

REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 4 - REGIONAL NSW

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

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At Macquarie Room, Parliament House, Sydney, on Tuesday 13 May 2025

The Committee met at 9:00.

PRESENT

The Hon. Mark Banasiak (Chair)

The Hon. Aileen MacDonald

The Hon. Sarah Mitchell

The Hon. Cameron Murphy

The Hon. Peter Primrose

PRESENT VIA VIDEOCONFERENCE

Ms Abigail Boyd

The Hon. Emma Hurst (Deputy Chair)

The Hon. Stephen Lawrence

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The CHAIR: Welcome to the first hearing of the Committee's inquiry into the impact of renewable energy zones on rural and regional communities and industries in New South Wales. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. My name is Mark Banasiak. I am the Chair of the Committee.

I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of those procedures.

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Mr CLAY PRESHAW, Executive Director, Planning System Reform, Department of Planning, Housing and Infrastructure, affirmed and examined

Mr MATT RILEY, Director, Energy and Resources Policy, Department of Planning, Housing and Infrastructure, affirmed and examined

Mr JAMES BOLTON, Deputy Secretary, Regional Development and Delivery, Department of Primary Industries and Regional Development, affirmed and examined

Mr ASH ALBURY, Executive Director, Planning and Communities, Energy Corporation of NSW, affirmed and examined

Mr LIAM RYAN, Advising Executive Director, Energy, Climate Change and Sustainability Group, Department of Climate Change, Energy, the Environment and Water, affirmed and examined

Ms SUZIE MATTHEWS, Executive Director, Skills and Workforce Programs, NSW Department of Education, affirmed and examined

Mr ANTHONY HAYES, Head of Regional Integration, Planning, Integration and Passenger, Transport for NSW, affirmed and examined

The CHAIR: We have two Committee members participating via video conference, so you may see some heads pop up on the screens there in front of you. We've agreed to have free-flowing questions, so the questions will come from anywhere. Before I do that, does anyone from the panel want to make a short opening statement?

ASH ALBURY: Yes, I'd like to make a short opening statement. Good morning. I'm the executive director of Planning and Communities at EnergyCo, and I'm based in Dubbo. I'm responsible for renewable energy zone strategic planning, planning approvals, community benefit sharing, and land and property management. That means a big part of my job is about making sure we're doing the right thing by the REZ communities and their people, and that's something I take very seriously. We have offices in Sydney, Armidale, Newcastle and Dubbo. This is important because it means many of our people are part of these communities we work in.

Upgrading the grid will benefit everyone in New South Wales through delivering more affordable, reliable power. For regional communities, however, the work being undertaken is more significant. We recognise the critical role these communities will play in hosting electricity infrastructure. That is why we're working tirelessly to minimise impacts and maximise benefits for these communities. Open and genuine engagement with communities is central to the work we do at EnergyCo. When it comes to engagement, we understand different communication channels suit different people, which is why we use a range of methods. EnergyCo's regional consultation strategy is extensive and thorough. The recently released *Regional Communities Consultation Guide* confirms that our approach is aligned with best-practice consultation. We listen and, where we can, minimise impacts during construction and operations and provide long-term community benefits. These benefits will be significant. Regional renewable projects will create jobs and generate private investment for host communities. The Central-West Orana REZ will support more than 5,000 construction jobs at its peak and bring billions of dollars of private investment into the region by 2030.

To ensure local workers, communities and industries reap the economic benefits of this massive investment, Generators With Access Rights have committed to creating 266 apprenticeships jobs throughout construction, along with First Nation business and employment opportunities. As well as encouraging investment, we are delivering funding through grants and working directly with community to fund projects they want and need. Sixty million dollars has been awarded already to 54 local government and community projects in Central-West Orana. This money is going directly into the community to fund things that locals need and want. It will be used to upgrade preschools, housing, training programs and water infrastructure as well as support sports and cultural events. There will also be significant opportunities for landholders hosting transmission lines and renewable energy projects. Renewable energy can contribute to farm diversification by supplying an extra income stream, can coexist with primary production and enable farmers to host infrastructure to have an additional source of income.

Whether we live in the regional areas like Dubbo, in the city or the suburbs, our move to renewable energy will ensure that everyone has access to affordable, clean and reliable energy now and for generations to come. For those communities that are hosting, it will provide genuine, lasting benefits. Together we're building an energy system to be proud of, one that will keep the lights on and put downward pressure on energy bills for decades to come.

The CHAIR: Was that opening statement from all of you?

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ASH ALBURY: Yes.

The Hon. CAMERON MURPHY: Mr Hayes, can you tell us about the Government's Port to REZ program of road upgrades?

ANTHONY HAYES: I can certainly do that. The commitment from the New South Wales Government and the Australian Government—at this stage, the Government has invested \$128.5 million in the Port to REZ project from Newcastle port, with specific focus on the Golden Highway, where a lot of the challenges will be. An additional \$12 million was also committed for overtaking lanes along the highway near Merriwa, and there is \$10 million in additional funding—combined Australian and New South Wales Government funding—for planning to investigate New England. The focus for us has obviously been very much on the initial challenge, which is Central-West Orana, where the route that has been defined and that we're working on with EnergyCo—there are 19 points along the route requiring various works to make sure that the oversized or over-mass equipment can get to the Central-West Orana REZ. A clear priority for us is to make sure that works. On top of that, there is a broader conversation regarding social licence and how we take into account the various challenges; how we work with the communities based in the middle of the route to make sure we are supporting those communities through obviously what will be a fairly significant movement of oversize, over-mass equipment.

The Hon. CAMERON MURPHY: Mr Ryan, what are the key aspects of the Electricity Infrastructure Roadmap?

LIAM RYAN: The road map itself has a number of different features in it. Those are legislated under the Electricity Infrastructure Investment Act 2020. Renewable energy zones are a core part of that, but there are a number of other features as well. I'll come back to renewable energy zones, but briefly on the other features, that Act establishes an energy security target for New South Wales, which is an amount of firm capacity to help supply consumer demand throughout summer. It establishes a renewable energy sector board to help improve local supply chains and employment outcomes out of energy infrastructure. It establishes the ability for the Minister to set guidelines for participation and engagement with First Nations communities' people and businesses. It also establishes an underwriting mechanism to de-risk private sector investment in new wind; solar; other renewable energy sources; long duration storage, which could be batteries or pumped hydro; and it establishes targets for those things.

Then we come to renewable energy zones. The Act establishes a framework for declaring both the geographic area as a renewable energy zone and specific network infrastructure as that zone. It establishes the ability to control who can access that new network infrastructure in that zone. That's important for a couple of reasons: It means that generators can have confidence that they won't be crowded out from connecting into new infrastructure, but it also establishes the mechanisms for generators to help contribute to the cost of that new network infrastructure. That's the REZ access framework. Finally, it establishes a New South Wales specific cost recovery mechanism to pay for the new network infrastructure needed to facilitate both that energy security target to make sure we have enough capacity to meet consumer demand, and to pay for the new network infrastructure that is part of the renewable energy zones. I guess those are the fundamental building blocks of the road map that are established in the Act.

The Hon. CAMERON MURPHY: In the past, it was solely the responsibility of the ECCS division of Treasury. Is that right? Now it has changed to a whole-of-government approach. Is that right?

LIAM RYAN: Yes. In 2023 Minister Sharpe commissioned an independent review of New South Wales' electricity supply and reliability from the firm Marsden Jacobs. It became known as the check-up. That review gave recommendations back to Government in the third quarter of 2023. One of those recommendations was to establish a whole-of-government steering committee to help coordinate the rollout of renewable energy zones and electricity infrastructure across the State. Another one was to establish EnergyCo with its own governing board, more separate from the department at that time. Since that independent review and recommendation, there is now a steering committee led by the Premier's Department that involves various different agencies from across New South Wales Government that are contributing to how we can best roll out this new infrastructure.

The Hon. CAMERON MURPHY: The last question I have is for Mr Albury. The Energy and Water Ombudsman is now appointed to handle complaints regarding the renewable energy projects. Can you take me through that process? How does that work?

ASH ALBURY: Essentially, at the moment we've joined EWON, as has ACERESZ, the network operator for the Central-West Orana Renewable Energy Zone. It gives community another opportunity, if they're not satisfied with our complaints-handling process or don't feel they're getting through to us, to go to EWON. EWON is an independent body that then can come to us and try to resolve those complaints. Essentially, a person in the

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street will make a complaint to EWON; outline that complaint; EWON will come to us and ask us for all the details, and they'll essentially mediate between the two to try to come to a satisfactory outcome. At this stage, we've had four EWON complaints since we've started. I understand three of those have been resolved and one is currently being worked through.

The Hon. CAMERON MURPHY: In your opening statement, you mentioned benefits that are provided to communities when these REZ projects go in. How do you share those benefits with those communities?

ASH ALBURY: At the moment, we've really had to look at it. We went out and consulted extensively with the community to see what sort of programs and projects they would like to see. For instance, we met with local government for a considerable amount of time to understand what their real needs are and what they saw as benefits. The program was broken up into four components. The first component was the Legacy Infrastructure Fund, which was aimed at local government. That particular fund was a noncompetitive round and offered \$11.25 million to each of those local councils. That has funded things such as water sewer treatment plant upgrades, water projects, some key worker housing stuff and also some elderly housing projects in Dunedoo. It's been an amazing part of the project.

The second thing was the larger community fund. That was a competitive fund and we had significant interest in that fund. That's funded a range of programs and projects. I can highlight the project in Mudgee that Marathon Health will run to support early intervention services for children in those communities. We've also funded a number of other projects in that. The third fund was a smaller grants program. That's for things like small community events, small upgrades to town halls—things of that nature—for projects up to about \$50,000. The final fund we had and that's currently under assessment—and we are close to getting an announcement—is the First Nations Fund. That's really about trying to give local lands councils and Aboriginal organisations the opportunity to reap the benefits of the renewable energy zone through projects that they want and that they see are of benefit. We've been working closely with the department of regional New South Wales to deliver those programs.

Ms ABIGAIL BOYD: Good morning to all of you. I will start with you, Mr Albury. Living on the Central Coast, I get a lot of questions about the Hunter offshore wind zone and how it will be connected into the Hunter-Central Coast REZ. Are you able to give us an update on where the planning is with that and particularly where the best place would be to connect between an eventual offshore wind project and the rest of the energy infrastructure?

ASH ALBURY: Ms Boyd, I'd have to take that question on notice because that particular offshore wind project is something that's being run through the Federal Government and I'm not a technical expert in that area. I'd be happy to take that on notice and come back to you with the answer.

Ms ABIGAIL BOYD: That would be very useful. I guess the impact for us in the State, though, is where exactly those transmission lines would go.

ASH ALBURY: Ah, yes.

Ms ABIGAIL BOYD: When you look at the geography of the Central Coast and the Hunter, it does get a little tricky. Has thought been given to some planning ahead of time?

ASH ALBURY: Yes. What I will say is that the Hunter-Central Coast Renewable Energy Zone is more of a brownfield renewable energy zone. Rather than creating massive transmission lines and upgrading the transmission lines, we're trying to upgrade the network in certain locations. The benefit of that is that we're really piggybacking off that existing infrastructure and moving forward. As I said, in terms of the Hunter-Central Coast offshore wind farm process, I'll have to get back to you with an answer for that. But I'm sure our technical experts have been looking at that process.

Ms ABIGAIL BOYD: You may need to take this on notice. When you look at the likely plan for where that transmission line would go from the offshore wind project into the REZ, it does seem to cut across the Hunter Gas Pipeline project. Has it been considered from that perspective within your remit?

ASH ALBURY: Once again, I'll take that on notice. But I do recognise what you're saying.

Ms ABIGAIL BOYD: Okay. I know that in New South Wales we don't have any offshore wind targets, unlike in Victoria. Is that something that this Government has considered in any form?

ASH ALBURY: I might hand that one over to Liam because he looks at stuff that's outside the renewable energy zone.

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LIAM RYAN: The Electricity Infrastructure Roadmap establishes objectives for generation, and the Act defines that as renewable generation. Our advice from the department in the past has been that the future technology cost of all of these different technologies is uncertain, and it's in the best interest of consumers if they compete with one another. The system evolves with what ends up being the lowest cost mix of renewable generation over time. That's informed by not putting technology-specific objectives into the Act. Those tenders are run by an independent agency, which is a subsidiary of our market operator. It's referred to as AEMO Services, and they take that approach as well. Technically, they could choose to have technology-specific rounds under their underwriting tenders, but they've stayed true to that starting principle of not choosing specific technologies and allowing the tenders to find the best projects for New South Wales.

In terms of specific research on offshore wind, we have a watching brief on the technology development overseas. The kind of offshore wind that is suitable for New South Wales is what's referred to as floating offshore wind, and that's because the depth of water off the coast of both the Hunter and the Illawarra is quite deep—too deep for what's called a fixed-bottom offshore wind. That floating technology is still in a nascent stage. It hasn't been deployed at large scale internationally at this point, although there are some promising signs out of tenders in the UK and elsewhere in Europe, and so we continue to monitor what's occurring overseas with that technology. At this point, the costs for those technologies don't appear to be competitive with what you could see from onshore wind or solar development. Our advice from the department to date has been to maintain a technology-agnostic approach and wait for those developments overseas, to see if that technology does have prospects for New South Wales.

Ms ABIGAIL BOYD: I guess the fear is that we'll miss the boat. In Victoria, there has been progress with offshore wind because they have actually invested in the enabling infrastructure. A project in New South Wales doesn't have the same viability if the Government isn't even planning that infrastructure to make offshore wind viable. Does it concern the department that it's excluding one type of renewable energy by not preparing for it in the same way that Victoria is?

LIAM RYAN: I think the difference with Victoria is that the ocean off their coast is suitable for fixed-bottom turbines. That technology is proven, and it is well understood what the infrastructure requirements actually are. I think the distinction with floating offshore is that there are some moves by developers overseas to effectively ship in the turbine assembled, which is a different way. You wouldn't need the same amount of onshore infrastructure if you were developing the projects in that way. I guess I'm coming back to my point about it being a nascent technology, and we do have a watching brief to understand its development. At this point, the judgement the department has come to is that we don't have enough information to fully understand what would be required for the Government to prioritise its scarce resources on that technology, compared to known developments around, say, the Central-West Orana REZ.

The Hon. SARAH MITCHELL: Thank you all for being here. It's nice to see you all again. I wanted to ask some questions specifically about the Central-West Orana REZ, so I might direct them to you, Mr Albury. But if they're better answered by someone on the panel, I'm happy for you to refer to your colleagues. I wanted to get some understanding about the network capacity of that particular REZ. I think it went from three to six. Now on the website it talks about 7.7 gigawatts, but only 4.5 in terms of the network capacity, and obviously not all projects will be running at the same time. How many projects, in terms of gigawatt capacity, are there in planning? I understand it's much bigger than 7.7, and that's what's causing a bit of community concern. Can you talk us through that, please?

ASH ALBURY: What I will do is in terms of the numbers of projects. Other than the six that are approved and the 10 that we're working through on the access—some of those still need planning approvals—I think there are another 36 or something within the renewable energy zone.

The Hon. SARAH MITCHELL: So there are more than 50 in planning. Is that correct?

ASH ALBURY: Yes, but I will get the planning guys to give you a figure on that.

CLAY PRESHAW: Look, I don't have that number straight off the top of my head.

ASH ALBURY: You're in the right range.

CLAY PRESHAW: It's in that vicinity.

The Hon. SARAH MITCHELL: Can you take on notice the specific and provide it back to me?

CLAY PRESHAW: Yes, I'll take that on notice.

The Hon. SARAH MITCHELL: In terms of the final plan for the Government around what the network capacity will be for that specific REZ, is it still 7.7 or is it higher than that?

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ASH ALBURY: At this particular stage and juncture, we've announced an access right for 7.1 gigawatts. The network capacity with the headroom—Liam knows more about this stuff than I do—is around 7.7, and that's what we've awarded access rights to at this point in time.

The Hon. SARAH MITCHELL: But has there been a decision—and I appreciate that it's a decision of the Government—to go beyond that 7.7?

ASH ALBURY: My information at the moment is that it's 7.7. Liam, you might have a bit more information.

LIAM RYAN: Yes. Ms Mitchell, I might give you a little bit of the detail so that you understand the various decisions that could be made. First off, you just asked about the distinction between the network capacity and the generation capacity. I want to start by explaining that they are two different things. There's the transfer capacity that the network can transfer from one place to another, and that's what we refer to as the network capacity. Then there's the generation capacity. How much could each individual generator put out if they were all generating at exactly the same time? The way those two things compare really depends on the mixture of generators that are connecting into the network. It's defined by something that's established in the CWO REZ network access scheme called the total curtailment level, which is effectively an efficiency metric about how much of the output from those generators it would be efficient to effectively spill, or not send out, through the network. That factor, I believe, is between 4 and 5 per cent; I can't remember the exact detail. But that metric plus the network transfer capacity—you use those two things plus the assumed mixture of generation to give an assessment of how much hosting capacity the renewable energy zone has.

