

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

Organisation: Cassilis District Development Group

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Response to Inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales

Context

I am responding to this inquiry as a concerned resident who lives in a small rural community that will be impacted by the development of the Central West Orana Renewal Energy Zone. (CWOREZ). I am also Chair of the Cassilis District Development Group (CDDG) and we have provided submissions to relevant Environmental Impact Statements previously. I am also a member of the CWOREZ Community Reference Group, a member of the NSW Farmers Renewable Energy Task Force and the Liverpool Range Windfarm Community Consultative Committee.

The community of Cassilis sits on the North East boundary of the CWOREZ and it is proposed to develop the Liverpool Range Wind Farm (186 turbines) to our north and consequently a transmission line to our west. Our community is made up of landowners who will benefit from the Liverpool Range Wind farm development and landowners who have been impacted by compulsory acquisition of land for the development of the transmission lines.

The following submission will concentrate on the following terms of reference issues:

1. Current and projected socioeconomic, cultural, agricultural and environmental impacts of projects within renewable energy zones in New South Wales including the cumulative impacts

Cassilis is a small rural village that is relatively isolated and has a population of 304 people (2021 census). Its main access routes to the nearby communities of Merriwa, Coolah, Dunedoo Mudgee and Dubbo is the Golden Highway, Vingaroy Road and Ulan Road for education, health, financial, legal and retail services. All these roads are going to be heavily impacted by traffic during the development of the CWOREZ with port to REZ traffic and internal traffic to access developments from proposed workers camps. The lack of factual information from developers and Roads NSW about the cumulative amount of traffic that will be on our roads is of real concern. There has been a commitment to spend some money on addressing poor intersections on the Golden Highway so that Over Size Over Mass (OSOM) and Heavy Vehicles (HV) can turn off the highway safely however the safety issues raised by concerned citizens who use the routes daily for work or schooling have not been addressed.

Recently the BP Lighthouse Solar Farm development to the west of Merriwa whose HVs and OSOM vehicles will turn off the Golden Highway at Ringwood Rd has conferred with Transport NSW to provide the following solution for safety issues around the Ringwood Rd intersection. Rather than fix a very unsafe intersection on the highway HVs and OSOM vehicles travelling on the highway west will turn left onto Ringwood Rd and will unload their cargo at the development site. They will then return to the intersection and turn left onto the Golden Highway, travel further west on the highway (approximately 3 kms) where they will then turn right into Barnett Road do a U-turn and then come back out to the Golden Highway and turn left and head back to the Port of Newcastle. To facilitate this solution the intersection at Barnett's road is being developed which in the long term will benefit one private business rather than the whole community. One would assume that rather than fix the Ringwood Road intersection this is a cheaper alternative but the end result will be no legacy development for our community to improve a current intersection that is unsafe. This proposal will also impact on the Idaville Road intersection which is busy with local traffic (and is a school bus route) and the narrow bridge that crosses Bow Creek on the highway. This part of the highway will become a bottle neck as the heavy vehicles will still have to climb up one hill heading east on their return journey that currently has no overtaking lane for slow vehicles. How can a community have faith in the proposed renewable developments that are occurring if these types of decisions are being made. The community is the one that is having to live through this development phase and will have no worthwhile infrastructure development left to improve current unsafe conditions.

The lack of long term planning for the Golden Highway is reinforced by the Orana to Newcastle Rail Corridor Business Case Connecting Orana-Hunter and Beyond Report that was issued by the Orana Regional Development Corporation in June 2024. This report states that the Golden Highway currently carries 33% of the freight component of heavy vehicles with 85% of volume outbound freight and 15% inbound to Newcastle. Future freight demand for this region is estimated to increase from 2.5 MTPA in 2023 to 6.3 Mtpa in 2033. If we then look at the number of renewable developments that are being proposed for the CWOREZ and the capacity that is being added to the transmission of energy from the CWOREZ (ACERZ notified the community last week that it is now going to increase capacity to 7.7 gigawatts (GW) and originally started at 3.5 gigawatts (GW)) we will have a highway that will not be fit for purpose and local residents who will not be able to access their local towns in a timely or safe manner. Our community is not being consulted about this, has not received any information about the cumulative impacts of traffic on this highway despite asking numerous times. We question the integrity of information being used to make future decisions about the impacts of the CWOREZ on our local communities as the parameters keep changing and there appears to be no information around the total cumulative impacts on local communities.

