

**Submission
No 153**

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

Organisation: Dungowan Creek Alliance

Date Received: 14 July 2025



DUNGOWAN CREEK ALLIANCE

Dungowan • Duncans Creek • Niangala • Ogunbil

Committee Chair
Portfolio Committee No. 4 – Regional NSW

BY EMAIL

Monday, 14 July 2025

Dear Committee Members

RE: Impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales

The Dungowan Creek Alliance thanks the committee for accepting this late submission and the opportunity to present the concerns of our small rural community.

Background

1. The Dungowan Creek Alliance (“the Alliance”) is a small grassroots community organisation that only formed in February 2025, after the deadline for submissions to the inquiry had closed. So, the first point to make is that as time goes on, more and more rural communities in the New England Renewable Energy Zone (“NEREZ”) are being adversely impacted by the proliferation of energy projects in our region.
2. The Alliance was formed to oppose plans by French government-owned multinational EDF Australia Pty Ltd to build a large-scale 300MW pumped hydro power station on prime agricultural grazing land in the upper Dungowan valley, 50km east of Tamworth in the southern part of the NEREZ.
3. While most of the submissions to the committee will deal with projects involving solar, wind, battery and transmission lines, this submission deals with **the impact of pumped hydro on rural communities** as well as transmission lines. Many of our concerns are similar to those raised about those other projects, but some are unique to a technology driven by water.
4. Before addressing the committee’s terms of reference, the Alliance would like to convey the profound frustration and anger in our community that a small rural district such as ours, with a population of about 150 people, is expected to shoulder the enormous burden of a large-scale pumped hydro power station. The power plant means an increased risk to our lives, families and farms, an increased risk of fire and flood in the valley, devaluation of our properties, reduced insurance coverage and increased premiums, a frightened and divided community, loss of amenity and natural environment and potential loss of water allocation, while we receive no compensation or benefit at all. When we express our reasonable concerns, we are often vilified and labelled as uneducated “climate deniers” or “in the pocket of the fossil fuel industry” or “brainwashed by SkyNews”. It does not go unnoticed that those who espouse the utilitarian need for *us* to sacrifice for the common good share none of the burden themselves but receive all the benefit. This is unhealthy in a democracy. It breeds resentment and mistrust of government, scientists and experts. We want the committee to understand that small communities like ours are suffering greatly. For us, it is honestly hard to decide what is worse for our community: flood, fire, drought or pumped hydro.

Inadequacy of community consultation and lack of social licence

5. It appears that the NEREZ was deliberately shoehorned into our valley to encompass the pumped hydro project. The proposed site for this power station, on the unsealed Dungowan Dam Road, is at the very southern edge of the NEREZ. In fact, if you stand on the northern side of the road you will be in the NEREZ, whereas if you walk the few metres to the southern side of the dirt road you will no longer be in the NEREZ.
6. As we discovered recently, this project has been in “development” for almost ten years by a company called Walcha Energy, before the project was purchased by EDF Australia around February 2024. We also discovered that the original developer had received NSW taxpayers’ money to develop the concept in October 2019.¹ It had also signed a Memorandum of Understanding with Tamworth Regional Council (“TRC”) in November 2018 concerning the pumped hydro project.²
7. **Not once in those ten years did anyone from anywhere come to inform, or consult with, the local community or ask our views.**
8. In February 2025, the local community met at the Ogunbil Community Hall to discuss this project after EDF Australia published all of our property lot numbers in the local newspaper proclaiming that we would all be affected by the project.³ This was the first time most locals had heard anything about a pumped hydro power station in the valley. It was at our community meeting that the Dungowan Creek Alliance was formed to oppose the development. It was only *after* our meeting that EDF Australia bothered to convene a community consultation to tell us what they were proposing.
9. This is why our community has no confidence at all in the sham consultation process. Government grant money is given to these companies, the boundaries of Renewable Energy Zones are drawn up, reports are commissioned, memorandums of understanding are signed between private companies and local councils – years before those who will be most affected are even informed that a project exists, let alone consulted. EDF Australia cannot claim it has a social licence under these circumstances.

Cumulative and financial impacts

10. Pumped hydro divides our little community, makes us less safe, and means potentially less water for regional towns, less water for agriculture and less water for the environment.
11. As a community, our members are exhausted from the unrelenting stress of proposed change and phoney “consultation”. For the small communities of Ogunbil and Dungowan this is the fourth time in ten years that large infrastructure projects have thrown our lives into turmoil:
 - in 2015-2016, TRC explained how unsafe Dungowan Dam is and how it threatens our lives and farms. We lost many longstanding members of our community as properties were purchased by council to improve dam safety.