With those concepts in mind, the renewable energy zone declaration for Central-West Orana REZ sets out a six-gigawatt network capacity. The REZ network that is being constructed right now, or imminently, is designed for a 4½-gigawatt network transfer capacity, but could be upgraded to six gigawatts in the future. That 4½ gigawatts gives you around 7.7 gigawatts of generation, but it could be upgraded in the future, and the declaration that the Minister made last year actually does say that it eventually will be upgraded to six gigawatts. There's more work that EnergyCo would need to do to give you a firm number on the amount of generation capacity because, again, it does depend on what the connecting generators are. The more storage there is, the more capacity there is to host more wind and solar as well. But the figures that I've seen in different forecasts end up assuming that about 10 gigawatts of wind and solar are developed in the Central-West Orana REZ. It really depends on those forecasts about how much generation and where it will go across the State. At the moment that's not clear.

The Hon. SARAH MITCHELL: In terms of the community sentiment around this, part of the concern that I'm hearing from some is that—I think on the EnergyCo website you say that the corridor or the area hasn't changed—the potential number of projects and the amount that might be coming is higher than I think people had anticipated when this was first announced. As this is being rolled out and that community consultation—certainly, Mr Albury, I'd be happy to get your feedback on this as someone who I know works closely with the community. But the size and scale, even within that footprint, is not what people had originally anticipated, and I think that seems to be increasing the community concern. Is that what you're hearing from landholders and people on the ground as well, and how do you learn from that process, particularly with the Central-West Orana REZ and as this rolls out to the other areas across the State?

ASH ALBURY: What I am hearing from the local community is there is genuine concern around the size and scale of these developments. It's really around how we can give certainty and how we're going forward. We're just continuing to work through communities to give them an understanding of where this project is going and what it's at. But at the moment, 7.7 is where we're at. As things change, we'll continue to make sure that we work closely with community.

The Hon. SARAH MITCHELL: The other question that comes a lot is about the decommissioning. I know that's an interesting thing to talk about at the beginning, but it's actually important in terms of any kind of consistency around what that will look like and who's responsible for the decommissioning of these projects when they eventually reach their end of life. Is that part of the discussion and the agreement? Is there an update you can give us on that?

ASH ALBURY: In terms of decommissioning, that's usually done through the planning process and through conditions of consent, so I'll hand over to the Planning team.

CLAY PRESNAW: I'm happy to talk to that. Just maybe to return to your question before in terms of the number of projects at CWO. I just did a quick count, and we can confirm this later, but I think within the CWO REZ there are 12 wind projects, four of which are approved and the others are in the system somewhere, and about 33 solar projects, of which I think 22 have been approved. That's about a total of 45, of which about

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26 are approved, I think. We can firm that number up and come back to you if you like, but I think that confirms what Mr Albury was saying—about 50 projects. There are also a number of projects that are not yet in the system but which we know about, so the pre-SEARs phase, so there will be even more projects in the coming years, we'd expect. It's a bit hard to count those until they formally enter the planning system.

The Hon. SARAH MITCHELL: Isn't there an issue there? At the moment, you've got the 7.7, for argument's sake. If there's more and more projects being added, and the community is thinking, "Is this what we need to deal with or are there more coming?", at what point in Planning do you say—and I guess maybe it's a decision for the Government. That pipeline continuing to grow is adding to community concern. So how do you stop that?

CLAY PRESHAW: I'll answer from my point of view. Then I might hand to Mr Albury, because the word planning, I think, has a different meaning perhaps to me, in the department of planning, than the generic sense of the word planning or in an infrastructure planning sense. From a planning perspective in the department of planning, we can't stop people making development applications. Everyone's entitled to make an application, and we are required to assess each of those projects on their merit. We try to be as open and transparent as we can in terms of what is in the system. Our website is constantly updated. We meet with the community regularly on all those projects, and we try and explain what the scale of all of the projects in a region might be. But the simple answer from a purely town planning sense is that developers are able to make development applications, and we must assess each of those on their merits.

I guess there is a point at which whether or not there's capacity in the network for an individual project might become a relevant consideration to whether or not it should be approved, but at this stage we haven't reached a point where we're saying there's no capacity and therefore a project cannot be approved. We've never had that particular discussion. But potentially in the future, if all of these projects are filling out the capacity on the network, then that could become a relevant consideration from a town planning perspective. But I think perhaps you've got a slightly different question for Mr Albury.

The Hon. SARAH MITCHELL: I know you're talking about decommissioning, but I think that's sort of the nub of the problem here—that the pipeline feels like it's just continuing to flow for these people.

ASH ALBURY: The Dyer report pulls out quite clearly that some of the angst around community is because of the constant churn of applications and then the constant "Oh, God, this thing's coming next to me" and the angst that that creates. I think by the fact that we've now got the access arrangements that we've announced, that almost sends a very clear signal that they are the projects that are going to get the access rights. The issue with the other projects is that in some cases it's going to be difficult for them to actually get network access, and that makes it a very difficult proposition for them going forward. In terms of being up-front by saying last week, "We've got 10 projects. They're the ones that we think are going to access the line", it really sends a clear message that they are the ones that are going to be going forward at this stage. Now, some of the other projects might be able to, I don't know, get some access onto some existing Transgrid or existing Essential Energy lines, but we know there isn't capacity for 50 projects at this stage.

The Hon. STEPHEN LAWRENCE: Thanks to all the witnesses for attending. I have a couple of questions about the Central-West Orana REZ as well. In December 2023, I think it was, the transmission line was increased from three gigawatts to six. I was just wondering if someone—perhaps you, Mr Albury, but feel free to hand it on—could just explain what's the relationship between that decision and the overall capacity or the physical footprint of the REZ.

LIAM RYAN: I'll have a stab at that. The decision in December 2023 by Minister Sharpe was around the Central-West Orana REZ declaration. That changed the intended network capacity from three gigawatts to six gigawatts, as I mentioned before. The impact of that decision was that it empowered EnergyCo to recommend a network that had a higher transfer capacity. It didn't necessarily change the footprint of the transmission. It was about the number of lines. The Central-West Orana REZ has a four-circuit, 500-kilovolt network, and those are quite large towers. That's the highest capacity lines that we have in New South Wales.

What that decision meant is that, rather than having a four-circuit, 300-kilovolt network—basically it enabled EnergyCo to recommend a higher transfer capacity. It didn't necessarily change the route in any way. It would have impacted the setbacks that you would need around those transmission lines. Five-hundred-kilovolt transmission towers are taller and need bigger setbacks than 300-kilovolt networks, but it wouldn't have changed the route in any way. It would've changed the size of the substations and it would have changed the size of the setbacks around the lines. Obviously it has the impact of being able to facilitate more generators connecting to it. I guess that's probably the biggest impact in terms of land use change.

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The Hon. STEPHEN LAWRENCE: Is that something that would not have been anticipated by Government and industry when the REZs were legislated for back in 2020?

LIAM RYAN: When the REZs were legislated in 2020, at the time the concept for Central-West Orana REZ was a three gigawatt network transfer capacity, but in the intervening period there was a series of updates on the project from EnergyCo, including environmental impact assessment information that talked about this potential for a higher capacity network. It hadn't been decided until that point, but there was information in the public domain from EnergyCo about the prospect of having a higher capacity network.

The Hon. STEPHEN LAWRENCE: What changed to make that decision a necessary one? Was it an increase in applications or was it a change in the assessment of the area, which meant there would likely be more applications?

LIAM RYAN: From memory, and I'm speaking as someone from the department who wasn't directly involved in the analysis that EnergyCo had done at the time, but it was effectively a cost-benefit analysis that a larger network would be a more efficient solution in terms of being able to connect more generators. In terms of the cost of the network, it would end up with a higher net present value to New South Wales electricity consumers. That's my understanding of the basis of why EnergyCo had been exploring larger options. Basically, the wind and solar resource in Central-West Orana is good and there was the developer interest to build there. The time frames to develop other renewable zones, like the New England Renewable Energy Zone, were starting to look further away. There was a balance around how much more generation could we host in Central-West Orana to meet consumer demand?

The Hon. STEPHEN LAWRENCE: Would you be able to take on notice to provide to the Committee the information from EnergyCo or from government more broadly that was available at the time that the REZs were legislated for, and before December 2023, what was in the public domain about the prospect of the capacity being increased for the Central-West REZ?

LIAM RYAN: I'm happy to take that on notice. I'm also happy to give a brief outline of some of the background of what was in the public domain. Just for the Committee to understand, the concept of renewable energy zones came from the Finkel review, which was an independent review of the National Electricity Market settings in the wake of the system black event in South Australia in 2016. That review found that the lowest cost mix for meeting consumer demand in the future would be a mixture of wind, solar, gas and batteries. It recommended that the market operator produce an integrated grid plan, which has since become the Integrated System Plan that you may have heard of, to identify renewable energy zones across the NEM. That process started in 2018. The New South Wales Government at the time put in a submission to that process, calling out the potential priority energy zones in the Central West, the South West and New England. Later that year it released a Transmission Infrastructure Strategy, that identified those zones in a geographic boundary, which aren't the exact same as what's been declared but are very similar.

I've got some notes in front of me: They had contemplated up to 4.9 gigawatts in South West; 7.3 gigawatts in Central-West; and New England, 5.5 gigawatts. That's generation, not network capacity. I guess that first public statement about the renewable energy zones of 7.3 gigawatts is similar to what has actually happened with the access rights in that first round, but obviously didn't contemplate that future expansion. Then in 2019 the Government released an Electricity Strategy that called for a three gigawatt pilot renewable energy zone in the Central-West Orana, so that's where that three gigawatt figure has come from and that's what then informed the Act in the Electricity Infrastructure Investment Act. I'll need to go back and do what you asked about taking on notice what was available at the actual time in 2023, but I wanted to give you that background. I guess the numbers have shifted a number of times since the concept was first raised in 2018.

ASH ALBURY: Most of the information you're after is in the Network Infrastructure Strategy, which we'll provide to you, but essentially back in 2023 the economic modelling showed that we'd need a higher capacity within 10 years from what the original capacity was. The decision was taken that we would have less disruption to communities, construction and through the planning approvals process; we wouldn't have to amend that planning approval into the future. The decision was made at that point to extend the capacity.

The Hon. STEPHEN LAWRENCE: That's really helpful. In conclusion, what would you say to the suggestion that the Central-West Orana REZ is somehow out of control and has spiralled in terms of its scope beyond what was envisaged by the Government back in 2020?

ASH ALBURY: I think that what we've delivered is what we need to deliver, which is reliable electricity into the future. There have been some increases but it's not terribly above the capacity that was originally proposed and most of the impact, in terms of our projects and our line, we've mitigated by making that line within its design

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the same as what it would have been in terms of impact to the community. We've just been able to take a bigger capacity, I guess.

The Hon. EMMA HURST: Thanks to everyone for coming this morning. I have a couple of questions that are probably best directed to Mr Preshaw or Mr Riley in regard to planning. We've had a few submissions that have raised concerns about some of the guidelines that have come out from the department—the Wind Energy Guideline and the Large-Scale Solar Energy Guideline—and the fact that they don't contain adequate protections for wildlife corridors. Obviously that's vital for maintaining wildlife connectivity in these already fragmented landscapes. Is the department aware that is lacking in the guidelines or is that something that the department is doing other work around?

CLAY PRESRAW: I'm happy to take that question. In terms of the impacts on biodiversity, I would say that New South Wales has one of the strictest regimes of protection of biodiversity, which is largely governed by the Biodiversity Conservation Act. I guess when we were putting together the renewable energy framework and the wind and solar guidelines you referred to, we were not trying to duplicate or step on other areas of regulation that we consider are already strongly regulated. In terms of wildlife corridors, that's something that's absolutely considered in the assessment of all projects, but that would be through the Biodiversity Conservation Act, the biodiversity assessment methodology and all the policies that sit beneath that, of which there are many.

When we're assessing the biodiversity impacts of a project, we would always be referring that to the relevant part of government, which is now CPHR, previously the biodiversity conservation part of DCCEEW. We receive detailed technical expert advice around how a project may impact on biodiversity generally, and particularly in relation to corridors. In terms of what's in the wind and solar guidelines, I think that's probably not the best place to look for what the Government's position is in relation to corridors. Certainly in relation to biodiversity and a number of other technical areas, we weren't trying to cover everything in the one guideline. It is really meant to fill in the gaps of policy that weren't already managed by existing legislation or existing policies.

The Hon. EMMA HURST: Thank you. I will have a question for Mr Riley about the Biodiversity Conservation Act as well. Before I move on to that, I wanted to ask about some of the submissions that we received that also suggested that the developers of renewable energy zones should be required to follow the regenerative techniques outlined in the Building Better Biodiversity on Solar Farms guide, which highlights those four design tools. It talks about wildlife corridors, connectivity, native grasses, ground cover, protection of creeks and habitat clusters. Is that something that the department is also addressing within the department of planning, or is that just relying again on the Biodiversity Conservation Act in regard to all of those areas?

CLAY PRESRAW: I'd have to take on notice that specific policy reference. But again, in general, the way that we assess biodiversity impacts is under the Biodiversity Conservation Act, with the expert advice of the relevant part of government. Unfortunately, looking at the people in the room, there's no-one from that part of government here today. But if we needed to provide details on how a specific biodiversity impact was to be assessed, we could certainly do that. Perhaps just to explain the process of how a project is assessed at the State significant level, it is an integrated development assessment process. When we receive the first part of a project, being the SEARs, and every stage of the project at the department of planning, we then refer it to all of the expert agencies across government for which there might be a relevant area of expertise.

When it comes to wind and solar farms, particularly where there's vegetation clearing, and for any wind farm in relation to bird and bat strike, we rely quite heavily on the advice of the biodiversity arm of DCCEEW. But we also refer the projects to a number of other agencies—we're talking 10 or 15 different agencies for each project—and we need to take into account their advice in determining the merits of a project, but also in drafting up the recommended conditions. Even before we make a final decision, or before we refer to the Independent Planning Commission for a decision, we often will refer the draft conditions to the agency to ensure that those conditions are appropriately addressing the legislative requirements under that agency's expertise and all the relevant policies. In relation to the better building guideline you referred to, I'd probably have to take that on notice and seek some advice from DCCEEW as to how that's applied at the State significant level or whether there's some other guideline that's more relevant to the assessment of State significant wind and solar projects.

The Hon. EMMA HURST: Thank you. We also received a significant number of submissions that did raise the Biodiversity Conservation Act, and I'm hoping that Mr Liam Ryan might be able to answer a couple of questions in regard to that Act. We know that the 2023 review of the Act by Ken Henry identified some quite major shortcomings and recommended a suite of reforms to ensure that we have nature positive development in New South Wales that does actually protect animals and the environment. Do you have any information you can provide the Committee as an update on where we're up to in reforming the Biodiversity Conservation Act? Obviously we have many developments in the pipeline, and there's a lot of public concern in regards to the issues

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with that Act not actually going far enough to be able to protect wildlife. Do we have any updates on the next tranches of the review of that Act?

LIAM RYAN: Ms Hurst, sorry, I'm not able to give you that update. I'm from a different area of the department and unfortunately I didn't prepare for that question. What I would say is that we are working closely with the conservation side of our department on renewable energy zones. They are developing conservation investment strategies for each of the renewable energy zones to guide investments in conservation in each of those five REZs. In addition to that, they are planning to enter into strategic offset delivery agreements with each of the proponents in those zones, to make the offset process more efficient and lead to better biodiversity outcomes at lower cost. I apologise that I can't answer your question, though. I'll take that on notice.

The Hon. EMMA HURST: Thank you. I did wonder if you'd be able to, but I thought I'd put it out there anyway, so I appreciate that. I have a couple of last questions in regard to housing and some of the concerns that have come forward. We have some concerns from Local Government NSW about the impact of fly-in fly-out and drive-in drive-out workers on local communities and infrastructure. They'd like to see a focus on hiring local employees to work on the construction operations of these projects wherever possible. Is this something where work is being done to prioritise local employment in renewable energy zones?

ASH ALBURY: I'll take that one, Ms Hurst. We are keenly aware that we need to give as much opportunity to locals for employment—we have a number of skills programs that we're currently running with the Department of Education and with other providers. We've also recently invested in the REACT Centre, which Dubbo City Council is running to be a centre of excellence for wind farm, solar and renewable construction. We are keenly aware of it and we're really looking at how we can get the locals into local employment as much as possible. We're also working closely with the Department of Primary Industries and Regional Development. We're still working with those guys, working with their regional coordinators to go out and work through the process. We've actually employed, also with the Department of Education, a couple of skills coordinators to work within the school systems.

The Hon. EMMA HURST: There were also quite a few groups that really wanted to make sure that any construction was permanent housing for any workers that are brought in, rather than temporary housing, because there would obviously be longer-term benefits for regional communities if there was permanent housing. Is there any work being done around that?