Agriculture is an important industry for the NSW economy. Agriculture produced \$23 billion in 2021-22, or around 25 per cent of total national production however this is not the impression that farmers receive when they are approached by developers of renewable energy or Energy Co. There is little recognition of the GDP contribution this industry makes to the State economy. How many acres of arable land can we cover with solar panels before our economy is impacted? Does anyone have the answers? Unfortunately it is the arable land that

developers prefer as it has less trees is generally flatter and easier to develop. With the increase of proponents looking to develop renewable energy farms in the Renewable Energy Zones and elsewhere there has been very little conversation around the cumulative impact of all these developments on the GDP output of New South Wales or Australia. The long-term implications for small businesses no longer supplying inputs to farmers for cropping has not been addressed and the indirect impacts this then has on small rural communities and their viability is not considered. The proponents seem to highlight the positive aspects of being able to graze sheep with solar but that is a totally different industry to cropping and the long-term studies of the efficiency of management and the ability to scale this type of enterprise have not been done to date. If you then take into account the offsets being purchased in other areas to mitigate environmental damage to ecosystems which often removes land from agricultural enterprises we do not have a clear picture of what NSW will look like in the future and how agricultural production is impacted.

The development of renewables still has a long way to go and the lack of a realistic measures of the total socioeconomic, cultural, agricultural and environmental impacts of this transition to renewable energy have not been addressed effectively. Rural communities are scared about what their communities will look like, how they will survive financially, and how they will address the long-term environmental issues that may result from these developments. As custodians of the land this uncertainty leaves our state in a precarious situation as we stumble through this process not knowing the long-term outcomes. We have a lack of legislation around insurance for farmers, decommissioning bonds, and no knowledge of how to recycle or mitigate soil degradation that may result from these developments. Are we leaving another legacy of problems for future generations to solve because of the rush to develop a new energy source without really understanding what it is doing to our environment and economy?

2. Current and projected considerations needed with regards to fire risk, management and containment and potential implications on insurance for land holders and/or project proponents in and around Renewable Energy Zones

REZs provide an increase in fire risk for all communities in their footprint. The industrialization of a rural area increases this risk and there has been little consideration given to local fire-fighting organisations and the impact this will have on their ability to contain fires. In our local situation the local fire organisations have not been consulted with although the Energy Co Environmental Impact Statement (EIS) did state that they would develop a fire plan, however this has not been shared yet. Their mitigation measures in the EIS showed little understanding of the speed of fires in a natural environment that is densely vegetated and/or grasslands and how to address such a natural disaster.

There has been little acknowledgement that bushfires will become worse with climate change predictions. The ability to fight fires will be hindered by the increase in high voltage transmission lines across rural areas. These issues are only addressed superficially in the EIS statements and there is no real on the ground solutions that rural communities can feel protected by rather an increased risk that they are going to have to deal with.

Insurance in this area is a real problem and there does not seem to be a will in government to address the inability of farmers to access insurance that would protect them financially if they impact a renewable development by fire. Are renewable proponents able to take out fire insurance for their developments to relieve this burden on rural land owners in the event of a natural disaster? Is there a willingness to do this and mitigate the long term risk and cost to farmers of hosting and/or living nearby developments. We only have to look at the recent fires in Los Angeles to realise that an industrial landscape is at a heightened risk in extreme weather and there appears to be little evidence of a comprehensive plan on how to deal with such an emergency. Rural fire fighters are left with a range of protocols developed by organisations who do not live in the areas, will not provide personnel to assist in fighting a fire and often hinder the efforts of local rural fire fighters.

