

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

**Organisation:** Temora Shire Council

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Partially  
Confidential

31 January 2025

Dear Members of the Inquiry,

**Subject: Submission to the Inquiry into the Impact of Renewable Energy Zones on Rural and Regional Communities and Industries**

Thank you for the opportunity to contribute to the Inquiry into the impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales.

Temora Shire Council supports the transition to renewable energy and acknowledges the significant opportunities it presents for regional NSW. However, our experience highlights substantial challenges—particularly for councils outside designated REZs—that must be addressed to ensure an equitable, sustainable, and well-managed approach to renewable energy development.

This submission includes local case studies, key concerns, and specific recommendations, aligning with broader concerns raised by the Country Mayors Association (CMA) and other rural councils affected by large-scale renewable energy developments.

**Key Concerns and Challenges**

**1. Infrastructure Contributions and Revenue Shortfalls**

- Renewable energy projects are exempt from Section 7.11 and 7.12 infrastructure contributions, leaving councils unable to recover costs associated with increased road use, housing demand, and service pressures.
- The local government rating system does not reflect the higher-value land use of renewable energy developments, further limiting council revenue generation.
- The Benefit Sharing Guidelines (Nov 2024) override councils' ability to negotiate agreements tailored to local needs, reducing local planning authority.

**2. Limited Local Government Involvement in Development Approvals**

- Development Applications (DAs) for State Significant Developments (SSD) are assessed at the state level, bypassing local planning input.
- Local government planning instruments, such as Community Strategic Plans (CSPs) and Local Environment Plans (LEPs), are often disregarded in the approval process.
- Councils do not receive remuneration for their involvement in project assessment, despite the technical expertise and administrative burden required.

### **3. Administrative and Financial Burdens on Councils**

- Cost-shifting: Councils are expected to manage the impact of renewable energy projects without adequate financial support.
- Benefit-sharing mechanisms place an administrative burden on councils without funding for oversight.
- Waste management costs: Councils are left managing large-scale waste without clear disposal strategies for solar panels, turbine blades, and packaging waste generated during construction.

### **4. Risks Associated with Project Transfers**

- Developers often sell projects post-development approval, leading to abandoned community contribution promises by new owners.
- Without legally binding agreements, local councils and communities are left without the promised economic and social benefits of hosting a renewable energy project.

### **5. Decommissioning Risks**

- The long-term environmental liability for project decommissioning is unclear.
- Landowners often bear the financial responsibility for decommissioning if the proponent ceases operations.
- Councils lack funding for compliance monitoring to ensure sites are rehabilitated properly at the end of their life cycle.

### **Local Case Studies – Impacts on Temora and Greater Hume Councils**

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## **Recommendations to Address These Challenges**

### **1. Mandate Infrastructure Contributions for Renewable Energy Projects**

- Apply Section 7.11 and/or 7.12 contributions to renewable developments to fund infrastructure upgrades in host communities.
- Alternatively, introduce a special rating mechanism for renewable energy projects, similar to mining operations, to ensure councils can generate appropriate revenue.

### **2. Ensure Local Government Involvement in Development Assessment**

- Require formal council involvement in the assessment of State Significant Developments (SSDs).
- Provide remuneration and training to local government planning staff to participate effectively in these assessments.

### **3. Support Council-Administered Benefit-Sharing Programs**

- Provide funding for councils to administer benefit-sharing programs.
- Permit councils to consolidate multiple projects' contributions to deliver larger-scale regional benefits.

### **4. Strengthen Decommissioning Compliance Measures**

- Introduce legally binding decommissioning obligations with financial bonds to cover future site rehabilitation.
- Ensure landowners provide informed consent regarding long-term decommissioning liabilities.

### **5. Mitigate Cost Shifting to Councils**

- Accompany any new responsibilities placed on councils with appropriate funding mechanisms.
- Establish a state-managed fund to assist councils with administrative and compliance obligations.

### **6. Legally Bind Community Contributions**

- Require developers to formalise community contributions as legally binding conditions of approval, ensuring commitments remain enforceable even if projects are sold.




Renewable energy projects are essential to NSW's energy transition, but regional and rural councils cannot be left to manage their impacts without proper financial and planning support.

We urge the inquiry to ensure all LGAs—both inside and outside REZs—are given equal access to funding, planning resources, and benefit-sharing mechanisms.

Thank you for considering this submission. I welcome the opportunity to provide further information or discuss these recommendations in greater detail.

Yours sincerely,

 Craig Sinclair  
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Temora Shire Council