ASH ALBURY: There is some work being done around that, but I'll just go back to the start of that question. In the Central-West Orana, for our transmission line, we're looking at a construction force of 5,000 people. Clearly that would significantly impact the towns of, say, Mudgee, Gulgong—those kinds of places. In talking with local government in that area, they have asked us to do the "workers camps" approach because they want to limit the impacts on the housing in their communities. However, we are always looking for opportunities—and we've done some work on this—where we can leverage that housing and move it into a more permanent solution into the future. We're doing a whole lot of work on that. Equally, if we talk to the councils in the Hunter Transmission Project, they are particularly not keen on workers camps. They want us to do similar things that were done in Lismore through the floods, to get some more permanent housing in those locations. It's really an area-by-area basis in what we try to do, because we need to work with the communities and with the local government and meet their needs and what they want to do. But you're right: There is tremendous opportunity for additional housing in these localities from this process.

The Hon. EMMA HURST: Lastly, in regards to the information gap that we're hearing about and community engagement—and I appreciate you mentioned in your opening statement that you are looking at different avenues of community engagement, because people receive information in very different ways—we've received a lot of submissions saying that a lot of stakeholders were hoping to see local energy hubs. I just wanted to get an update on how many local energy hubs are being considered and where, or if that's something that you can take on.

ASH ALBURY: We are looking at energy hubs in a couple of places. For those who don't know, there's a great example in Wagga where Transgrid has a really nice energy hub where community can go in and get information, but they can also utilise that space for community meetings. They have a VR thing where they can pretend they're working on a powerline. At the moment we are looking at a couple of locations, one in the Hunter and somewhere in the Central West. But they are tremendously expensive to get up and to run. You've also got to get the right people on the right thing. So we're just working through that process at the moment, but we are actively looking at a couple of locations, particularly in the Central West and in the Hunter.

The Hon. AILEEN MacDONALD: I'll direct this question to you, Mr Albury, and you can decide who answers the question. How does the Government plan to manage effects on regional communities over time? As

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an example, many more workers are needed at the commencement of a project, but fewer once the project is operational.

ASH ALBURY: In the Central-West Orana, we think, as I said, there'll be over 5,000 jobs in that construction phase in our projects, so obviously it's things like making sure we have appropriate housing available and appropriate social services in place—and we're working through a whole-of-government approach to doing that—and making sure that there's access to the right water and sewer supply. We've invested heavily in some projects around that. In terms of the longer-term workforce and those kinds of things, out of the access scheme we just announced, we're looking at 890 permanent jobs in the Central West going into the future, over the next 30 years. That's just in those projects, and they're ongoing jobs. What we need to do is prepare as many of the locals in that community to be able to access those jobs through skills and through apprenticeships. That's why we negotiated the 290 apprenticeships with the access people, working with skills and training services.

The other big thing we need to do is really work closely with local industry. ACERZ, as part of their process, put out 131 packages for work. We coordinated that through the ICN network. We also did a whole lot of workshops with businesses. When we work with businesses, it's things like, "What sort of public insurance do I need? How do I write a tender document?" We're really trying to target that through the regional coordinators that are in—I don't know what the titles are these days—but those guys are going out there and working with that. We've got a whole range of workshops coming up in the next month as well, in the south-west and in the Central West again. We need to prepare, and it's not just—it's fencing contracts. It's cleaners for the workers' camps and all those kind of trades in terms of electricity. But there's also the higher skills that we're looking at, so things like electrical engineers and those kind of things. How do we sort of almost transform the local economy to be able to deliver on that? We're working very hard on that.

The Hon. AILEEN MacDONALD: As part of that, modelling has been done so that you can implement and deliver.

ASH ALBURY: We've worked together as a coordinated approach across local government with people like Ian Smith and those kinds of guys to really work out what skills we need to target. We've also looked closely at where we can see opportunities in First Nations groups. It's vitally important to us to ensure that First Nations and Aboriginal groups get as much benefit from this as well.

The Hon. AILEEN MacDONALD: You have mentioned First Nations. How are you ensuring that they are meaningfully engaged—and not just consulted—throughout the life cycle of the REZ?

ASH ALBURY: Within EnergyCo we have an Aboriginal outcomes team. They are Aboriginal people that are working closely with those communities. We have a—what are they called? The First Nations—

LIAM RYAN: The Minister sets First Nations Guidelines for how developers should engage with local Aboriginal communities and for developers offering economic participation in their projects that effectively apply the State Government's target for projects that it would normally procure. I think it's 1½ per cent of the economic value of a project applied to these private sector projects.

ASH ALBURY: We also work closely with them through community reference groups. Each of the renewable energy zones has a community reference group that is representative of those communities. But also we work very closely with the individual land councils and with individual Aboriginal peak organisations in those communities to ensure that we are getting their voice. We are very keen to make sure that we do meet their targets, but my view is I want to try to exceed those targets. I think it's a vitally important thing for those opportunities for this community.

The Hon. AILEEN MacDONALD: You mentioned the First Nations Guidelines. What monitoring or accountability mechanisms are built into those to ensure developers—and everybody—comply with them?

LIAM RYAN: It depends which process the developers are participating in. Those guidelines apply to projects that are successful in that underwriting mechanism that I referred to before. As part of that process they have to submit an industry and Aboriginal participation plan. That becomes tied into their contract, so it becomes a contractual requirement. They have to report against those measures back to the contract counterparty that we've established. Depending on the mechanism, that is EnergyCo or it is another entity, referred to as the Scheme Financial Vehicle. Ultimately, once the projects are actually happening and we've got that reporting information, that reporting will be made available publicly through an annual report that IPART is collating. Unfortunately we're at this early start of the process now where we've got these plans in place for the projects but they're not actually reporting yet on outcomes, because they're not in construction. There's nothing to report on at this point.

ASH ALBURY: In terms of our project, which is the transmission line, we also have to have an Aboriginal participation plan. But equally what we've done is negotiated within the contracts very clear guidelines.

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One of the big things we have to make sure with First Nations groups is that we're employing local First Nations people. As you know, through the Inland Rail process and those kinds of things, you find that some people from Queensland are coming down and that's how they're meeting their targets. We've got very strict guidelines that they have to be from the local community, and we have to work that. That's going to take a lot of work, particularly in terms of skills training, education and working with those communities. We have not only the Aboriginal partnership team from DPIRD but also our own team that are working closely on that. Last week we announced a program that we're starting to work with in those communities.

JAMES BOLTON: I can add to some of those comments regarding the partnership process that we have between our department and EnergyCo around supporting Aboriginal businesses. Ash talked about our regional economic development unit. They're out there at the moment helping them with training around capability for procurement, also running workshops with lots of different community organisations around how they can participate in the future. It is probably worth Ash touching on the First Nations Fund and how that's structured to invest in local communities as well.

ASH ALBURY: The First Nations Fund, which I spoke about earlier, has a real strong theme around business and economic development for communities. So when they come to us with those projects, we're able to fund some of those projects through that process.

The Hon. AILEEN MacDONALD: I might turn to decommissioning. I understand the Government does not support mandating decommissioning bonds for renewable energy infrastructure projects. Given the long-term land use impacts and community concern around future liabilities, what other way would you seek to assure communities that you're looking at the site rehabilitation and that the land will be returned to how it was?

The Hon. SARAH MITCHELL: And who's responsible?

The Hon. AILEEN MacDONALD: And who's responsible?

CLAY PRESHAW: I'm happy to take that on behalf of Planning. As part of the renewable energy framework that we introduced recently, we developed up some tools to assist the landowner. Firstly, there's a template agreement that is available for landowners who are looking to work with the developer of a wind or solar farm that helps them to understand what their obligations might be and their opportunities for the life of the project and in relation to decommissioning. We've also established a decommissioning calculator that they can access to try to work out what the likely costs et cetera might be in relation to whatever agreement they might have with a developer. So there are some tools available that we think are important for landowners to understand what their obligations and opportunities are when potentially entering negotiations with a developer.

But in terms of the way that the project is assessed, the decommissioning and rehabilitation of a project is a key part of our assessment. From the very beginning of a project, in the SEARs—the scoping requirements—it's important for any developer to provide quite a lot of detail around how they would envisage managing decommissioning in the long term and rehabilitation. We require that to be provided in the EIS, and then it's assessed through the project and is part of our merits assessment as to whether a project should go ahead. If a project is deemed approvable, there are now standard conditions that we will apply to a project in relation to decommissioning and to rehabilitation, which are very strong and basically require removal of all the infrastructure and returning the site to how it was previously. That's essentially the principles that underpin those conditions.

I think that there are now very clear rules and policies around how we assess decommissioning and closure and rehabilitation. But it is also important to note that the way that we set up planning approvals at the State significant level for renewable energy is that, really, it's possible to have a project in perpetuity. There is no end date. A developer may actually upgrade infrastructure over time, and it is intended that wind and solar farms could potentially exist forever into the future. It's a renewable resource; it's not finite. The approvals are set up to reflect the fact that it's not a finite resource, as opposed to, say, a coalmine or some other type of resource, like a quarry. I think we now have very strong conditions and ways and policies of assessing decommissioning and rehabilitation.

The Hon. AILEEN MacDONALD: Can I just clarify? You're not having a decommissioning bond, but have you considered, say, a risk-weighted bond system, or perhaps—the mining industry has an industry fund where contributions are pooled to cover decommissioning costs. Have you got something like that in mind?

CLAY PRESHAW: To answer your question directly, there is no system like there is in mining. The Government carefully considered whether decommissioning bonds should be required for large-scale wind and solar—I might ask Mr Riley to provide some more detail in a minute—but it was decided that it's quite a different situation to mining, for example. The scale of the impact, the nature of the development, the difficulties associated with decommissioning and rehabilitating an open cut coalmine, for example, or dealing with the millions of tonnes

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of overburden that needs to be filled in for an open cut pit, or managing the millions of litres of mine water made for an underground coalmine, for example, are very different to the potential removal of solar panels and wind turbines.

Absolutely, the Government considered whether a system of bonds, as you've described there, is necessary. I think people look to the mining industry as perhaps a comparison, but it is quite a different situation—not to mention the fact that the resource, for minerals, is a State resource and is heavily regulated in a number of other different ways through the Resources Regulator. We've decided as government that the decommissioning and rehabilitation of renewable projects can be managed through a different way: the tools I've described that are available for the landowner to come to commercial arrangements as to how decommissioning rehabilitation might happen on a site, plus the way that we assess things through a merits-based assessment and then provide standard conditions. I'm not sure if Mr Riley wanted to provide any more detail around some of the considerations around bonds or not.

MATT RILEY: We considered a range of models. This has obviously been a big point of concern for communities for a number of years. As Liam mentioned before, we had the check-up of the road map, which made some recommendations in relation to decommissioning. In developing the Renewable Energy Planning Framework, we looked into this quite carefully and we considered a huge number of options. Those were options of, if we were to have a bond, what would it look like if we asked for it up-front? What would it look like if it was staged out in small payments over time? What would it look like if it was just a payment towards the end of an operating life? Ultimately, as Mr Preshaw was suggesting, we landed on the idea that we shouldn't actually get involved as a government.

The reason for that is because of a number of things. The first thing is that there's a very low risk until basically two years out from the end of the life of a wind farm, for example. The reason for that is because a lot of the investment is made directly up-front, and then you've got an operating wind farm that stands to make someone a lot of money. And so the likelihood of an operator becoming defunct or bankrupt is likely to be in relation to some external factor. Maybe they make some bad investments overseas, or something like that. What that means is whoever then takes up ownership of that wind farm would stand to make a lot of money. That equation only changes about two years from the end of the project, when the cost of pulling everything down and returning the site to its pre-existing use starts to approach the remaining profits to be made.

There is an argument to say, "Well, why not just ask for a bond when you're approaching that time frame?" The reason we haven't done that is because the planning approvals that we have actually run with the land. They don't run with an entity. They don't run with a company like they do in mining, for example. That means that there's essentially always some sort of risk or obligation on whomever owns the land, which is typically not the renewable energy developer. For that reason, we were concerned about having some sort of bond at a point in time because it might give the landowner this false sense of security to say, "Government's got our back here. They're going to ask for this bond at a particular point in time, but the reality is we're just going to go knocking on whoever's door we can at that time", and that might be the landowner.

The best option, from our perspective, was to say, "This is really a commercial matter to be dealt with by the landowner and the developer because we don't own any interest in this." As a government, we don't own the land. We don't own the resource like we do for coalmining, and so it's just another factor that the landowner needs to consider in its commercial negotiations. They're deciding how much they want to lease their land for. That's typically tied to the amount of turbines, or something, that they might be hosting. And in doing that, they should be mindful about the risks that come with that, including the costs. What we've tried to do is give them all the tools that they might need to make an informed decision about that.

The CHAIR: I might take over here. We've only got 10 minutes left. Mr Albury, in your opening statement, you talked about the number of complaints that EWON has received since it has been established. I want to go back in time. Can you tell me, perhaps on notice, the number of complaints EnergyCo has received regarding its engagement with landholders over projects? Whether you do it via a REZ basis or a project basis, I'll leave that up to you in terms of what data you have available.

ASH ALBURY: I'll have to take that on notice, but I am happy to do that.

The CHAIR: Who handles landholder engagement for EnergyCo? Is it employees of EnergyCo or do you contract that out?

ASH ALBURY: There is a central part of our business that's community engagement. We then contract some roles out through the project teams. However, we're going through a process now of bringing that all back in house at the moment.

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The CHAIR: Can you outline the reasons why you decided to bring that back in house? Was it because the contractors weren't actually doing the right thing, as has been reported to me?

ASH ALBURY: No. What I would say is that we feel that it's something we should be taking control of as the agency and have a better look at how we do community consultation.

The CHAIR: In your engagement with those contractors, were they ever instructed to do such things like trespass onto people's property before going through a proper engagement or did they take that up on their own initiative?

ASH ALBURY: We would never ask someone to trespass on someone else's property. That's not the position of EnergyCo.

The CHAIR: What have you done with those contractors that have done that?

ASH ALBURY: But what I will say is that in stages where that has happened, on those occasions we've found out that that has been accidental. We have apologised to the owners and we've also spoken to those contractors about how they should be better managers of those things.

The CHAIR: I'm not too sure how you accidentally trespass on someone's property, but anyway. Mr Preshaw, you talked about the number of projects in the REZ. You gave a figure of 22 solar approved and I can't remember how many wind. I think it was 11, or something like that. Can you give us a sense of what that equates to in terms of number of panels and number of turbines across the Central-West REZ? I'd be happy for you to take that on notice.

CLAY PRESRAW: I would have to take that one on notice, I'm afraid.

The CHAIR: What assessments have been done on the long-term socio-economic impacts of the REZs and their associated projects on local communities, particularly in terms of job displacement versus job creation? Do we have an assessment on that? Can you table it for the Committee?

LIAM RYAN: In terms of each renewable energy zone, when the Electricity Infrastructure Roadmap was first released, we had estimates of the jobs that would be required in the construction and then operation and maintenance of the transmission and wind and solar projects. Since then, a couple of times University of Technology Sydney has released its forecasts of those employment figures, although they're not broken down by each renewable energy zone. The department and EnergyCo are completing an update, because we haven't done that analysis and now we have more information about the number of projects in each renewable energy zone. We're in the process of updating our estimates from the year 2020.

The CHAIR: Does that study include things like cultural impacts in terms of changes of land use, job dispersal versus job replacement and the impact on farming communities?

LIAM RYAN: No. The figures I just referred to are about the jobs involved in the construction. I think they include some induced employment as well, but it's not a broader socio-economic impact assessment. It doesn't contemplate cultural impacts.

The CHAIR: Is the Government planning on doing a broader socio-economic impact assessment or are we not going to worry about that? What's the policy of the Government?

LIAM RYAN: I might need to take that question on notice.

The CHAIR: Sure.

LIAM RYAN: I'm not aware of a study being commissioned like what you've described, but I'll have to get back to you on that.

The CHAIR: I might pick up on some of the other questions, Mr Albury, around the consultation engagement and how you've changed a bit in regards to that. Can you talk us through why you've moved away from town hall meetings and gone to this drop-in centre approach, because that's caused a lot of angst in the community? Particularly when media are locked out of those town hall community meetings as well, it creates an air of suspicion and angst.

ASH ALBURY: I appreciate what you're saying there. In the Central-West Orana, for instance, we did 115 community information sessions. We did 850 direct stakeholder meetings. We met with councils on 172 or more occasions. There were 10,000 individual stakeholder interactions. The reason that we've moved away from town halls—if we are doing a drop-in centre and community members ask for it to be a town hall, we generally have done that when we can. The reason we've gone into drop-in centres is that we feel the engagement is a lot

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better. We hear from individual voices that probably aren't as willing to speak up in a town hall situation. But perhaps we should be moving to a bit of a combination of the two.

The CHAIR: When we were talking about the projects, particularly in the Central West, you spoke about that there are probably about 10 or so that you are essentially committed to in terms of them being connected to the grid and the others may connect to existing transmission lines.

ASH ALBURY: If there's capacity.