¹ “Emerging Energy” grant, see <<https://www.energy.nsw.gov.au/nsw-plans-and-progress/major-state-projects/shift-renewables/emerging-energy-program>>

² NS Energy, *Walcha Energy Project NSW* <<https://www.nsenegybusiness.com/projects/walcha-energy-project-new-south-wales/>>

³ *Northern Daily Leader* (Tamworth, 5 Dec 2024) p.13

- TRC needs to replace the 70-year-old water pipes that run underneath our properties, connecting Dungowan Dam to Tamworth. The new pipes will be in different trenches to the existing pipes. No one has spoken to us about this for years.
 - recently, there was the now-abandoned proposal to build a new Dungowan Dam. While a new dam was generally supported by the local community as a public good, the decision not to proceed after years of consultation was profoundly disappointing.
12. And now today, down one end of the valley landholders are confronted with the EnergyCo 500kV transmission lines, and in the upper valley we have to contend with a large-scale pumped hydro project and tens of kilometres of 330kV transmission lines to connect it to the grid. Some of those 330kV lines will cross under the EnergyCo lines – a very physical example of cumulative impact.
 13. **The proposed pumped hydro power station places our lives, families and farms at greater risk.** It will store gigalitres of water downstream of one of the least safe dams in New South Wales. In the event of the catastrophic failure of Dungowan Dam, the extra water from the pumped hydro project increases the hazard which currently exists and means that more people will die and more farms will be destroyed. Many of us fear that if the power station is built then we will find ourselves in an enlarged flood zone, which could mean we lose our flood insurance and see our farms and houses rendered uninsurable. The loss to local property value goes without saying.
 14. Our valley is known for the quality of its livestock. Our irrigators supply a vast quantity of high-quality hay and other crops to markets far and wide. Our creek is part of the Murray-Darling catchment. Almost every drop of water is accounted for and fully subscribed. If approved, pumped hydro means that someone will lose all or part of their water allocation. The local community is being kept in the dark about where the water for the pumped hydro will come from. Will the water be taken from local irrigators, the people of Tamworth's drinking water, the environment or indigenous communities?
 15. It is inappropriate to build pumped hydro power stations on the western side of the Great Dividing Range where water is precious and the land is drought-prone. During the last persisting drought of 2019, Dungowan Creek did not flow for about eighteen months.
 16. **This project will have impacts far beyond the New England REZ:** communities right throughout the Murray-Darling basin will be denied the water that would normally have flowed into the system from our valley. This will have distant impacts on towns like Wilcannia, irrigators like those of the Namoi and environments such as the Menindee Lakes. The water used by pumped hydro will be locked up for up to 100 years to make profits for a foreign government. The water loss will be ongoing, because the power station will need to top-up its reservoirs annually due to evaporation.
 17. As well as increased flood risk, the tens of kilometres of transmission lines that will run through our valley represent an increased bushfire risk. Fighting fires when there are high voltage transmissions lines in the mix adds another stressor for local farmers who volunteer in the local RFS brigade.
 18. The proposed pumped hydro power station will be built on grazing land indicated by NSW government maps as Biophysical Strategic Agricultural Land (BSAL). This is despite the NSW government's own experts in the *Pumped Hydro Roadmap* stating that building pumped hydro

on prime agricultural land (BSAL) should be a “show-stopper”.⁴ Those experts are from the Australian National University no less. EDF also intends to breach another “show-stopper” by building a reservoir on top of a named watercourse: Spring Gully. These breaches alone should be enough to confirm that EDF Australia has no social licence for this project.

19. Even in the short time we have become aware of this project, our community has become fractured. Neighbours who have known each other for decades, no longer talk to or even acknowledge each other. Supporters of the project have made veiled threats to those who oppose it. As a rural community, we rely on each other in times of need, like drought and bush fire. This kind of division threatens to undermine that cohesion and community spirit. This project is corrosive to our small community.
20. Local residents are genuinely concerned about the safety of our local country roads, which are windy and in bad repair. If large numbers of trucks appear during construction of the pumped hydro plant, it will impact school buses, livestock trucks, tourists travelling through to Tamworth, livestock being mustered along the roads, tractors, and children riding horses.

The Alliance thanks the committee for considering these submissions.

Yours sincerely

Michael Walton, President

⁴ NSW Department of Energy, *NSW Pumped Hydro Roadmap* (Dec 2018) <https://www.energy.nsw.gov.au/nsw-plans-and-progress/major-state-projects/pumped-hydro-roadmap>, p.31