



Hay Shire Council

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The Principal Council Officer
Portfolio Committee No 4 – Regional NSW
Committees – Legislative Council

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Respondent: Ms Alison McLean

Executive Manager – Economic Development and Tourism
Hay Shire Council

Dear Sir/Madam

Portfolio Committee No 4. – Regional NSW, Inquiry into the impact of Renewable Energy Zones on rural and regional communities and industries in NSW.

Questions on Notice: Ratepayer sentiment (The Hon Aileen MacDonald)

The Hay community, including local ratepayers, is broadly supportive of the Renewable Energy Zone (REZ). As a remote rural region with an economy largely reliant on agriculture, there is a shared recognition of the need to diversify the local economic base. The region's topography, low population density and large-scale agricultural production make it well suited to the co-existence of renewable energy development alongside farming. This support is reflected in the small number of local objections (eg less than 11) submitted during the planning processes for these developments. The majority of the objections were derived from outside our community and region.

Supplementary Questions

I refer to the Portfolio Committee No 4 – Regional NSW hearing held on 18 February 2026 of the inquiry into the Impact of Renewable Energy Zones on Rural and Regional Communities and Industries in NSW. Thank you for your subsequent email dated 27 February 2026 requesting responses to the supplementary questions related to the Inquiry. Accordingly, we provide our response below:

For context, Hay Shire Council (HSC) adopted the Hay Shire Council Renewable Energy Position Statements in November 2025. The Statements provide a consistent position on areas of impact and/or importance to the community of Hay. The Position Statements set consistent expectations for project developers, government, community and Council

throughout the lifecycle of major projects from planning, construction, operation, decommissioning, monitoring and reporting phases.

These statements are designed to support and inform the Conditions of Consent applied by the Department of Planning, Housing and Infrastructure (DPHI), as well as guide discussions and negotiations between Council, government agencies and project proponents.

The Position Statements are supported by a Community Benefit Framework and Renewable Energy Benefit Fund Committee Terms of Reference.

The Position Statements expand on the community consultation around the South West REZ, reflected in the *Fundamental Principles of Successful Renewable Energy Development (2024)*, *The Regional Drought Resilience Plan* and the ongoing work of the *Hay 10 Year Economic Transition Roadmap (2026)*.

The Position Statements cover the key areas of:

- Community Benefit
- Community Engagement
- Transport
- Water
- Waste
- Housing and Accommodation
- Health and Emergency Services
- Workforce Development and Education
- Decommissioning and Rehabilitation
- Economic Development
- Complaint and Feedback Management
- Cultural Heritage
- Risk Management

The Renewable Energy Position Statements support the Community Benefit Fund Framework by providing Council's clear and consistent stance on key areas of community interest and impact, ensuring that negotiations with developers and Government are guided by established principles.

While the Framework sets out the strategic and procedural foundation for managing community benefit funds, the Position Statements articulate Council's policy expectations. Together, they ensure that the benefits secured through Planning Agreements and other mechanisms are not only transparent, strategically managed and best practice, they provide alignment with the community's priorities and Council's adopted policies.

1. Should local road policies adopted by councils be mandatory conditions of consent for State Significant Developments?

Yes. Local government is the statutory roads authority for local road networks, (Roads Act 1993) and is best placed to understand local road capacity, safety and operational requirements. Hay Shire Council has clearly articulated expectations regarding local road network usage in the Position Statements. As a condition of consent, Transport Management Plans provide the mechanism to respond to local road policies. However, as the conditions of consent currently stand, developers are only required to consult and not necessarily comply with Council policies in the development of the plans. While a strong policy position is useful for both parties to understand expectations, ensuring the policies are mandated would provide additional assurance. Making local road policies mandatory conditions of consent would ensure infrastructure standards are applied consistently, upgrades occur prior to heavy construction traffic, and developers fund upgrades and maintenance ensuring the cost burden is not transferred to councils or the community.

2. Should councils have statutory authority to refuse or condition the use of local roads for oversized haulage?

Yes. Councils should have statutory authority to refuse or condition access for oversized or over-mass (OSOM) transport where road safety, infrastructure capacity or community impacts cannot be adequately mitigated. This would ensure local infrastructure impacts are adequately managed and that road upgrades occur before large transport movements occur.

3. Should renewable projects be required to provide permanent firefighting vehicles or trained response crews?

Renewable projects should demonstrate adequate emergency response capability, which may include provision of equipment, trained personnel or financial support to local emergency services where project risks exceed existing capacity. While local emergency services are best placed to understand the local conditions, geography and capacity to respond and should be supported to do so, it should be noted that the primary combat agency for firefighting is the NSW Rural Fire Service and as such it is their policy response to Renewable Energy Development that should be considered in the first instance. From a local government position, HSC has outlined in the Renewable Energy Position Statements an expectation for Emergency Preparedness and Response, including the requirement for developers to develop an Emergency Management Plan in consultation with local emergency services, Council and relevant state agencies. In addition, HSC requires Developers to attend the Local Emergency Management Committee meetings.

4. Has there been formal documentation of volunteer brigades declining to respond to renewable-related incidents?

Hay Shire Council is not aware of formal documentation of volunteer brigades declining to respond to renewable-related incidents at this time. The NSW Rural Fire Service would be best placed to respond to this question.