The CHAIR: What's your oversight on those projects, because I think a lot of those ones are causing angst within the community? For example, at the solar farm out at Geary, the approach the company has taken is pretty appalling. They've essentially just closed ranks and changed their website. They have no information on it whatsoever and they've just gone to ground. That's an area that is proposed to go through a biodiversity conservation zone. It impacts on floodwaters—a whole range of issues—and the company has just gone to ground. What's the Government's oversight on these companies that just pop up and propose these things and then shut their doors?

ASH ALBURY: We are not able to—and Clay may go into this a little bit more—stop a developer going out and having conversations with the community. We're not able to stop them going out to talk to farmers about opportunities on their farm, or landholders. Generally, this is part of the planning approvals process. They just run through that process. It is unfortunate, but by signalling those 10 access road holders, we're starting to give some certainty to community of where some of these projects are going to be.

CLAY PRESHAW: I'd have to understand more around the specifics of that scenario you're talking about, but I would say that there are a number of guidelines that we have, including the early engagement guideline and the social impact assessment guideline.

The CHAIR: But is there a consequence for not following those guidelines?

CLAY PRESHAW: There is a consequence in the merit assessment of a project. If we don't agree that the developer has followed those guidelines, that can become a reason for why a project may not proceed.

The CHAIR: Is there a weighting on that as part of your decision? How do you quantify whether you think they've engaged properly? They'll probably push back and say they have. How do you determine that? How do you quantify that? Do you put a weighting on that as part of your decision?

CLAY PRESHAW: As an overarching statement, our underlying job is to weigh up the economic, environmental and social impacts of a project. That is part of our overall assessment of any project. The word you used there, "quantitative", is particularly difficult when it comes to social impacts, but that's why there are guidelines around that and we do require the proponents to put forward what they view those social impacts to be. But I am happy to take more details on that project, if you'd like, and follow up, because we are worried about the way that some of these developers engage with the community. From a planning perspective, if the project is already in the planning system, we can absolutely go and speak to them about whether or not we think that they're following the proper engagement process and what the implications might be for their project. As Mr Albury referred to, sometimes these developers are working even before they've entered the planning system, so it can be difficult for us to identify those sorts of problems. But, even so, we're happy to work with EnergyCo and try and get out in the community and speak to the people affected by that, or even contact whoever the developer is that's causing the problem.

ASH ALBURY: Mr Banasiak, is that Boree?

The CHAIR: Yes, Boree Geurie solar farm.

ASH ALBURY: I've seen a lot of media on that. I don't think we've even been consulted on that one at this stage, just so you know.

The CHAIR: That says a lot, doesn't it? Just in the one minute I have, just picking up on the stuff around the offshore wind, is the department totally hands off from that? In terms of studies and impacts, is that all just in the Federal Government sphere or has your department done any work on the impacts of offshore wind? I know, Mr Ryan, you spoke about the difference between free-floating and floating. I'm aware of that, so don't feel like you need to go into the detail on that.

LIAM RYAN: At the moment, we have a watching brief. We are actively watching the technology developments overseas, and we are meeting the developers who have an interest in the New South Wales offshore wind zones. I do know that the technical network planning team within EnergyCo is doing that work to think about how the zones would integrate into the broader network. My point before was it's not an active here-and-now

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sort of priority for the work that we're doing. We are supporting, I guess, to the extent that it doesn't mean prioritising our resources away from the other things that we're doing now.

The CHAIR: That pretty much takes us to time. I know there are probably a lot of other questions Committee members have. I do as well. I think there'll be an opportunity to put some of those questions as supplementaries but, like with a lot of our inquiries, I flag that we will bring government witnesses back towards the end of the inquiry just to follow up based on what we've heard. Just prepare yourselves for that and don't be surprised.

ASH ALBURY: We look forward to it.

The Hon. SARAH MITCHELL: I think it's good to bookend it.

The CHAIR: Thank you for that. You have taken some questions on notice. The Committee secretariat will be in touch with you on time frames for getting answers back. Thank you for your time today. We will now break for one hour.

(The witnesses withdrew.)

(Short adjournment)

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Ms JANINE YOUNG, Ombudsman, Energy and Water Ombudsman NSW, before the Committee via videoconference, affirmed and examined

Ms STEPHANIE SAILL, Head of Energy Transition, Energy and Water Ombudsman NSW, before the Committee via videoconference, affirmed and examined

Ms NEVENKA CODEVELLE, Executive General Manager, AEMO Services, affirmed and examined

Ms MELANIE KOERNER, General Manager, System Planning and REZ Authorisation, AEMO Services, affirmed and examined

The CHAIR: Welcome back to today's hearing. We now welcome witnesses from the Energy and Water Ombudsman NSW and AEMO Services. Would either of you like to make a short opening statement before we go to questions?

NEVENKA CODEVELLE: Yes. Thank you, Chair, and thank you to the Committee for the opportunity to appear today. Just a point of clarification—we are here representing AEMO Services, which is distinct from AEMO. We have reviewed the terms of reference for this inquiry and considered the matters raised in public submissions as they relate to AEMO Services. I would like to begin by outlining the capacity in which we appear before you today. We're here today representing AEMO Services in its capacity as the Consumer Trustee under the Electricity Infrastructure Investment Act, which is the enabling legislation for the New South Wales Electricity Infrastructure Roadmap policy.

The Consumer Trustee is one of the entities that implements the New South Wales Government's Electricity Infrastructure Roadmap policy. To do this, the Consumer Trustee carries out specific functions given to it under the Act. These functions are intended to help enable the investment needed to transition New South Wales electricity infrastructure in accordance with the policy and Act. The Consumer Trustee must also act in coordination with other road map entities who have their own specific functions. AEMO Services Limited is a subsidiary of the Australian Energy Market Operator, known as AEMO, and has an independent board of directors. Our statutory functions as Consumer Trustee are separate and distinct from AEMO, and we are not in a position to speak on behalf of AEMO, including in relation to the Integrated System Plan, or the ISP.

I will now briefly outline some functions of the Consumer Trustee under the Act. The Consumer Trustee produces the Infrastructure Investment Objectives Report, or IIO report, every two years. This provides an assessment of the 20-year development pathway, including the required infrastructure for meeting the road map's legislated targets for energy infrastructure in New South Wales. The IIO report also includes a 10-year plan for conducting competitive tenders for long-term energy service agreements—or LTESAs, as they're known—to give effect to the development pathway. LTESAs are financial support contracts for the construction and operation of generation infrastructure, long-duration storage infrastructure and firming infrastructure located anywhere in New South Wales. Based on the IIO report and the legislated requirements, the Consumer Trustee designs and conducts competitive tenders for LTESAs.

Specifically, in respect of New South Wales renewable energy zones, the Consumer Trustee also conducts an independent review to decide whether to authorise a network operator to carry out a renewable energy zone network infrastructure project that is recommended by EnergyCo as the infrastructure planner. The Consumer Trustee may conduct tenders for access rights to REZs if requested by EnergyCo as the infrastructure planner or the Minister. For completeness, in Central-West Orana REZ the infrastructure planner conducted the allocation process for access rights.

The Consumer Trustee also determines the fees payable by participants in an access scheme. In exercising its functions under the Act, the Consumer Trustee is required to act independently and in the long-term financial interests of New South Wales electricity consumers, and to act consistently with the objects of the Act. The Consumer Trustee is also required to take into account the New South Wales Renewable Energy Sector Board's plan and the Minister's First Nations guidelines when exercising its tender function. We thank the Committee for the opportunity to contribute and welcome your questions.

The CHAIR: Does either witness from the Ombudsman want to give an opening statement?

JANINE YOUNG: I would like to give an opening statement. Thank you for the invitation to speak to you today. We're joining you from the Central-West Orana Renewable Energy Zone. We're facilitating drop-in information sessions in Dunedoo, Gulgong, Coolah and Cassilis. At the time of our submission, our roles to include renewable energy infrastructure had only been in place two months. Now five months later, we've completed several regional engagement trips and we're much more aware of what's happening. Why do we have this jurisdiction? We have over 25 years of energy Ombudsman experience. We're independent. We're a trusted

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voice. We are dispute resolution specialists. We have demonstrated achievements in social justice, and we have reputational strength. All are difficult to achieve, harder to maintain and we believe critical to the energy transition. We've only received 24 complaints to date, and that's not surprising because very few people know who we are or what our renewable energy role is.

Transgrid, EnergyCo and ACERZ, now EWON members, have a key role in promoting their complaints processes and also advising landowners and community of their right to contact EWON. That's only just starting to happen. Getting that message from energy entities is a key competence builder for landowners and community members. Complaint issues to date include inadequate consultation, transmission line placement, lack of information and transparency—i.e., no maps, no design information, no capacity info—lack of response to concerns raised and refusal to provide a central point of contact.

Early insights from our engagement show two sides of the renewable energy zone coin. In our member meetings, we hear about successful community engagement initiatives, low levels of complaints and the success of negotiated land acquisition. On the flip side, community members and landholders tell us a very different story. They're often very unsure who their complaint is about and how to raise it. Some have heard from so many developers that they are totally confused. Others don't understand the different roles of EnergyCo and ACERZ. Consultation is only directed to landowners whose properties will host transmission infrastructure. Neighbours feel ignored even though they will have visual and noise traffic and are already experiencing dust impacts. To build trust in this sector and in the energy transition, we all need to consult, engage and share information and support each other.

There are cumulative impacts of renewable energy zone developments. These are long-term projects that take years to design and plan, and then take many more years to build. This is causing constant disruption to individual landholders and the community. Mental health impacts are being shared with us regularly by strong salt-of-the-earth farmers and landowners who have experienced consultation fatigue and complaint fatigue from either an overwhelming amount of information or lack of response and information. For community members, it's not just one project; it's multiple proposed projects. Councils shared with us that they're dealing with over 30 proposed projects requiring extra, unfunded resources. There are concerns that work camps in the area will exceed 4,000 people, putting enormous pressure on services and roads.

With increased community engagement and promotion of EWON by energy entities and us, complaints will most likely increase. That's a good thing, as it will enable systemic issues to be identified and addressed, leading to better consultation, engagement and information sharing. That needs to start now. Renewable energy infrastructure jurisdiction is currently limited. It includes Transgrid's major projects and renewable energy zone transmission projects. We are currently working with NSW DCCEW to identify how we bring large-scale solar, wind and storage into jurisdiction. To build trust in the transition, this is also critical. Renewable generation developers are already creating a filling bucket of landowner community complaints and uncertainty. In the meantime, our focus is to get out in community as often as possible; provide free, fair and independent advice and information and dispute resolution; and become that trusted voice. We welcome your questions.

The CHAIR: Thank you, both groups, for attending. The Committee has resolved to have free-flowing questions, so the questions will come from anywhere, including potentially two of our Committee members who are on videoconference.

The Hon. SARAH MITCHELL: Thank you all for being here, both online and in person. I wanted to start with something that you just said in your statement, Ms Young, about the number of complaints, but also that people—and I'm paraphrasing a little—don't know who you are and don't know that you're available. Where is the flaw in that system? How can we make sure that landholders know that you are an option for them if they need to escalate their complaints? What's missing in that communication space?

JANINE YOUNG: As I mentioned, Transgrid, ACERZ and EnergyCo are now promoting that they are members of the Energy and Water Ombudsman office and that people can come to us. In Transgrid, it's in their project reports that they put out each quarter, but it needs to become more of a regular message from them, as well as from us. We have a role in promoting what we do. Everyone in the sector has that role, which is why we're out in community at the moment. It's critical that we all work together on that—firstly, promoting the complaints processes of ACERZ, EnergyCo and Transgrid—because they should be able to resolve their complaints. It's only when a consumer needs to go to an ombudsman following that that they should be able to do that. We can provide independent advice and information at any point in time to any landowner or consumer. We'll continue to work with the members of the scheme to promote that, and with any other stakeholders, so we can get that message across.

The Hon. SARAH MITCHELL: In terms of your funding, in your submission I think you said that you're funded—is it for two financial years? Is that correct?

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JANINE YOUNG: Yes. The New South Wales Government provided \$1.3 million in funding for us to set up this jurisdiction, completely standalone from our 25-year-old, business-as-usual Energy and Water Ombudsman jurisdiction. That's for FY 25 and FY 26. What we're currently working out at EWON is the industry-funded funding model so that ACERZ, EnergyCo and Transgrid will self-fund both our fixed fees and our complaint fees from FY 27 onwards.

The Hon. SARAH MITCHELL: So the Government funding has basically helped you establish. Then from 2027 onwards, you'd be looking at industry through EnergyCo.

JANINE YOUNG: Yes. We're an industry-funded ombudsman. From 1 July 2027, we'll revert to that model. It could be just the entities I've mentioned or it could also include, by that point in time, some companies and developers that are putting in solar and wind farms and storage.

The Hon. SARAH MITCHELL: In your submission, you also talk about beginning a co-design process with DCCEE to talk about renewable energy generation and storage infrastructure. Can you talk us through that a little bit more?

JANINE YOUNG: We've had around about three working group meetings with them—Steph will correct me if I get that wrong—working towards getting agreement about how they would come into jurisdiction so that we can set up a point where there's a trigger that requires them to be members of the Energy and Water Ombudsman scheme limited.

The Hon. SARAH MITCHELL: "Them" being who? The developers or the operators?

JANINE YOUNG: The developers of the wind farms and the developers of solar. We'll also talk to DCCEE about all the existing wind farms and solar farms that are out there, and all of the wind farms and solar farms that are not attached to the REZ. They might be linked to the distribution line within Central-West Orana or they might be outside of that. We've got to create that level playing field.

The Hon. SARAH MITCHELL: So trying to have, at the beginning, the processes in place and the responsibilities and rights understood earlier on in the piece to try to limit the amount of potential complaints—is that the intention?

JANINE YOUNG: That's the intention. The role of an ombudsman is actually to work with its members to encourage them to have best-practice dispute resolution and complaints processes and, therefore, not need my office. That's what we do day in, day out as well.

The Hon. SARAH MITCHELL: I have one more question, to the witnesses in the room. You talked about the role of access rights but also the fees payable under the scheme. Can you talk through, in a bit more detail, how that process would work? I'm thinking more for an individual landholder. I think someone mentioned neighbours and the concern about whether you're directly impacted or not. If you are an individual, where a company has come to you and said, "We want to do this", what role do you play in terms of that advice around the fees payable and how is that calculated?

NEVENKA CODEVELLE: I might ask Melanie to talk about the calculation of the access fees. To the second part of the question around landholders, we can talk more specifically about that.

MELANIE KOERNER: We have a requirement under the Electricity Infrastructure Investment Act to set access fees. We have to, in doing so, set access fees with a component for community and employment purposes. There are minimums for those components that are set out in the regulations. We also have to adopt certain principles when we set access fees. We have to maximise the financial value for New South Wales electricity customers by enabling those connecting to the access rights network to contribute to the cost of the network. We have to consider the optimal use of the existing and planned network infrastructure in the REZ. We also have to provide transparency in the total determined or expected access fees payable under the REZ access scheme. Within those principles, we have discretion around how we set access fees. We do that by balancing the maximum financial value for New South Wales electricity customers and ensuring that optimal use of the network—so trying not to set them so high that we're going to discourage generators from connecting, but also seeking to get a contribution, from the generators who are connecting, to the cost of the network infrastructure.

The Hon. SARAH MITCHELL: And from the landholder perspective as well?

NEVENKA CODEVELLE: It's more just picking up on the second part of your question in the context of our tender function as well. One of the things that we look at in our merit criteria is community engagement and also community benefits and benefit-sharing schemes. They are part of our merit criteria when we're looking at the LTESAs themselves. It's just to round out both the access fees part and also the LTESAs.

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The Hon. SARAH MITCHELL: When you're setting the access fees, is there any consideration—and I see your macro point about cheaper power or better reliability et cetera—for the immediate community, particularly if you're living within the REZ and your property is impacted? Are there any guarantees around cheaper power for you as individual landholders? Is that part of the discussion or consideration, or not at this point?

MELANIE KOERNER: It's the role of the infrastructure planner to then administer the funds that come through for the community and employment purposes. When we set the access fees, we consult with the infrastructure planner, as well as we're required to consult the employment purposes advisory committee, which is established by the Minister under the Energy and Utilities Administration Act. They're the two bodies that we consult in setting those at the levels that will then allow the infrastructure planner to administer that fund.

The Hon. AILEEN MacDONALD: I was wondering what mechanisms are in place to ensure that everyone remains independent when, as you said, initially funded by government and then by industry and possibly developers.

JANINE YOUNG: It's a key point we get asked about our independence, but that's through the structure of an industry ombudsman scheme. We are funded through the day-to-day work we do with energy and water billing. Retailers, networks, distribution companies and water companies—they all fund the Energy and Water Ombudsman NSW. We have fixed fees and also variable fees. The variable fees are based on the number of complaints, and they cover all of our operational work, which includes our complaints work, our outreach and engagement, our submissions and our systemic issues work. It's on a user pays basis. Now, those complaint fees, or those variable fees, are aimed at sending a message back to industry to resolve their own complaints, learn from our complaints and therefore, ideally, put us out of business. We'll take 28,000 complaints this financial year, so obviously that still needs a lot of work.

