

13 August 2025

Portfolio Committee No 4 – Regional NSW
Atten: Chair of Inquiry into the Impact of REZ on Rural and Regional Communities
Upper House Committees
Legislative Council
Parliament of New South Wales
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SYDNEY NSW 2000

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Dear Hon. Mark Banasiak,

**RE: Responses to Supplementary Questions –
Inquiry into the Impact of REZ on Rural and Regional Communities**

1. **If land use decisions are being driven by state and developer priorities, what does that mean for Uralla's Local Strategic Planning Statement and long-term land use vision?**

Uralla's Local Strategic Planning Statement (LSPS), adopted in 2020, explicitly acknowledges our comparative advantage in renewable energy generation. The LSPS includes:

- A short-term action to encourage potential solar and wind energy clusters in appropriate locations; and
- A long-term action to critically assess proposals for non-agricultural uses within important farmland and to prevent the encroachment of incompatible uses.

Council supports renewable energy development where it is consistent with local land use strategies, respects agricultural values, and integrates meaningfully with the community. However, the pace and scale of externally driven development creates a real risk that the local planning framework becomes reactive rather than strategic.

It is worth underscoring that landholder priorities are a critical factor driving land-use change in our region. Gaining access to privately owned land that is appropriately zoned, proximate to existing and planned transmission infrastructure, and rich in solar or wind resources are the factors driving state and private investment. Landholders have a large degree of agency in determining whether they will host Renewable Energy on their properties. While agricultural businesses and farmers are sometimes presented as unsophisticated, vulnerable players in this land-use change, this is rarely the case in our Shire.

2. Are you concerned that early-stage speculative applications are flooding the system and putting unnecessary stress on your limited planning resources?

Limited Planning Resources

There are currently six proposed and six pre-scoping projects within or near Uralla Shire. This is not overwhelming at present—particularly as Council is not the consent authority for most REZ projects and has received support from EnergyCo to fund dedicated staff.

However, we anticipate growing pressure in relation to supporting or ancillary development such as quarries, workers accommodation, and road upgrades, which often fall within Council’s remit. For example, we need to outsource assessment of designated developments such as quarries, and our internal civil engineering capacity is currently overstretched, making internal referrals required to assess planning applications quite slow.

Speculative Applications

As with residential or industrial development, it is difficult to identify and regulate "speculative" renewable energy proposals—those that may never proceed to construction. Across all land-uses, speculative applications still require resourcing and input from Council, even when the likelihood of delivery is low.

In other land-use sectors, tools like differential rates or escalating land taxes have been used to discourage speculative land-banking, these may be applicable to the REZ context.

It is unclear, from our limited perspective, what drives speculation in renewable energy development and what mechanisms might be appropriate to discourage it. Speculation may be driven by:

- Limited supply of suitable locations;
- Uncertainty or asymmetry of information about transmission delivery;
- Lack of clear access rights or project sequencing.

Clearer understanding of the market incentives to speculate would help governments formulate an appropriate policy response. This work could be undertaken by the Commonwealth Treasury.

Better information sharing and structured landholder engagement—particularly in high-potential “goldilocks zones”—could reduce speculation and improve project design. Uralla would support initiatives to build landholder capacity to proactively engage with developers, rather than passively receive offers from the market.

3. Do you think the government has a realistic grasp of what it’s asking small rural councils like Uralla to absorb—technically, financially, and socially?

State government does not yet appear to fully grasp the coordination gap.

Local government can see where improved government, inter-agency, industry and civil society coordination would benefit all parties—but has limited power to influence how levels of government, state departments and industry work together.

In NSW, the REZ rollout is ostensibly being coordinated by EnergyCo – yet it is clear to us that the infrastructure planner does not hold all the relevant levers to coordinate the delivery. They are required to consult with multiple agencies, each with different timeframes, expectations, and points of contact.

Additionally, EnergyCo seems constrained to coordinate private investment required to deliver the transition. For example, they seem to be constrained in the information they can provide to proponents and other businesses that must play a part in delivery making it very difficult to achieve win-win outcomes through co-investment in infrastructure upgrades, accommodation etc.

Local government can help fill this coordination gap where it is adequately resourced and empowered to do so.

Uralla has sought to fill the community engagement and strategic planning gap within our own Shire.

Without the funding we’ve received from EnergyCo, Uralla would not have the capacity to participate meaningfully in the REZ rollout. These funds have enabled Council to employ a strategic planner and an

engineering project officer—both of whom are critical to our ability to engage in assessments, provide feedback, and prepare for the changes ahead.

The scope of work required by councils is growing- which is fine insofar as we are adequately resourced to respond. This includes technical planning, infrastructure coordination, community engagement, participation in state-led working groups, and support for workforce and housing strategies. None of this which is resourced beyond the current limited term of EnergyCo's funding agreement.

That makes it difficult for Uralla to keep up, let alone plan strategically.

4. What's your bottom line? If the government won't pause or scale back the rollout, what changes must be made to restore fairness and respect to rural councils?

Uralla does not necessarily believe the rollout is unfair—but we do believe that it could be improved, and that we can avoid the worst risks and secure long-term positive legacy for our region.

We urge the following changes:

1. Empowered local government

- Extend EnergyCo Council support beyond three years, reflecting the actual assessment and construction timeframes of REZ projects.
- Move away from tightly tied, short-term grants toward predictable, autonomous funding that supports strategic planning, technical assessment, infrastructure coordination, and engagement.

2. Coordinated regional planning

- Establish a regional governance mechanism or delivery agency for the New England REZ that brings together state agencies, local government, and community representatives to co-design solutions.
- Avoid ad hoc, proponent-led approaches to housing, roads, and social infrastructure. These need coordinated responses that reflect cumulative impacts.

3. Clear accountability and communication

- Strengthen integration between state delivery and approval agencies.
- Ensure councils are not left to mediate between departments and/or proponents.

4. Support genuine engagement and participatory planning in host communities

- Enable more Councils to access the kinds of initiatives that have been undertaken in Hay Shire and in Uralla Shire (*Striking a New Deal*)
 - Identifies what a positive legacy from the REZ looks like for local residents.
 - Guarantees community benefit schemes are transparent, adequately resourced, and designed in partnership with host communities.

Rural councils like Uralla are not asking for special treatment—we are asking for a fair, coordinated, and well-resourced approach that allows us to help deliver the energy transition while protecting what matters most to our communities.

Yours Sincerely,

Robert Bell
Mayor, Uralla Shire