with the next drought.

At peak construction, it is estimated that NEREZ-related activities and worker accommodation will require approximately a third of the region's current secure yield. Post-construction, operational water demand across NEREZ projects is expected to produce an increase of 16% over Armidale's forecast dry-year extraction needs.

The paradox is stark: the NEREZ, set to deliver 47% of NSW's renewable energy target, is in a region least capable of supporting the associated water demands. Without addressing this constraint, construction delays, investor uncertainty, and reputational risk to the State are all but inevitable.

The [Armidale Region Water Security Strategy](#) provides a coordinated, evidence-based pathway to secure additional supply. It has been scoped in line with current and projected NEREZ demands and represents a practical opportunity to align regional infrastructure planning with State energy and climate goals. Funding this strategy is not just about solving a local problem, it is essential to unlocking the NEREZ and achieving net-zero targets.

## Housing

The NEREZ will generate a major influx of temporary construction workers, but without early action, this will place severe pressure on Armidale's already constrained housing and accommodation markets. Recent Environmental Impact Statement documents confirm that the number of incoming workers will soon match the total number of short-stay beds in Armidale. With 80% average occupancy for short-stay accommodation, a tight rental market, and increasing demand from tourism and major events, the risk of displacement, housing stress, and lost economic activity is high. The Central-West Orana REZ has already shown what happens when these pressures are ignored: skyrocketing rents and limited housing access for locals.

Armidale Regional Council has identified a range of clear, practical workforce accommodation and housing strategies that align with both NEREZ needs and Council's broader Housing Strategy and regional development goals. These include:

- Legacy housing opportunities, including medium-density housing on sites like the Marsh Street car yards.
- Trunk infrastructure investment to unlock greenfield housing supply.
- Use of UNE college facilities for temporary worker accommodation.
- Dedicated workers' camps on Council-owned land.
- A clear policy stance that existing rental and short-stay accommodation should not be relied upon by proponents.

These measures are designed not only to protect the local housing system but to provide certainty to developers, avoid cumulative overload, and deliver long-term community benefits from temporary construction activities.

## Armidale East Mall

The Armidale East Mall precinct is a key civic and commercial hub that will face increasing pressure from the impacts of the NEREZ, including rising service demand and a surge in workforce activity. Without targeted investment, the Mall risks becoming a bottleneck for both economic and social activity, unable to meet the needs of either locals or temporary workers.

Armidale Regional Council has developed a clear vision for redeveloping the East Mall to create a more functional, inclusive, and attractive town centre. This project is not simply about beautification, it is a strategic investment in regional resilience. A revitalised town centre will strengthen small businesses, attract activity, and support the kind of amenity that retains workers and encourages long-term population growth. In doing so, it addresses one of the core risks associated with rapid REZ expansion, namely, the displacement of local activity and the hollowing out of civic life. The redevelopment also promotes social cohesion by delivering shared public space that fosters connection between temporary workers and the local community, helping to prevent the social divisions commonly seen in 'boomtown' contexts.

By investing in the East Mall redevelopment, the State Government has an opportunity to demonstrate leadership in place-based, community-centred planning, ensuring that the benefits of the NEREZ are anchored in strong, vibrant regional centres. Such an investment would respond to immediate NEREZ-related pressures and would ensure that Armidale secures long-term economic and social value from its role in the energy transition.

## **Airport Infrastructure**

Armidale Regional Airport will play a central role in facilitating FIFO workforce movements during the peak construction phase of the NEREZ. Between 2027 and 2033, passenger volumes are forecast to double, presenting several infrastructure challenges:

- Aircraft parking capacity may need to be reconfigured to accommodate increased Q400 turboprop movements during peak demand.
- Terminal capacity will be exceeded, with projected peak-hour demand reaching up to 400 passengers, well beyond the current design limit of 250.

However, this challenge also presents a strategic opportunity. Upgrading the runway to support larger, 100-seat E190 aircraft would not only accommodate workforce travel but also enable the operation of RJ85 Airtankers (Large Air Tankers), thereby improving bushfire response capacity across the REZ. This would protect both local communities and critical infrastructure during extreme fire weather events, a growing risk under climate change.

The *Draft Armidale Regional Airport Master Plan (2025)* outlines a clear, staged pathway for achieving these upgrades. Investment in this infrastructure would support both the logistics of NEREZ construction and long-term regional resilience.

## **Roads**

The NEREZ will bring a surge in heavy vehicle and OSOM (oversized-overmass) truck movements, significantly accelerating wear and tear on local roads. Recent damage caused by diverted traffic onto the New England Highway demonstrates the vulnerability of existing infrastructure.

Armidale Regional Council has identified a clear solution: a southern heavy vehicle bypass via Platform Road. This would reduce pressure on residential and high-traffic areas, safely accommodate OSOM vehicles, and protect critical freight and tourism corridors. Importantly, the bypass would also create a strategic connection to potential industrial employment lands, unlocking future economic development and aligning with Council's broader land use and employment goals. This is an opportunity to support REZ logistics while delivering long-term regional benefits.

## **In summary**

The challenges facing the NEREZ are not insurmountable, but they require more than fragmented project-level mitigation. Council has already identified the solutions, which are not only feasible and locally grounded but also aligned with the strategic goals of both Council and the NSW Government.

By investing in water, airport, housing, city centre and service infrastructure now, the State has an opportunity to both de-risk the NEREZ rollout and deliver enduring regional benefits. Council urges the Government to act on these solutions, not as an afterthought, but as a precondition for responsible, coordinated, and successful renewable energy delivery.

Yours sincerely

Daniel Boyce  
**Chief Officer Planning and Activation**