But we maintain our independence. We have a board that has an independent chair, five directors that come from the different sectors of industry, and five directors that come from and represent consumers right across New South Wales. I, of course, have never worked or don't work for an energy company. I'm an ombudsman. We make sure our staff have no conflicts of interests. We can't buy shares or anything else like that in any energy or water company, whatever it might be. We maintain our independence through our complaint handling manual guidelines and procedures, and we have an independent review every five years to make sure that we meet the Commonwealth Government benchmarks for consumer-based industry-funded ombudsman schemes, one of which includes independence.

The Hon. AILEEN MacDONALD: In order to put yourself out of business, as you said, what kind of changes could government or renewable energy companies make to reduce the number of disputes and/or help to resolve those that do arise?

JANINE YOUNG: That's why our critical systemic issue role, which is in our charter, requires us to report systemic issues back to the members of the scheme, to regulators and to government through doing submissions and having workshops. We're continually working with our members to report back what we're seeing so that they can improve, for the transition, their consultation processes and their engagement. It's great to have an ombudsman because people have got someone who's independent that they can go to and check what they're being told. But we will work very closely with the members at arm's length to improve their outreach, engagement and complaints handling so that they can reduce the number of complaints over time.

The Hon. AILEEN MacDONALD: Now that I have everyone in the room, how does AEMO see New South Wales renewable energy zones fitting into the energy system over coming decades? How essential are they?

MELANIE KOERNER: One of our functions is to prepare a document called the Infrastructure Investment Objectives Report, which is a two-year publication that sets out the development pathway for the infrastructure that New South Wales needs to meet the infrastructure investment objectives, which includes generation infrastructure and long-duration storage infrastructure, underpinned by network infrastructure, including the renewable energy zones. The infrastructure investment objectives that are shown we need to meet through that report—there are minimum objectives to 2030, including an equivalent amount of 12 gigawatts of renewable generation by 2030; two gigawatts and 16 gigawatt hours of long-duration storage; and then, by 2034, 28-gigawatt hours of long-duration storage. We prepare this report to meet those minimum objectives, and then overall objectives to minimise cost to New South Wales consumers, meet the reliability standard and meet the energy security standard to provide for reliable energy for New South Wales consumers. The REZs that we model through that process, we do identify that they are required to meet that development pathway and meet the infrastructure investment objectives.

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The Hon. AILEEN MacDONALD: If they're delayed or not delivered, what would be the impacts on the rest of the energy system?

MELANIE KOERNER: Through that Infrastructure Investment Objectives Report process, we do look at sensitivities and scenarios, including the potential for infrastructure delay. Through that process, we're able to identify what might need to happen if certain projects are delayed. Generally, what we find is that the REZs are critical for minimising cost to New South Wales consumers. Where they are delayed, or if they don't go ahead, then the generation still needs to connect, but we'll do so in areas that potentially have lower resource potential and have potential constraints as well and represent lower value for New South Wales consumers. That IIO report does identify that there is a need for the REZs to minimise cost to New South Wales consumers at the lowest cost to consumers.

The Hon. CAMERON MURPHY: I have some questions for AEMO Services. Continuing with the infrastructure investment objectives, how are we going in relation to meeting those objectives? Are we making good progress?

MELANIE KOERNER: We are making good progress on the infrastructure investment objectives. AEMO Services is currently in the process of preparing our 2025 Infrastructure Investment Objectives Report, which we intend to publish in Q3 of this year. That report will set out the progress that we are making and then revise our development pathway and our new 10-year tender plan for how we intend to conduct long-term energy service agreement tenders, which will then identify to what extent we need to increase those.

The Hon. CAMERON MURPHY: Is that the way you decide whether an energy or REZ network infrastructure project should be authorised? Is it through a tender process? Can you take me through how you decide whether to authorise one?

MELANIE KOERNER: Yes, I'm happy to do that. In general, all of the decisions the Consumer Trustee makes need to be independent decisions and in the long-term financial interests of New South Wales electricity consumers. We have a decision-making power to authorise REZ network infrastructure projects, and we do that in consideration of the long-term financial interest to New South Wales consumers. What that means is that we consider the direct and indirect financial outcomes on electricity consumers that might result from the authorisation decision over the long term. We assess whether the direct financial benefits to customers are likely to outweigh the costs to customers—a cost-benefit analysis, essentially—and we consider whether the decision would deliver an outcome that is likely to help manage the risk to achieving the Act's objectives as they relate to the long-term financial interests of New South Wales electricity consumers. Having regard to these matters, when making a decision, we need to be satisfied that it's likely to be in the long-term interest of New South Wales consumers.

The Hon. CAMERON MURPHY: Is the mechanism for that putting out a call for tenders? Is that how you do it?

MELANIE KOERNER: No. We undertake the mechanism for authorisation. The infrastructure planner, EnergyCo, provides us a recommendation about the network infrastructure project that they think should proceed. In the case of Central West Orana, EnergyCo ran the tender for the network operator. They recommend the project to us, and then we decide whether or not to authorise.

The Hon. CAMERON MURPHY: So you decide after that tender process has taken place. Have the tenders that have been run to date been successful, do you think?

MELANIE KOERNER: The tenders for the long-term energy service agreements that we run? I'll hand over to you.

NEVENKA CODEVELLE: The long-term energy services agreements that we run are for the generation, the firming and the long-duration storage tenders. That's separate to the tenders that EnergyCo run in relation to the network itself. We've run five tenders at the moment and awarded 20 contracts to 20 projects, seven of which have been within REZs.

The CHAIR: I might, firstly, throw a couple to EWON. Out of the complaints that you've received with your expanded role, just isolating those complaints around the REZ and associated projects, how many of them have led to binding decisions being put on the developer?

JANINE YOUNG: Given we've only received 24 complaints to date, no binding decisions. We've been able to negotiate or conciliate outcomes, which is the best outcome. A binding decision is when we can't get a member to meet what is a fair and reasonable outcome that we've been able to conciliate. That's a much better outcome, particularly for this work, because of the long-term relationships. But, if necessary, I will make binding decisions over time.

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The CHAIR: In the event that one of those developers doesn't want to comply with the binding decision, what power do you have as the Ombudsman to enforce that binding decision?

JANINE YOUNG: That's why we need members, whether they're the authorised EnergyCo, Transgrid, ACERREZ, or whether they're developers—in time there's got to be some regulatory framework that holds them to account, so that I can make a binding decision and that their ongoing ownership or management of that solar farm or wind farm would be at risk if they don't abide by the Ombudsman's binding decision.

The CHAIR: What I'm hearing from you is that framework doesn't exist at the moment to actually make them adhere to the binding decision. That needs to happen to give you the power to do that.

JANINE YOUNG: That's why we're working with DCCEEW to find out what that leverage would be to make that happen. The other thing I should mention is my binding decision powers are up to or including \$100,000 in total settlement. My office can't stop any of these projects. It can't slow them down. They're critical to the country's goals. But we can make sure that landowners and community members are looked after through that process and there are consumer protections in place.

The CHAIR: Is it your vision that some of these binding decisions may be able to be done in a systemic way? You talked about systemic issues. If there are those systemic issues, would it be your vision that a binding decision could be made on those systemic issues across all participants?

JANINE YOUNG: A binding decision would be only applicable to an individual complaint, but it comes with a media release and an information paper for other members, so that they can have regard to it and prevent the same detriment recurring.

The CHAIR: We've heard from other government witnesses today that the Central-West Orana REZ obviously is expanding in terms of the projects that are being put forward. Obviously some of them have the approval of EnergyCo. As initially identified, there are 10, but we've heard there's close to 50 in the pipeline. Does your budget allow you to adequately deal with over 50 projects that may be causing complaints from community members?

JANINE YOUNG: The Government funding for FY 25 and FY 26 will enable us to set up a jurisdiction and bring them in as members, and then they will fund it. If we had any developers that were really out of kilter and causing complaints after complaints, then quarterly they would be getting a bill for those complaints from my office. We would be increasing resources, and they would be wearing the cost of that.

The CHAIR: Will the developers have to join this body or this group, or will they be able to opt out?

JANINE YOUNG: That's the bit that we're working through with DCCEEW. One of the things being discussed is voluntary membership, but I will be strongly opposing voluntary membership because that means that a developer who's not doing the right thing can walk away. That's what we're working through with DCCEEW at the moment: What will be that leverage so that membership will be mandatory? Then there will be ramifications, either through binding decisions or through government or regulatory oversight.

The CHAIR: I might just go to AEMO Services. Can you provide any examples of successful cases where local New South Wales communities have benefited significantly through your tender requirements?

NEVENKA CODEVELLE: Maybe I'll take a step back and talk a little bit about the merit criteria themselves. Then we can talk about some of the tender outcomes. With the merit criteria, effectively there's eligibility criteria, which includes submitting a community engagement plan. Then we have a stage A assessment. That stage A assessment is largely non-financial, and that includes an assessment of community engagement, shared benefits and land use impacts. Then the third stage is the stage B, which is the financial value assessment. We have a tender assessment committee that assesses all of the bids that come in. Then, if the LTESA is awarded to a project proponent, whatever commitments have been made as part of that tender process are reflected in the final contract and there's contractual measures to ensure enforcement of commitments that have been made.

In terms of outcomes, there have been good outcomes on a number of our tenders. I have some figures to date. If I look at across the five tenders, the supported projects that we've awarded LTESAs to—they're expected to contribute approximately \$6.7 billion in investment in local supply chains and local steel, \$186 million in commitments to First Nations businesses and around \$108 million in commitments to shared community benefit initiatives. So we are seeing commitments to benefit the local community coming out of our tenders.

The CHAIR: In terms of those community benefit projects, are you the only ones that are looking at and making the assessment on whether they get the nod or the approval, or are there other parts of government that are also looking at that? What is the weighting of your opinion on those projects?

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NEVENKA CODEVELLE: Projects undergo many processes to bring a project to life, including planning, environment et cetera. The part of the process that we engage with developers on in this context is purely around the award of the LTESAs, that underwrite contract itself. So we don't duplicate other processes out there, but we really are simply assessing the merit criteria and the bids that come to us, and we assess those bids against those merit criteria with a view to awarding the LTESAs to the most meritorious projects.

The CHAIR: In terms of those LTESAs, I note in the Hunter you went with Transgrid or Ausgrid, where they're utilising for their transmission lines the existing easement as much as possible and existing lines as much as possible. Can you tell us why you haven't looked at that for other areas within the State as a good model in terms of reducing impact?

NEVENKA CODEVELLE: That's in the planning space, so I'll hand to Melanie.

MELANIE KOERNER: That competitive process was run by EnergyCo as the infrastructure planner, and it was their decision to recommend that Ausgrid carry out the Hunter-Central Coast REZ network infrastructure project. Our role is to assess the generation and long-duration storage projects as they come to our tenders for the long-term energy service agreements, as opposed to network infrastructure, which is the role of the infrastructure planner.

The CHAIR: I'll circle back around and ask them, then. You talked about benefits to local suppliers in terms of steel and other materials. Is there anything particular in terms of frameworks or binding policies that guarantee that local businesses and suppliers will get benefit from these projects, or is it just at the blessing of the developer?

NEVENKA CODEVELLE: The way we do our assessment, we take into account the Renewable Energy Sector Board plan, as well as the New South Wales First Nations Guidelines. But our tender guidelines indicate that there are other things that we look favourably upon, so when it comes to land use, New South Wales circular economy policies et cetera. But it's the project proponents that will come to us and put together, in their bid, what their commitments would be vis-a-vis the local community, and those commitments may also be picked up in planning processes or other processes they're involved in. What we take is, on face value, the bid as it comes in. As I mentioned earlier, if they are successful in getting an LTESA, then those commitments are embedded in the contract themselves, and there are contractual remedies if they fail to deliver against their commitments.

The Hon. AILEEN MacDONALD: Ms Young, does EWON assist developers in improving their internal complaint handling and consultation process at all? If they do, what would that look like?

JANINE YOUNG: When they become members, we would have a big focus on it. In becoming members, they've got to display to us that they have an internal dispute resolution system and a complaint system. We worked through that process with ACERZ and with EnergyCo before they became members from 1 December last year. If we get that jurisdiction for solar battery storage for the developers to come in, we would certainly make sure that they establish their own and that we provide input to make sure that it meets the complaint handling standard of Australia—the international standard as well—as well as that it has reference to external dispute resolution or our office, as it needs to have also.

The Hon. AILEEN MacDONALD: Can you intervene in disputes related to benefit sharing or VPAs between communities and proponents?

JANINE YOUNG: No. That would be outside jurisdiction. But one of the things being a member of an industry ombudsman, and part of what we provide for community, is we provide a no wrong door referral service. When complainants—landowners, community members—come to us and they might have a complaint that, for example, should go to the Australian Energy Infrastructure Commissioner, we would provide them with direct contact information and refer it to them and let the AEIC know that that complaint is coming their way. Likewise, we can do that for other entities as well so that landowners and community members are not going round and round in circles trying to find out where to go and getting frustrated through that process.

The Hon. AILEEN MacDONALD: Have you seen examples of where there's been poor community engagement that has led to disputes or complaints?

JANINE YOUNG: That's what we're getting complaints about. Actually, yesterday in Gulgong we had a couple of community members come in and talk to us about the fact that they hadn't been consulted with at all. One gentleman—it was around a developer—was working with a developer about getting a solar farm on his land. He then raised issues and needed more information. It ended up going on his neighbour's land and then all communication with him shut down, even though from his land he's looking at all those panels. So we're already

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getting those complaints. They need to be able to go somewhere. We need to be able to really shine the spotlight on them, so we're going to work hard with DCCEEW to make that happen.

The Hon. AILEEN MacDONALD: Are there any emerging trends or concerns that have come out as a result of the early complaint process?

JANINE YOUNG: It's early days, but it really is about consultation and engagement, particularly with neighbours—whether that's neighbours of ACERZ, with what's happening out there. We know that they are looking at that and improving that. We certainly strongly encourage Transgrid as well to continue that work, because it's critical to get trust in the whole transition.

The CHAIR: Just briefly, what's the timeline for bringing on other members into the Ombudsman? I note that some of these developers or companies are behaving quite poorly right now and are probably sitting outside your ability to really tackle them. I use the example of Venn Energy in the Boree in Geurie solar project out there. They've shut down communication entirely with the community, even with the people that are surrounded by those solar panels on three sides of their property. They won't engage with them at all. What's the timeline for you bringing in these companies not adhering to complaints or managing complaints well and making them accountable in terms of those fees that you said you were going to charge them for?

JANINE YOUNG: I take my hat off to DCCEEW for working with us last year. They approached us in March last year about expanding jurisdiction to include renewable energy transmission. We had that signed off. We had the funding agreement by 30 June. We had jurisdiction by 1 December. That was really fast and really good collaborative work. We're currently working with DCCEEW. As I said, I think there have been three workshops. I'm due to go to a workshop sometime in July that's aimed to be the final workshop around decision-making. I trust that we can look to bring this jurisdiction in, I would hope, perhaps from 1 January 2026, if we can get there. I don't want it to extend much beyond that because, as you've experienced, we're hearing from people that need assistance with dealing with developers right now. We want to progress this work. We've got to do it. We've got to take the time to do it right so that those new members join the scheme, understand their membership obligations and work to address the issues. So we've got to get that regulatory framework or that overarching framework right to do that.

The CHAIR: Thank you, all. That's taken us right up to full-time for you guys. We will bring forward our next witnesses. There may be some questions that you've taken on notice, or some supplementary questions. The Committee secretariat will be in touch in terms of timelines for answering those. Thank you very much for your time today.

(The witnesses withdrew.)

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Ms ALISON STONE, NSW Agriculture Commissioner, affirmed and examined

Dr WILL RAYWARD-SMITH, Executive Director, Net Zero Commission, affirmed and examined

Ms MEG McDONALD, Interim Chair, Net Zero Commission, affirmed and examined

The CHAIR: I welcome our next witnesses. Would any of you like to make a short opening statement before we go to questions?

ALISON STONE: I would. I was appointed as the first statutory NSW Agriculture Commissioner three months ago, on 13 February 2025, for a three-year term under the Agriculture Commissioner Act 2024. The Act sets out the functions of the Agriculture Commissioner, which are to undertake reviews and give advice on agricultural matters; monitor issues relating to agricultural matters; make recommendations to government; identify opportunities to improve agricultural matters; promote a coordinated and collaborative approach across government for agricultural matters; and, finally, to prepare and publish maps of New South Wales in relation to agricultural matters.