5. Should worker accommodation camps be required to transition into permanent housing stock post-construction?

Beyond the impacts of the energy transition, housing supply is a critical issue for most rural communities, including Hay. The South West REZ presents a real opportunity to address long term housing supply in Hay. For the developments in the Hay LGA, workers accommodation camps will deliver the majority of workers' accommodation during the

construction phase. However, the legacy housing outcomes to be delivered will instead be derived from a considered response from Council and developers, to address the causes of housing undersupply that are unique to Hay. Each community would need to consider the feasibility of transitioning workers accommodation to permanent housing stock. Workers accommodation is temporary by definition and may not deliver permanent, sustainable solutions to housing supply. It is our experience the typology of accommodation delivered for workers accommodation would not be suitable as a long term solution to housing supply in Hay.

6. Should developers be required to fund health and emergency service capacity expansions prior to construction?

Yes. Large construction workforces can place pressure on regional health services, emergency services and community infrastructure. Developers should contribute to capacity expansion where projects increase service demand, ensuring existing community services are not negatively impacted.

7. Should the term 'consult and comply' replace 'consult' in SSD consent conditions relating to council infrastructure?

Yes. Replacing the term “consult” with “consult and comply” would ensure council infrastructure standards and requirements are implemented rather than simply considered. This would strengthen the role of councils as infrastructure and significantly strengthen compliance obligations.

8. Should councils regain contribution powers equivalent to section 7.12 for renewable energy developments?

Under the Environmental Planning and Assessment Act 1979, section 7.12 contributions are general infrastructure levies paid by developers based on the capital investment value of a project. The funds can only be used for the provision, extension and augmentation of local infrastructure. The funds collected are pooled and used by councils to deliver public infrastructure identified in an Infrastructure Contributions Plan.

Because section 7.12 operates as a broad infrastructure funding mechanism, once contributions are collected:

- The money becomes council revenue for infrastructure purposes.
- Council is responsible for determining how and when the funds are spent.
- The funds must be used for infrastructure listed in the contributions plan.

This means that if impacts arise from a development—such as the need for road upgrades, intersection improvements or pavement strengthening—the expectation could arise that council would fund those works using the contribution pool, particularly if the infrastructure is identified in the contributions plan.

For State Significant Development, including most renewable energy projects, the planning framework typically requires:

- Direct mitigation of impacts by the developer, and
- Conditions of consent requiring developers to upgrade or repair infrastructure (such as local roads) where project traffic causes impacts.

This approach ensures that the proponent bears the cost of mitigating the direct impacts of the project, rather than transferring those costs to councils or the wider community.

The NSW Government Benefit Sharing Guideline (2024) has established a separate mechanism for distributing benefits to host communities through structured benefit sharing arrangements. These arrangements are delivered through a Planning Agreement, negotiated by Council with developers on behalf of the community. This mechanism recognises that the impacts and benefits associated with renewable projects differ from traditional land use developments and, as such focus on benefit sharing rather than conventional infrastructure contributions to ensure host communities receive proportionate benefits from the developments. The mechanism enables funds to be used for a broad range of projects, including those that do not involve infrastructure, including skills and education.

It should be noted that, under a section 7.12 contributions plan, the standard levy typically equates to 1% of the capital investment value of a development. By comparison, the contribution levels directed under the Benefit Sharing Guideline generally equate to approximately 0.5% of capital investment. Aligning the level of capital contributions associated with renewable energy developments more closely with the contribution rate ordinarily applied under section 7.12 would better reflect the scale of development and provide a more appropriate mechanism to support communities directly impacted by such projects.

9. Should NSW mandate stronger decommissioning bonds to prevent infrastructure abandonment risks?

Decommissioning bonds for individual projects is a legal and financial negotiation between landowners and developers and as such Council is not a party to those negotiations.

10. What single legislative reform would most improve fairness and accountability in the REZ rollout?

Councils manage critical infrastructure such as local roads, water and community advocacy and should be adequately integrated into decision-making processes. The most beneficial reform would be formally recognising local government as partners within the REZ planning framework, requiring concurrence from councils in the development of conditions of consent, similar to the planning approval pathway for integrated development. This will ensure that councils requirements and policies can be incorporated in the general terms of approval.

11. What should be the minimum enforceable community benefit for large renewable energy projects?

The Department of Planning, Housing and Infrastructure, Community Benefit Guidelines (2024) outline the minimum enforceable community benefit for large scale renewable energy projects.

12. Should a temporary pause on new access rights be considered until cumulative impacts are resolved?

Access rights for the South West Renewable Energy Zone were awarded in 2025?. Hay Shire Council is unaware of any additional capacity that is planned that would allow for additional access rights to be awarded.

13. Should the project modification process be tightened to prevent substantial post-approval changes without a new EIS?

Yes. Significant changes such as increases in generation capacity, infrastructure relocation or changes to transport routes can materially alter project impacts. Major changes should require further environmental assessment to maintain transparency and community confidence in the planning process.

14. Should non-disclosure agreements in neighbour agreements be regulated or prohibited statewide?

A balanced approach should protect commercial confidentiality while allowing open discussion of project impacts

Regards

Alison McLean

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