This issue has been raised by CWOREZ residents when they have pursued a request to seriously look at undergrounding transmission lines to limit potential fire risks and reduce the risks around fighting fires that these lines present. The cost of having to replace lines after natural disasters is one that every citizen has to pay for and the long-term prognosis is that there will be more natural disasters. It makes sense to seriously consider undergrounding because of the long-term forecasts of increasing risks around natural disasters. You only have to look at the long-term history of the eastern end of the CWOREZ to understand that approximately every 10 years in the recent history there has been a significant bush fire in that area that has required infrastructure replacement. Surely these types of replacement costs for overhead lines should be factored in when looking at the advantages of undergrounding transmission lines.

3. Adequacy of community consultation and engagement in the development of Renewable Energy Zones, and associated projects

If we move to the adequacy of consultation with local communities being impacted this has been very poor historically in the CWOREZ. I was hopeful that the memorandum of Understanding (MOU) signed with NSW Farmers and Energy Co would improve this consultation process however I have not seen evidence of this to date. Prior to Christmas I was invited to speak at a meeting of concerned residents in the Lower Hunter who are now just going through the compulsory acquisition timeline with Energy Co for the Hunter transmission line development. I thought Energy Co would have learnt from previous mistakes in the CWOREZ however it appears that all the same practices are still operating in this community. Farmers reported the following problems to me on the evening:

- lack of consistent messages from Energy Co.
- questions not answered or unable to be answered by the personnel sent out to consult.
- Lack of any concrete information put in writing by Energy Co so that Farmers can systematically address issues that concern them
- Inability to meet Energy Co personnel with neighbours so that common issues can be addressed.
- Length of time Energy Co takes before farmers have any land values to work with regarding acquisition
- Lack of recognition of the possible impacts of constant traffic, workers and development on the high tourist visitor population of the lower hunter wine region.

The Community Group - Pokolbin Mountains Road Committee were all feeling extremely frustrated, disappointed, anxious and experiencing burn-out as they were trying to deal with Energy Co and potential Environmental Impact Statements that required responses. Obviously the problems the CWOREZ communities experienced still exist and have not been resolved. Farmers are busy people and taking the time away from their business to try and resolve these issues is not conducive to business efficiency and profitability.

4. How decommissioning bonds are currently managed and should be managed as part of large scale renewable projects

There appears to be a lack of will by government around this issue so I would like to ask who will be responsible for the decommissioning of these developments?

After speaking with our local member in State Government and asking why a similar system that exists with corporate mining operations could not be implemented for corporate renewable energy companies it appears that there is no licensing of renewable companies. Surely this would be one of the first steps required before government incentives are provided to these corporations to build infrastructure for our energy supply. Energy is a necessity and to protect its supply the government should have stringent requirements in place before any grant or financial assistance is provided by tax payer dollars to such companies. There should be consistent requirements across Australia and decommissioning bonds should be one of those so we do not leave a problematic legacy for future generations to deal with and no financial means to do so. Decommissioning bonds are a necessity to protect our country from rogue developers who will initiate development and then on sell projects to corporations who are unable to meet our standards and/or do not have a willingness to do so.

5. Adequacy of compensation currently being offered for hosting transmission lines.

Compensation for landowners hosting transmission lines does appear to be inadequate. A payment that is spread (in NSW) over 20 years which amounts to \$10,000 per year per kilometer of transmission line does not take into account that the line will be there for longer than 20 years. If government looked at the total cost of this compensation proposal across Australia and factored in the point that most farmers would be happy to wave this payment if lines were put underground then surely there is another argument to look at undergrounding of transmission lines. When you factor in the future costs of natural disasters and the community resistance to overhead lines that the government is attempting to negate then surely there has to be a better end result.