Under the Agriculture Commissioner Act, I report to the Minister for Agriculture. On my appointment, the Minister and I discussed the following areas for me to focus on over the next 12 months initially, and the first two are also functions under the Act, so I'll just go through them quickly: assist the New South Wales Government in developing a system to define, identify and map significant agricultural land in New South Wales; promote a collaborative and a cooperative approach across government on agricultural matters; to test the use of a New South Wales farm practices panel to minimise land use conflict between farmers and rural neighbours, starting probably with a volunteer agricultural industry; ensure agriculture is balanced with policy development and decisions on the renewable energy transition, including working with the Net Zero Commission, and to promote a cohesive approach to policymaking in that regard; and, finally, to provide advice and input on the challenges and opportunities of delivering that critical infrastructure for primary producers.

Under the Climate Change (Net Zero Future) Act 2023, the Net Zero Commission must consult with me as Agriculture Commissioner in the development of its annual report. We've established a regular and solid working relationship to commence this process and to also promote that cohesive approach to policymaking. The terms of reference for this inquiry include several areas which are relevant to the stakeholders that I am engaging and working closely with, including, as I've mentioned, the Net Zero Commission and EnergyCo; relevant State and Federal government agencies, local government and Local Government NSW, so that cohesive approach through the levels of government; importantly, NSW Farmers, individual farmers and farming enterprises; and, more broadly, people engaged in the agricultural sector.

Since my appointment as the Agriculture Commissioner, I've had initial meetings and established regular meetings with many of those key stakeholders and have attended several events where I've spoken directly with a lot of farmers, landowners and leaders in the agricultural industry. During these discussions, I've heard firsthand a broad range of views about some of the issues, challenges and opportunities in relation to the matters set out in this inquiry.

WILL RAYWARD-SMITH: The Net Zero Commission welcomes the opportunity to provide feedback to this inquiry, so thank you very much for inviting us here today. The Net Zero Commission was established through the Climate Change (Net Zero Future) Act 2023 and was formally founded in mid-2024. It is responsible for providing expert advice to government to ensure New South Wales is more resilient to a changing climate and on a clear path towards net zero emissions. The commission operates independently but is accountable to the New South Wales Parliament, and the Joint Standing Committee on Net Zero Future monitors and reviews the commission's functions under the Act. The Act defines the functions of the commission. One of the commission's functions is to monitor and review action currently being taken in New South Wales to address climate change, including the environmental, social and economic impacts of action.

As outlined in the submission, the commission is required to take the guiding principles as set out in the Act into consideration. Section 8 of the Act outlines the guiding principles, including that actions addressing climate change should take into account the need to support local communities, including Aboriginal communities, who may be affected by the action. Action to address climate change should also take into account the knowledge of rural, regional and remote communities. Section 21 of the Act outlines that in preparing its annual report, the Net Zero Commission must consult with the Agriculture Commissioner.

Electricity generation is the single greatest contributor to New South Wales's emissions, and electrification underpins many emissions reduction measures, especially in transport, industry and buildings. The delivery of the renewable energy zones in a timely manner is foundational to decarbonising New South Wales's electricity supply and ensuring energy security and will set the foundation for new economic opportunities and

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jobs. To achieve the 2030 road map target of 12 gigawatts of renewable generation capacity by 2030, almost nine gigawatts of generation capacity still need to be commissioned. Within its first annual report, the commission highlighted that unless the pace at which renewable generation is built and connected to the grid accelerates, the targets set by the New South Wales Electricity Infrastructure Roadmap will not be achieved in 2030.

The annual report also noted the importance of securing community support and sharing the benefits more equitably within local communities. As a commission in its first year of operation, it is developing its approach to how it can best contribute within its legislated remit. The success of the renewable energy zones will depend on strong and meaningful engagement with local communities, and this means coordinated and meaningful engagement by all involved—government developers, contractors, operators—and robust mechanisms to appropriately share the benefits with communities and impacted landholders at different stages of the life cycle are essential. In summary, it is the commission's role to provide independent, expert advice to ensure New South Wales is on a clear path towards net zero, and the electricity sector plays a major role in achieving this goal and is an area of focus for the commission's work.

The CHAIR: Ms Stone, in hearing Dr Rayward-Smith's statement there about meaningful engagement with the community being a key part of the process in achieving net zero, based on what you're hearing talking to NSW Farmers and individual farmers, do you think we've reached that point where we are having widespread, meaningful engagement between developers and individual landholders and farmers? Are we there yet?

ALISON STONE: Consultation, I think, is a bit of a vexed issue sometimes. There is a lot of consultation fatigue out there in the community, so it's about how it's effective. I listened in on the session this morning and certainly understand through my discussions with EnergyCo the extent to which it is looking at being flexible and adaptable and changing how it goes through its consultation processes to get deeply engaged with individual landholders and affected communities. I certainly know that there are still remaining issues out there.

My broad perception and understanding is really that big change does take time. Certainly, all change, and land use change in particular, does mean that there are people that take longer to come on the journey and there are some people that will continue to object to some of the outcomes that are being sought by government through the transmission to renewable energy. Are we there yet? I think there's never an answer to that. I think you can also look at how you do things better. But certainly, as the Agriculture Commissioner, I will certainly remain committed to hearing from farmers through NSW Farmers but also regional site visits to really understand some of the issues as they affect individuals on the ground.

The CHAIR: I know it has been a short time since you've been in the role, but are there any examples of conflicts that you've helped address between these stakeholders? Can you point to anything where you've been able to address some of those conflicts or challenges?

ALISON STONE: Not at this stage. As you say, I've been in the role three months. I've probably had about 40 separate briefings and meetings, and I've attended large events where I've been able to speak individually to more people. I've been onsite a couple of times, but I have a series of regional visits now being scheduled for the next few months, so I look forward to hearing in more detail some of those issues. I will advocate, where necessary, across the various parts of government and also be providing separate advice to government as I see those issues become relevant and become more real for me as I get out and about a bit more.

The CHAIR: You talked about some of the negotiated goals you've had with the agriculture Minister. Is some of that work going to look at doing an assessment on the cumulative impacts of these projects in terms of agricultural productivity? We heard this morning that the Central-West REZ has sort of ballooned to potentially close to 50 projects across the area. You talk about prime agricultural land. Is that going to be part of your work?

ALISON STONE: I'm greatly assisted by the work of the former NSW Agriculture Commissioner, who did two reports. One of them was specifically about the complementary pathways for renewables and agriculture. The issue that you raise around cumulative impacts, I think sometimes that's a bit of an academic exercise up-front. It's only when it becomes real. Quite possibly, those cumulative impacts, both at the landscape level but also at the community level, or valley by valley, is certainly something that I'd be very interested to look into.

The CHAIR: Dr Rayward-Smith, you spoke in your opening statement about nine point something gigawatts of extra capacity we need to reach by 2030. What does that look like? Can you give us some sort of sense of the totality of projects, or totality of wind turbines or solar panels or other potential power-generating devices, that we would need to reach that? Give us a sense of how much we need to build.

WILL RAYWARD-SMITH: I suppose the nine gigawatts that I mentioned—quite often a project may be of the scale of 500 megawatts, even though projects in the State are 100 megawatts. In terms of the land area associated with those projects, there are some statistics that the Net Zero Commission, together with the agriculture commission, has on hand. We can provide those following today. I'm happy take that on notice. With

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regards to the nine gigawatts, we know nine gigawatts is still required. Only four gigawatts are currently committed, according to the latest update that we have, which is from the energy data and analytics team within the Department of Climate Change, Energy, Environment and Water, who is tracking the status of those different projects.

There's also the storage capacity target of 16 gigawatt hours by 2030 and an additional 12 gigawatt hours by 2034. We know that outcomes from the three long-duration storage LTESAs, the long-term energy service agreements, under the road map are expected to contribute roughly 40 per cent of the 2030 minimum objective, and more than 65 per cent towards the 2034 minimum objective. We have the 850-megawatt Waratah Super Battery, expected to be operating this year, which will be a real milestone in storage capacity. And then, very recently—just within the last few days—AEMO Services have released their latest competitive tender for long-duration storage, which is under the road map. That's aimed to contribute roughly eight gigawatt hours of storage capacity.

The CHAIR: How much of that is actually guaranteed or locked in? Do you look at AEMO's fuel-mix dashboard when you're doing your calculations? I looked at it yesterday afternoon and 0 per cent was generated from solar and 5 per cent wind. If we're talking about locked-in reliability, reliable energy, are you looking at that dashboard and running the calculations? Those figures don't really paint a good picture in terms of energy reliability across the State, if that's what we're pulling out.

WILL RAYWARD-SMITH: Absolutely. We're right into the numbers with regards to overall energy contribution from renewable energy, but also looking at any point in time renewable energy penetration. We are developing, as a commission, our methodology for measuring progress in terms of the rollout of the renewable energy zones. We're working with the department to access updates to the renewable energy zone project status and pipeline. In our current consultation paper, we have questions in relation to the rollout of the renewable energy zones. We've also had the benefit of reviewing the submissions made to this inquiry and we'll obviously be taking, to inform our work, the findings and recommendations and your report. Within our current consultation paper, we're including questions on the sufficiency of measures to ensure community engagement and benefit sharing. We're also asking if First Nations communities are adequately engaged and included in sharing the benefits of the transition. We're going to use the feedback from this engagement to inform our assessment and recommendations in this topic ahead of our next annual report.

The Hon. AILEEN MacDONALD: Dr Rayward-Smith, how does the Net Zero Commission see the tension between delivering on the State's emission reduction targets and making sure that regional communities are not adversely impacted along the way?

WILL RAYWARD-SMITH: We certainly recognise the role of renewable energy zones in enabling decarbonisation of the electricity system and we know that, to achieve our legislated emissions reduction targets for the State, we need a rapid transition in the sector. But we absolutely understand that regional and rural communities need to be brought on board because, if they're not justly treated, the durability and acceptance of the transition is very much at risk. From our perspective, that means strong and meaningful engagement with local communities is absolutely essential, and that is also along with robust mechanisms to appropriately share the benefits with them.

The Hon. AILEEN MacDONALD: In that, how does the Government ensure that regional communities and farmers experience the renewable energy rollout positively?

WILL RAYWARD-SMITH: We have our current consultation, which is with a lot of these local communities. I don't want to front-run the recommendations that we have as a result of that consultation. We are also very much working with the Agriculture Commissioner to understand the views of farmers in the regions. Since the Agriculture Commissioner was appointed in February this year, we've had a kick-off meeting and are now meeting on a monthly basis. We're very much working to ensure that we understand each other's work plans, including in the space of understanding the impact of renewable energy zones in rural and regional communities and industries. There will be areas of collaboration and coordination, such as consultation activities in the local areas and synthesis of findings. As I mentioned, in preparing our annual report we must consult with the Agriculture Commissioner, as outlined in the Act under section 21.

The Hon. AILEEN MacDONALD: I'll turn to Ms Stone. What are you doing to ensure that, say, farming continues as normal around renewable energy developments?

ALISON STONE: Sorry, could you just repeat that question?

The Hon. AILEEN MacDONALD: What are you doing, or what is the Government doing, to ensure that farming continues as normal around renewable energy developments?

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ALISON STONE: Thanks for the question. There are a couple of points I'd like to make here. I think any land use change often has impacts into agricultural land—expansions of cities, townships for housing or industrial development or major infrastructure—so I will say that it's a change like that. I will refer back to the former Agriculture Commissioner's report, which was about complementary pathways for agriculture and for the transition to renewables. There's evidence, both anecdotal and some reasonable evidence, around the ability for farming practices to continue as normal. That changes whether you're talking about wind towers versus solar.

More research is being identified and it is probably something that is needed to understand better around the grazing opportunities or the opportunities for horticulture or viticulture to coexist with solar farms and the benefits of that or otherwise. There are a number of strands to making sure that we can take the opportunities as well as making sure that there's not an unfair impact on agriculture, because I think that's the part that we need to make sure that we're live to and looking at ways to address that. I do make the point that we are utterly dependent on farming, agriculture, land farmers, for all the food that we eat, shelter and the way that we use materials for clothing and other products, so we can't diminish the value of agriculture in these big land use change projects. We've started, and I think there's a work in progress, if I can answer it that way.

The Hon. AILEEN MacDONALD: Following on from that—those two projects coexisting—I was just wondering what your views are on farmland being taken up by renewable energy projects. We have to say that some land will be lost to renewables. What are the plans to manage this shift?

ALISON STONE: Land use change has been in existence for a couple of centuries, since colonisation of the country—

The Hon. AILEEN MacDONALD: But then you also said we need it for food.

The Hon. SARAH MITCHELL: And fibre.

ALISON STONE: So how we are looking to manage that is making sure that we understand where the State strategic agricultural land is and looking at ways to make sure that we can minimise the impact through those processes, but also looking at, are there other opportunities. Certainly the location or the big footprint of the renewable energy zones—not all land in those zones is obviously going to be taken up for individual projects, but looking at the siting and design of those will be important. That is the role of other agencies. I'll be looking into are there opportunities to actually make sure that we can protect that important agricultural land through those processes.

The Hon. SARAH MITCHELL: I just wanted to continue on with you, Ms Stone. Earlier you were talking about going on some regional visits soon—and I appreciate you're relatively new to the role, but in terms of when you go out and about, and particularly with issues related to renewable energies, how do people know that you're there? Do you have public meetings or stakeholder engagement? What does that process look like, or what will it look like for you?

ALISON STONE: We're in the process of designing that. Yesterday I was in contact with NSW Farmers to ask for their advice on the best way to engage with people and issues on the ground. I'm certainly live to a lot of the media around certain individuals and certain locations. Taking all of that on board, obviously I can't deal with every single local issue, but I'm looking to get a broad understanding of the issues that are still coming through as the projects are in different stages of development, understanding that Central-West Orana is ahead of the pack, New England's coming online and South-West is being discussed. They're the three areas that I'll be starting with. The Hunter is another area that I'll be looking for. Each regional visit might be tailored separately and differently, but it will certainly involve some site visits and round tables, if I can characterise them that way, probably not town hall meetings. Often you get deeper qualitative information if you actually speak individually with people and see firsthand what their issues are on the ground.

The Hon. SARAH MITCHELL: What kind of staff or resources do you have to support you in that role?

ALISON STONE: The department provides a secretariat to me, and I really thank them for the work that they've done to get me established and set up with all the meetings and briefings that I've had to date, so certainly I've got good support and resources in the department.

The Hon. SARAH MITCHELL: This is not a reflection, but it's a part-time position. Is that right?

ALISON STONE: My role? Yes, it's three days a week.

The Hon. SARAH MITCHELL: You mentioned before your predecessor doing some work in relation to particularly the land conflict associated between renewable energy and those developments on agricultural land. They were publicly available reports. I think the Minister of the day Dugald Saunders had asked for them. There

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was a Government response, so it was very transparent in terms of what the ag commissioner's view was based on feedback and then also what the Government would be doing in response. Has Minister Moriarty asked you to do something similar in your role?

ALISON STONE: I think that blueprint is a good process to learn from and follow, and my approach to engagement is exactly that—to be open in the first place about what are the issues, being available to hear those issues and then making the reports and any public submissions available through those processes.

The Hon. SARAH MITCHELL: I appreciate that you have independence, but has the Minister tasked you to do that specifically, or is that something that you're doing, and you see as important to your role?

ALISON STONE: As an independent commissioner, and I think my 40 years of experience in government tells me that those more open processes—once upon a time, governments used to just inform people what they were doing. There is much more around consultation, engagement and involvement now. I note that recently there's been a guide to effective and adequate consultation in regional and remote New South Wales. They're the guidelines that I think set the benchmark for how we do engage, recognising the challenges of people to actually appear in person sometimes. We're greatly aided by technology these days, so there's different ways to engage with people and then communicate and provide feedback. Putting all of that together, I'll be looking to make sure that those processes are as, as I say, open and transparent, and that the findings that I would be coming up with are certainly broadly socialised.

The Hon. SARAH MITCHELL: I don't mean to labour the point, but that particular report that I'm referring to is a couple of years old now. For some communities, most notably those in the Central-West Orana area, a lot has changed and developed from when that was written as opposed to now. Is there any intention to revisit that report and those recommendations and update advice to government, learning from the period of time between then and now?

ALISON STONE: Yes, absolutely. The two reports that the former agriculture commissioner did provide, one was looking into what levers in the planning system are available to assist better understanding of the need for agricultural enterprises to exist within the landscape, if I can put it that way. Then the second report was about the complementary pathways of transition to renewables and agriculture. So those two reports—one had 13 recommendations and the second one had 29 recommendations. I've certainly looked at all of those in depth and looked at where progress is being made within the Department of Primary Industries and Regional Development, and in the Department of Planning, Housing and Infrastructure, and then making sure that they're still relevant, because I think sometimes if you continue to just implement recommendations as written—a lot has changed, and certainly in this space I can see that a lot has changed. I do point back to the ability to learn from what works well, but also from what is not working well. I'm big on evaluation, so having a look at how things are being implemented, what can we learn from that and what can we take forward from there.

The Hon. SARAH MITCHELL: Dr Rayward-Smith, in your submission, you say that monitoring the rollout of REZs will be an important area of focus for the commission. I note that you said you need to obviously consult with Ms Stone in her role, but am I right in saying, as the Net Zero Commission, first and foremost your priority is making sure that those targets are hit and that those projects roll out? Does that supersede the agricultural or landholder concerns, from your perspective? I know it's a bit of a vexed question.

WILL RAYWARD-SMITH: As part of the Act, our requirement to monitor progress of the State towards the legislated emissions reduction targets is set out very clearly, as is the requirement to monitor action that is taken, but also to consider it from a social perspective. Critically, section 8 within the Act outlines the guiding principles, and we must consider those guiding principles in the way that we perform our duties. Within those guiding principles, we know that it clearly outlines actions addressing climate change should take into account the need to support local communities, including Aboriginal communities, who may be affected by the action, so we see it very much as part of the work that we do and an integral part to it.

The Hon. SARAH MITCHELL: Regarding agriculture and landholders, where's that balance in terms of your work as a commission to hit the targets versus community concern and progress of rollout of projects? How do you manage that balance?

WILL RAYWARD-SMITH: Ultimately, we are aware that the speed at which we can have this transition is significantly impacted by acceptance by communities and the considerations that they have. Ultimately, if they do not feel like they're justly treated, the durability and acceptance of the transition is at risk. So we see it very much as intertwined.

The CHAIR: Picking up on that, Dr Rayward-Smith, based on the commission's assessment and the measurements that you've done, do you think you have that broader acceptance of the transition, noting the impact

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it will have on rural and regional people? Do you think you have that acceptance from rural and regional people, noting the progress, or lack thereof, in terms of hitting our targets?

WILL RAYWARD-SMITH: As I mentioned, we're undertaking our consultation currently, and that will conclude in early July. That is going to be informing our understanding of the acceptance of communities around the transition. That's a key piece. We're also conscious that the New South Wales Government released its Renewable Energy Planning Framework in 2024, which included benefit-sharing guidelines for solar and wind developments. We are very much, as a commission, supportive of steps such as these and absolutely recognise the importance of engaging with communities and securing broad community support. In addition, we're also supporting policies that increase the uptake of consumer energy resources such as rooftop solar and community batteries. These can reduce the pressure to build new large-scale infrastructure.

The CHAIR: Picking up on some of that—the fact that the Government is implementing all these new different things, like frameworks and guidelines, and that we have now broadened the scope of the water Ombudsman to include energy—do you think that's creating the perception that a lot of what's happening within government to push towards this net zero goal is very reactionary and that you are responding to issues on the fly as they crop up, whereas if we'd actually set these guidelines and frameworks in place before we pass the legislation, or as soon as we pass the legislation, we might not be having these roadblocks, this resistance and these land use conflicts? Would you accept that fact, that a lot of what's been put in place is reactionary to the problems that we are now facing as we try and roll out these renewable energy zones?

WILL RAYWARD-SMITH: As a commission, we are still undertaking our assessment of the effectiveness of the landscape of different policies and frameworks in this space. In our next annual report, we will be able to provide commentary as to that. In many ways New South Wales is leading with regard to the coordination of renewable energy zones and the policies and frameworks that it has put in place, and it is seeking to do that in a manner that can work with communities. But, as part of our consultation, we are looking to hear from stakeholders with regard to their perspectives on that.

The CHAIR: When you say they're leading, are you saying that we're ahead of other States? That's a frightening thought.

MEG McDONALD: Chair, could I add that I think one of the benefits of the climate change Act is that it does make a requirement for consideration of this on a whole-of-government basis? That is one of the areas which puts New South Wales ahead of many other jurisdictions, in actually having that enshrined in the Act. A lot of the guidelines that you were mentioning are ones which are being put in place in pursuit of the recognition that it is a whole-of-government effort, not just individual portfolios and individual actors within the transition.

The CHAIR: But you can see that, from the outside looking in, that appears to be reactionary—"We're rolling something out. We've found a problem. We've got the power within the Act to create a guideline or framework. Here it is to fix the problem." We probably should have identified the potential problems when we were passing this legislation and put those things in place straightaway. We might be in a better position in terms of reaching the commission's targets if we'd put those things in place prior to rolling out the REZs. Would you agree?

MEG McDONALD: Hindsight is a wonderful thing.

The CHAIR: It is.

MEG McDONALD: But you could also regard it as the Government being responsive in a timely fashion to a number of these issues as they arise, trying to put something rapidly in place to address some of those issues.

The CHAIR: Can I go back to you, Ms Stone? You mentioned the NSW Farmers and the Government's guide to engagement. Did you have any involvement in the development of that at all?

ALISON STONE: The landholders guide that was just launched?

The CHAIR: Yes.

ALISON STONE: No. I did attend the launch of that guideline but, no, that was done prior to my appointment.

The CHAIR: I think in your opening statement you talked about the Farm Practices Panel. How would that work in relation to renewable energy zones and projects? Would the Farm Practices Panel have a place in negotiating conflicts? The additional question to that is: How are you interacting with this new process that has been put in place with the Energy and Water Ombudsman NSW? How are you fitting in with that and the Farm Practices Panel? How does that fit in with that process?

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ALISON STONE: I will just note that I'm still yet to set up a meeting with the Energy and Water Ombudsman, but I would be very interested to see what sorts of issues and complaints are coming through there or what they're dealing with in relation to the renewable energy zones. But in terms of the Farm Practices Panel, the intent in the first instance is really to look at where there is a current push against the land use conflict around the more intensive agricultural uses and the complaints that get raised against compliant industries by people who move into the area—so trying to reduce the conflict in that area, but also trying to reduce the complaints.

I've already had a meeting with a consultative committee that's in existence that's got the heads of all the major agricultural industries, planning, the EPA, NSW Farmers and local government to start to look at how do we work together and how do we get the best brains around the table to say, "Where do we go with trying to make sure that if compliant existing industries want to continue to expand and continue to feed New South Wales?" and, indeed, contribute to, I guess, the export market? How do we make sure that they have quiet enjoyment in the work that they're doing and that those neighbourhood disputes and complaints are better managed and reduce the level of conflict? To add to that, that may provide a blueprint to shed some light on the renewable energy area.

The CHAIR: Finally, given that these renewable energy zones and their associated projects are classified as State significant developments, do you think you have enough scope within your powers and the legislation around that to adequately represent farmers' and landholders' views back to the Minister around State significant developments impacting agricultural land?

ALISON STONE: I don't have any direct role in decision-making in those areas, but what I do, and what I will commit to, is making sure that I certainly advocate in all of those avenues and then provide advice if there need to be recommendations made to make sure that there are ways to address some of the persistent concerns or outrage that might be of assistance to dealing with that land use conflict. As I say, land use conflict is not a new issue.

The CHAIR: No, but it seems to have accelerated since the announcement of these renewable energy zones and transmission lines. I've noticed it's certainly become more front of mind for a lot of people.

ALISON STONE: As you say—and I will refer back to the answers that my colleagues at the table just gave—I think sometimes the frameworks and guidelines are all established with great intent. It's only when projects and issues come to light that people really see either the scope and scale of it or, "Oh, I didn't think that's what it was going to be." Being able to be flexible and adaptive—"What do we do better in the next footprint of land that we're dealing with?"—is where we need to be thinking. There are certainly good examples that we can look at of what's worked and what hasn't worked. Certainly in that area I'll be looking at how I take those lessons and advocate for farmers, the agricultural sector and our productive land use.

The CHAIR: Thank you all for your time today. I think you might have taken some questions on notice, and there may be some supplementary questions that come through from the Committee. The secretariat will be in touch regarding those.

(The witnesses withdrew.)

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Dr RICHARD PARSONS, Social Researcher, affirmed and examined

The CHAIR: We now welcome our next witness. Would you like to make a short opening statement before we progress to questions?

RICHARD PARSONS: I'd like to thank the Committee for inviting me to give evidence at this inquiry. I'm a social research practitioner and I specialise in social impact assessment and community engagement. I am also one of only two practitioners in Australia and four globally to have professional certification in SIA, social impact assessment. That doesn't make me special; that's just a comment about my peer recognition of competency and ethics. Today I'm speaking in a personal professional capacity and not representing any organisation. But from 2016 until the end of 2022 I was employed as the internal SIA specialist within the Department of Planning and Environment as it was then—DPHI now.

In that role, my responsibilities were twofold. Firstly, to lead the development of SIA guidance, so in that capacity I was responsible for the technical content of the SIA guidelines that we have today and that apply to all State significant projects; secondly, to review SIA documentation by project proponents and provide internal advice on the adequacy of that documentation and on the social merits of development proposals. In this time, I reviewed SIA reports for over 100 projects. I should note that I have not worked directly on any energy or transmission projects in the renewable energy zones, although I have obviously some knowledge of what has been happening. I can't comment specifically on the technical merits of those projects. What I can do is provide evidence regarding the development and implementation of the SIA guidelines generally, what good practice looks like and how this is playing out generally in the energy transition.

In that vein, I'd like to share two thematic observations based on my professional experience and what the research tells us about what happens when rural and regional communities experience development and the SIA process associated with it. Firstly, development-induced change brings both fear and hope. People are naturally fearful that their way of life or wellbeing may be threatened, whether by a mine, a highway, a wind farm or transmission lines. Yet they may also hope for economic opportunities or other improvements to their overall wellbeing. Secondly, as this tension between fear and hope plays out, people and communities affected by development-induced change tend to view projects more favourably when, one, change is managed through multi stakeholder dialogue, with everyone getting a fair hearing and having a genuine opportunity to shape outcomes; two, they feel they will benefit from the outcomes and not be harmed; three, they trust the regulatory framework to oversee the process of change fairly and equitably. In short, the hallmarks of a good planning process from a social science perspective are procedural fairness, distributive equity and participative justice.

Unfortunately, in my experience, there are rarely sufficient resources or time devoted to enabling these objectives. This brings me to a really important concept that has emerged in recent years in the context of development specific to renewable energy projects, and that is the idea of presumed benevolence first coined by Professor Sara Bice. Presumed benevolence refers to the unconscious assumption that something—in this case the energy transition and the infrastructure to enable it—is so universally desirable or necessary that everyone will accept it, regardless of any negative impacts. However, what we see when we apply a social science lens is that this reflects a particular framing common to policymakers, perhaps, and scientists and project proponents. Conversely, there are those who may fear that their way of life, health and wellbeing, local landscapes, livelihoods or sense of place will be irreversibly damaged. They may view the transition through a different frame. They may feel that they are shouldering a disproportionate burden as the price for a collective benefit, even if they support climate action.

As a society, we are asking regional and rural communities to generously accept massive local change, often at substantial cost to themselves, and we can't expect that this acceptance will come automatically as a result of compelling arguments around the climate crisis. Instead, the research shows that this scale of change is more readily accepted when we listen deeply to those who have different perspectives or experiences of the energy transition, when they have agency or influence over decisions that affect them and when we implement locally sensitive solutions. I'm happy to talk more about these processes and what's in the guideline. Happy to discuss any questions.

The Hon. SARAH MITCHELL: Thank you, Dr Parsons, for coming today. I wonder if you could talk a little bit more about best practice. I was interested in your opening remarks where you talked about the social merits of development proposal and that fear-versus-hope kind of push-pull. In terms of the renewable rollouts, and I'll pick I guess the Central-West Orana REZ as it's the one we're talking about a lot today, what does best practice look like in terms of that consultation piece? Where do you see potential gaps from your research and your work?

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RICHARD PARSONS: Best practice in relation to engagement and consultation is a really important thing to understand. I think there's often a misunderstanding about the role of engagement and consultation in social impact assessment, because often people misunderstand engagement as a substitute for good social impact assessment. Social impact assessment is an applied social research exercise, whereas an engagement is a communication exercise. But there is a close link between the two. The guideline goes to some lengths. There's actually an appendix devoted to how they interact or how they should interact.

The way that it should work is that the outcomes of engagement should inform or be an input to the social impact assessment. When someone does a social impact assessment, what they should be doing is undertaking that engagement, or what we would call primary research, and documenting the findings of conversations in the community and other engagement activities and using those to really understand what people's subjective experiences are. What you want to see in the SIA report is an explanation of how people have talked about, how they expect to experience and go through the process of change resulting from the predicted impacts of the project.

There are different ways that the engagement should happen. You may be familiar with what's called the IAP2 spectrum, which is the International Association for Public Participation. That's a well-used framework for guiding different ways of doing engagement, if you like, and that has different levels of engagement from informing, through to consulting, collaborating and participating. The most powerful form is called empowering. What that is talking about is where communities are actually empowered to shape decisions that affect them. In terms of your question about what best practice looks like, you would expect to see that happening. That doesn't mean that every SIA and every engagement activity should be an empowering one, but it means that when you are expecting people to undergo significant change, then you should be undertaking engagement that's more towards that participatory end of the spectrum, if you like.

Whereas what we've actually seen in a lot of cases is more at the lower end of that spectrum where it's informing and consulting, and you might often hear people actually using the word consulting as a proxy for any form of engagement when what we really need to see is different types of engagement, different levels, in order to have a robust process that enables people to, yes, be informed—really important for them to be informed and to really understand what a project means for them—but also, at the other end, to participate in those decisions meaningfully. In fact, "meaningfully" is a bit of an overused word. What do we really mean when we say "meaningfully"? What I mean is that people have an opportunity to have agency or influence over those decisions, as opposed to being told what's going to happen.

The Hon. SARAH MITCHELL: In terms of the procedural fairness or equity piece and trying to work out how we take the theoretical components of what you're saying about what best practice can look like and transfer that into actual lived examples for people—and we're heading into the community later this week. I'm sure we'll be hearing a bit from people who have been through this. One thing that I find a bit challenging, particularly for an individual landholder who might be impacted—and you mentioned neighbours or people who might not be directly impacted in the same way, but there can be other concerns or they are impacted in a different way. In terms of best practice for that procedural fairness and equity for not just an individual but a community or group of landholders, what should that look like if a company was following best practice, in your opinion?

RICHARD PARSONS: That's another great question. What we're looking for in good SIA practice and good engagement practice are locally tailored processes. It should start with a process of trying to understand who are the people in the community, what are their different aspirations, concerns and needs, and then designing processes to suit those needs, as opposed to saying that this is the kind of process that you should roll out in all circumstances. In terms of those different levels of impact, landholders or people who are hosting wind turbines, as an example, or hosting transmission lines, will experience those impacts differently to people who live a few kilometres away. They will also have an interest in it.

It's about offering different mechanisms for those people to participate. What we sometimes see, unfortunately, in less good practice, is, "We're going to have an information day," or, "We're going to have a pop-up in a shopping centre. It's going to be there between 2.00 p.m. and 4.00 p.m. Anyone can come along and ask questions about what this project looks like." If you've got family responsibilities and 2.00 p.m. to 4.00 p.m. isn't very appropriate, then you probably won't have a chance to engage in that process. It's about providing different mechanisms for people in different circumstances. What about people with disabilities? What if they can't get to those things? It's also about actually going to where the people are and making things as easy as possible for people in different circumstances to be part of that process.

The Hon. AILEEN MacDONALD: As a follow-on, do you think the New South Wales planning processes are striking the right balance between the need to get the projects done or built, and the needs and rights of communities?

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RICHARD PARSONS: That's a big question. It is a balance. From a social science point of view, rights are something that you can't trade away. It needn't necessarily be a trade-off. Sometimes we need to be careful about talking about a balance, because that inadvertently can imply that there is a trade-off and that we can maybe set aside some people's rights in order to pursue the greater good. From an ethical perspective, the risk there is that you're treating people as a means to an end, as opposed to ends in themselves. Ethically, we want to treat people as ends in themselves and respect people's individual and collective rights.

Having said all that, obviously we've got the imperative of the energy transition or transformation. Any kind of transformation involves positive and negative impacts. I would suggest that rather than seeing it as a balance or a trade-off, try to find ways to ensure that we are looking after people as best as possible and maximising benefits to those people, but that disproportionately we want to make sure that the people who are most adversely affected are also those who might benefit the most. Maybe we look at the way that we design benefit-sharing mechanisms to ensure—and this is what I mean by equitable—that those who are most disproportionately affected adversely can also receive disproportionately the benefits of those projects in some way or another.

The Hon. AILEEN MacDONALD: What changes would you make to the New South Wales system based on your research and experience, and from other jurisdictions?

RICHARD PARSONS: There are a couple of things. We may need to look at the whole SIA process. The first guideline came out in 2017. That applied to just resources projects. We've now had the one for all State significant projects since 2021. I've undertaken a review for the department of the effectiveness of that guideline. The same shortcomings come up again and again. Inadequate engagement is a key one, as well as a lack of attention to intangible impacts as opposed to things like noise and dust, and not looking at things like social cohesion. There are lots of deficiencies in the way that has evolved. We could look at a different kind of process that focuses on fairness, equity and justice. There is some international effort going on in that regard—trying to rethink how SIA looks.