The other area around compensation payments is that there is no clarity around the taxation implications of these payments to rural landowners. Are the payments considered income or a payment that is tax exempt because it is deemed to be for compensation for the impact of development on their farms and the decline of their visual amenity. Issues like this need to be clarified and legislated before development occurs so rural landowners understand what they are dealing with rather than trying to negotiate with corporations when the goal posts are unclear. Government needs to finalise this legislation before land owners are expected to make decisions about their enterprises and the financial implications of renewable developments.

6. Adequacy, and management of voluntary planning agreements and payments made to the LGAs impacted by Renewable Energy Zones

Voluntary Planning Agreements (VPA) need to be very carefully planned. Since the amalgamation of councils many regional council personnel in head offices and are not in touch with their outlying communities as effectively as the smaller councils were. There is often a disconnect and lack of communication with the residents who are going to be most affected by developments. Most employees live near the main Local Government Centers (LGA) and consequently there is not the day-to-day knowledge about what is needed and how residents are feeling towards renewable developments on their doorstep. Councils often negotiate with these developers and the first the communities know about the development proposals is when they read about them in a Development Application. This is not good enough or transparent enough when small communities are heavily impacted. Government does need to be aware that VPA's need to be written in a manner that still allows for the most affected communities, often small ones, to have input into how that money is spent in their community and what are the priorities that citizens want councils to focus on. VPA agreements must ensure that any money allocated to a particular Council is protected for spending that is endorsed by the community impacted.

7. Projected impact on visitation to regional areas with renewable energy zones resulting from changes to land use

The impact of the industrialisation of the rural landscape and the impact this will have on tourism in the regions has not been addressed adequately. This lack of consideration was highlighted at the recent meeting I attend in the Pokolbin region which is highly dependent on the income generated from visiting tourists. Rather than discuss this issue with landowners and adequately address their concerns it is often brushed off and not considered.

Tourists visit regions to see the production of agricultural commodities and enjoy the different vistas that our landscape provides. They do not visit rural Australia to look at industrial landscapes. Our area experiences an increase in keen photographers and tourists who specifically drive to areas in the CWPRESZ to view canola crops when they are flowering. Currently those crops do not have transmission lines in their background or running through the paddock. The lack of consideration around the impacts this may have on local communities who rely on tourists spending money in local towns is not adequately addressed. How is the government proposing to supplement these communities with another industry to provide compensation for the lost tourism dollars?

Government needs to realise how their decisions impact on rural communities. For example: Having witnessed the government decision to discontinue logging in the Coolah Tops National Park and consequently the closure of the associated sawmilling business in the town of Coolah the community felt the direct impacts financially. There was little regard for the impact of this on a small community and government needs to do better. Coolah was initially promised some employment opportunities for national park personnel. This did not happen. Employees from the Mudgee Office took over the responsibility for the National Park and now that responsibility has been moved to Coonabarabran even further away. This has not replaced the positions locally in Coolah to the detriment of other businesses in town. Now the future development of

the Liverpool Range Wind Farm is going to impact the visual amenity of this area and may impact tourism income. This has not been addressed adequately.

If government does not consider the implications for the removal of tourists from regional areas as they industrialise the landscape then areas like Pokolbin are going to struggle financially. The aspects of the landscape that residents and tourists value in the region will no longer exist. The impacts of reduced tourist dollars being spent in the regions need to be more appropriately addressed and agritourism and ecotourism needs to be appropriately compensated for loss of income.

Conclusion

I would like to thank the government for initiating an inquiry into the renewable energy sector and how it is impacting rural communities. It is hoped that rural communities can have faith in government to make decisions that are ethical and fair for all their citizens.

I realise that the CWOREZ has been a learning space for all levels of government however that does not mean that we cannot do better and initiate changes in all processes so that communities can have faith in decisions being a 'win win' for all parties.

Chair CDDG