From a departmental point of view, the department needs more internal resourcing. I say this having spent 6½ years there as the only ongoing person in that role. It was obviously not feasible for one person—or, as it was a couple of times, two or even three people—to adequately oversee and scrutinise the social impacts of State significant projects across New South Wales and the adequacy of the implementation of this guideline. What happens is that work becomes outsourced to consultants, and sometimes it's done by departmental officers. To the best of their ability, they are assessing the multiple impacts and reading all the reports in the environmental impact statement. Since I left in 2022, they have not, as far as I know, replaced my position. As far as I know, there is currently no specialist social science capacity within the department to scrutinise SIAs. That is a recommendation that I would definitely endorse—to fill that gap so that departmental decisions or departmental advice that's going to the consent authority is adequately informed by a real understanding of how these impacts are playing out socially in communities.

The CHAIR: Picking up on some of those comments, if we've got people within the department who are not properly qualified or experienced enough to properly scrutinise SIAs, even though they have been mandated to do it since 2021 for SSDs, what does that mean for the quality of the process for a lot of these renewable energy projects, which are all SSDs? Is it safe to assume that the SIA process that has been mandated is a bit Mickey Mouse?

RICHARD PARSONS: I wouldn't call it Mickey Mouse. It is fair to say—and I don't want to criticise any of my ex-colleagues in DPE, or DPHI, as it is now—

The CHAIR: You don't have to name them.

RICHARD PARSONS: I know that they do their best within the constraints that are handed to them. They work really hard to evaluate the impacts of these projects. I'm sure that they are massively overworked. I think the challenge comes when you've got people who are environmental scientists, geologists or planners. They all come from various backgrounds, and the department might be doing their level best to put together teams of people to assess all of these projects and to write their assessment reports. But the SIA, in my experience, was always the poor cousin, if you like. It was the one that was considered to be, in a way, the least important, because social impacts were dismissed as not really that important because they were misunderstood as being all intangible. I recall conversations about social impacts or social impact assessment being something that anyone could do because it's not really a skill. I think there's a real misunderstanding there. It probably stems from the fact that social impacts are indeed often experiential and often subjective. It's difficult to put numbers around them. Indeed, it is inappropriate to put numbers around them, unlike things like noise and environmental impacts, where you can actually measure things quantifiably.

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The problem is, of course, that trying to put numbers on things can create an illusion of objectivity, and if you try to put numbers in that way, it can make it appear as though a decision is being made without any values attached to it. Ultimately, all decisions are based on a set of assumptions, and that is no less true of SIA than any other area of practice. To answer the second part of your question, I think another implication of this lack of capacity is a loss of trust among communities in the process, which I think is just as problematic as the lack of capacity itself. If it is true that the department, despite its best efforts, doesn't have the skills to really evaluate and scrutinise these SIAs and the community engagement that goes into them, then, understandably, communities affected by these projects will think, "Well, how are these decisions being made?"

The CHAIR: Given the level of angst in our regional communities, do you think that's what has been realised, that because we've treated SIAs as the poor cousins, as you describe, that has led to a greater angst and a mistrust in the community around these projects?

RICHARD PARSONS: I don't know if there's a direct causal link between the lack of attention to SIA and—

The CHAIR: Perhaps a contributing factor.

RICHARD PARSONS: Perhaps a contributing factor. I mean, I would imagine that the feelings within communities are based on a range of things in regard to the planning process, one of which is the SIA. But it's just that the SIA is, in theory, the one where there is the greatest opportunity for communities to be part of the process—at least that's what it's designed for. If that is perceived to be not working properly, then it would be reasonable for communities to feel hard done by, if you like, if that process isn't working as it should.

The guideline itself has many examples of what a good process is supposed to look like and how communities are supposed to be involved in that. For example, in the Technical Supplement I've got here, on page 5 it states that SIAs are supposed to consider "rational or justified fears". In other words, not unjustified fears but what they call rational and justified fears, which refers to "psychological stress regarding the future personal and community impacts of compulsory property acquisition". That's just an example that's given in the Technical Supplement. There's a whole section, as I said, on engagement and how that's supposed to work. I'll just briefly read you something here that's really important:

Particular attention is needed when engaging with vulnerable and marginalised groups to understand how they might experience and reasonably perceive social impacts.

The CHAIR: Is that a public document?

RICHARD PARSONS: Yes, this is on the website. If you type in "NSW SIA", this will be the first thing that comes up. It also states:

At the very least, where people express an interest in the project, they are identifying themselves as being eligible for inclusion in engagement activities for SIA.

There are no excuses, really, for excluding people, either intentionally or otherwise, from engagement for the SIA. To be fair, I think a lot of it may be unintentional. I think that there will be lots of proponents, whether they be government proponents or private proponents, that are trying to do a good job but just don't necessarily know how to. Then there are others, of course, that just want to tick a box.

The CHAIR: Can I take you back to something you said in your opening statement? You coined a phrase—something about benevolence.

RICHARD PARSONS: Presumed benevolence.

The CHAIR: Making the renewable energy zones and their associated projects State significant development developments—which comes with it a whole range of measures that sidesteps some of the community consultation and planning processes—do you think that is a way of ramming through that presumed benevolence or it helps achieve or sidestep that presumed benevolence?

RICHARD PARSONS: I think it depends. I think if it's critical State significant infrastructure, if that declaration is made, then that can have that effect. Or if any kind of fast-tracking process is endorsed that says you don't have to do some of these things, then, clearly, that would entrench a sense of presumed benevolence. But that has applied also to other types of other types of development. In some ways, it should be the opposite, because obviously there are prescribed thresholds for State significant development and State significant infrastructure, and once a project reaches those thresholds, then it is required to go through these processes. In some ways, the fact that something is SSD or SSI as opposed to falling outside that, because that triggers obviously a requirement to do an SIA and a requirement to do engagement to inform the SIA, that should actually trigger a higher level of performance in these areas. I think the problem, really, is not so much that it's SSD or SSI. The problem is more about how the guideline and the requirements of the guideline are or are not implemented.

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The CHAIR: Finally, what advice or recommendations would you be giving either agencies or developers regarding that loss of trust and social licence with the community that they've been engaging with or failing to engage with properly? How would they regain that back?

RICHARD PARSONS: There's lots of research that shows that once you've lost trust, it's incredibly hard to get it back. It doesn't mean it's impossible, but clearly the further you've gone down that road of losing trust, it takes a lot longer to get it back. The advice is always to start conversations early. Instead of saying, "Gee, we've got to submit an environmental impact statement. We'd better start preparing an SIA", as it says in the guideline, you should start these processes really early. As soon as there is a plan for any kind of project, then you should be having discussions with the community, trying to understand what are people's values, what are their concerns and what are their aspirations, and ensuring that those views are incorporated into the design of the project rather than trying to retrofit them later.

A second recommendation that flows from that is to provide considerably more time and funding for this process, because often what we're seeing is, "Oh damn, we've got to do this thing. How much is it going to cost us? How much time have we got to devote to it?" And it's rushed through. The SIA is often the last thing that's commissioned, after all the technical studies, and therefore there's not enough time to build trust in the communities, not enough time for people to feel that they have had a chance to influence the process or to have their views heard, and there are not enough resources put into commissioning an SIA report that is in keeping with the guideline.

The CHAIR: Based on your observations with some of these developments, would you say that the Government or the developers have adhered to those two key principles that you outlined?

RICHARD PARSONS: Sorry, could you repeat that?

The CHAIR: With regard to some of these large-scale REZ projects, do you think that government agencies and/or the developers have adhered to those two principles that you mentioned they should in terms of maintaining and gaining that trust early?

RICHARD PARSONS: My experience, from what I've seen and heard, is that there is not much evidence that that has happened. I'm not saying that they have acted in bad faith deliberately, but I think, as I say, there's a misunderstanding of how to do this stuff properly. I think a lot of rethinking needs to happen for how to undertake a social impact assessment properly, in accordance with the guideline and beyond, and how to engage with communities. I use the word "with" deliberately because it should be a dialogue; it shouldn't be something you do "to" communities, so that word "with" is quite important. And, as I say, take more time and devote more resources to it.

The CHAIR: That takes us right up to time. Thank you, Dr Parsons, for your evidence. It has been really insightful will definitely be useful for the Committee going forward. I don't believe you took any questions on notice, but the Committee secretariat will be in touch if you have and for any supplementary questions that we may have for you as well. Thank you once again for your time.

(The witness withdrew.)

(Short adjournment)

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Mr IAN BARRY, Landowner, affirmed and examined

Ms KATHY MORRIS, Landowner, affirmed and examined

Mr BEN TURNER, Landowner, affirmed and examined

The CHAIR: Welcome back to the hearing. We have three witnesses who are all landowners. We will now go to opening statements. Mr Barry, I believe you have a pre-recorded audio statement for us. Are you able to make that?

IAN BARRY: I do. May I apologise about my speech. I have motor neurone disease, so I have recorded my opening statement, which is mainly about EnergyCo's conduct.

The CHAIR: There is no need to apologise, Mr Barry. Please go ahead.

IAN BARRY: Thank you. EnergyCo's situation is unenviable. Political procrastination from successive State governments has put it behind the eight ball. In panic to fast-track infrastructure, EnergyCo has abandoned ideals of empathy, compassion and morality and taken a path of ill-conceived shortcuts and oversights. Now, with construction tenders beginning aerial surveys, EnergyCo's office-based theory that locked in the HTP corridor prematurely may get rationalised and addressed more accurately. When you're locked in for acquisition, you are evicted, or you get an easement deal from EnergyCo with fine print that empowers construction contractors and Transgrid, who they hand you onto, to bulldoze roads and clear-fell trees on your land, and also deny you any unapproved activity. Effectively, easement doesn't mean renting your land; it means you no longer own it.

In panic, EnergyCo skipped a social impact assessment before locking in a 110-kilometre corridor, ploughing through bushland in four State forests. EnergyCo's SIA indifference made them oblivious to the vulnerable and disabled and landowners engaged in valuable eco-preservation, ending much of our rural community. But EnergyCo generously skirted others—ironically, coalmines, Yancoal's Mount Thorley mine and the currently inoperable Austar mine; along with the Singleton military base and the Millfield Hare Krishna group—all while the vulnerable and small landowners bore the full cost.

With their corridor locked in, EnergyCo began discovering who lived there. They also found their office-based theory had factored in paper roads that century-old cartographers envisaged but, for practicality, never built. A Watagan landowner asked EnergyCo to compare land truth with their line-on-a-map theory. Eventually visiting, they discovered a vertical rock cliff, which they'd hitherto factored into HTP plans as a flatland access road. So EnergyCo will no doubt encounter more surprises as they pursue their hastily locked-in corridor through rugged ravines and rock escarpments.

Our own bushland retreat became a valuable refuge following my motor neurone disease diagnosis. My neurologist still regards it as my life-lengthening sanctuary. I'd planned my last days to be in peace and tranquillity in my bushland home. Then EnergyCo arrived, SIA-ignorant and refusing to consider me as a terminal sufferer despite six months of verbal and written evidence that went as high as CEO James Hay. We have a year of diary entries documenting land access, coercion of neighbours, frequent bullying, phoney eco-visits, lies plus instances where EnergyCo workers denied me basic disability rights, like recording meetings, and withholding information like easement details on our own land. We were devastated and completely un-forewarned about a new corridor unveiled at a public meeting last June—rerouted to our very doorstep. When pressed by our lawyer, ex-CEO Hay backpedalled, admitting the sudden route change was "a mistake".

Mistakes through panic from skipping an SIA will persist; rushing an EIS also. In April 2024 a liaison officer told us, "Eco surveys are cancelled for the foreseeable future." In our area, they are yet to resume. We were told EnergyCo might just borrow Forestry files. Either way, lack of time scuttles a valid, full seasonal appraisal. Beyond their schedule woes is EnergyCo's staggering job attrition of senior staff. Way inside a year, the CEO, gone; deputy project director, gone; the two liaison officers dealing with us, gone; the strategic lead for environment and community, gone; project director, Andrew Power, gone—and they're just the ones who've dealt with me.

Meeting the Minister, I explained how it appeared the acquisitions Act had infected many EnergyCo subcontractors with hubris and inflated authority. EnergyCo's warm and fuzzy brochure blurb and the bonhomie generated in their information-dispersing events, when compared to the reality of bullying in the field, were worlds apart. Given landowners are sacrificing home and land for the greater good, the very least they deserve is generosity in compensation, not mean penny-pinching. Minister Sharpe spoke of the Ombudsman, but with seeming uncertainty. EWON, the "dispute resolution body" that EnergyCo recently affiliated with, claims to deal with "unfair, unlawful or unreasonable conduct" with transparency. There would seem much in EnergyCo's

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forementioned behaviour that might constitute "unfair" and "unreasonable". But now EWON's in EnergyCo's corner, it does raise transparency and impartiality questions.

Knowing planning and the Minister can't sign off on construction until an SIA is submitted, EnergyCo finally hired EMM. When my wife and I had our SIA interview, I asked, "Given the HTP route is already locked in, what happens if this SIA reveals unacceptably impacted landowners?" The interviewer shrugged, confirming that this SIA negated any real purpose other than ticking a box. At other interviews, neighbours have said that Mara Consulting, an EnergyCo affiliate, has placed people in the interview for the apparent purpose of side-coaching. So recurring arrogance and privileged attitude raise the real need for people skills, genuine compassion and an ability in managing grief, despair and desperation—normal human responses to being dispossessed. EnergyCo's website does offer psychological support. However, it leads to Converge International and production-line counselling, and a psychologist that I found to have little insight into the real situation.

In conclusion, I respectfully offer this: run acquisitions with sensitivity and empathy; use staff with people skills; pay landowners, who you are forcibly dispossessing, market value at least. When you make a landowner sign a contract, don't leave them to the changing whims of construction contractors or an operator. Improve your subcontractor selection process and engage personnel that can negotiate, not incite. Follow SIA guidelines from the outset. They were created for bodies like EnergyCo to prevent them going rogue and causing community pushback. Here's the thing about the important transition to renewable energy and its main current protagonist: EnergyCo can either keep its bad boy image and stop filling websites and brochures with contradictory feel-good and fuzzy blurb, or grow up and evolve into a noble government department operating on principles of humanity, decency and compassion. Thank you.

KATHY MORRIS: Our recent experiences with the activities of EnergyCo have been of a disorganised, self-contradictory, mostly unfeeling, mostly unlistening entity that is miserly with facts and seeks to overreach and bludgeon affected landholders into submission by their seeming unwillingness to act in any reasonable way. The community engagement has been inconsistent, adversarial and unsupportive. One thing that has been made very clear to us affected residents is that the New South Wales State Government—and, by extension, its agency EnergyCo—have all the legal power to acquire land without our agreement to build infrastructure, and that the only options available to us affected landholders are a series of diminishing returns and uncertainties, including the Valuer General and the Land and Environment Court.

At no stage have we been supported and reassured that we will be taken care of. At all times we have been given the impression that we are problems in the way of their working day. We've been told that we're too emotional about the loss of our homes. I have been told that I am too angry and asked, "When am I going to get over it?" I have been told that I should be happy with what I get. The best understanding EC seems to offer is that our feelings are an inconvenience. We are an inconvenience in their day and any concerns we raise are our problem.

The whole approach of EC is adversarial. If you want straightforward information about how the project is carried out, you are met with questions in turn about why we would want such information and promises to provide it later—a later that never eventuates. I thought that EC is a public body serving the people of New South Wales, but it acts like its activities are State secrets and we are spies for the opposing government. They do not talk openly and honestly with us, and these are missed opportunities, as we know the land. We are rational people who can contribute to solving the issue the Government has in terms of this transmission line.

As part of the just terms Act, there is time provided for mediation, but the approach is not an approach to see impacted landholders restored or reinstated. It is equally adversarial and the negotiation start point is set by EC's valuer. Their valuer is nominally independent but has been selected by EC through long practice in providing such support for the Government. Their view is nearly always miserly, with an unwillingness to be motivated by subsequently tendered evidence to see landholders reinstated. EC uses this valuer as a foil and hides behind their nominal independence. This independence also means there is no authoritative oversight of the valuer's work. There is no recourse to third party reasonableness. Ultimately, the only way out of any impasse in this negotiation phase is to move to the Valuer General, who may or may not take any of the previous discussions into account.

As we know, New South Wales is the only State or Territory that does not offer compensation on a reinstatement basis. Enough compensation should be offered so that displaced owners can live and work similarly in the same neighbourhood, with the same access to services and amenity that they had previously. This should be provided as a proactive service to the impacted owners, with their preferences taken into account, and alternative houses or land sought on their behalf rather than something the landholder has to bargain with EC for and then compete in the real estate market for themselves.

We are now at the stage of accepting EC's offer. This has been under duress and with veiled threats. The threats are, "We are watching the market very closely and current sales are being evaluated against the offer we

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have made to you. When are you going to sign?" We have requested certain conditions for our acquisition. We requested a 50 per cent up-front payment so that we could find something and start negotiating on that property, and a longer settlement as we are finding it extremely difficult to find a place that meets our requirements. We don't have the funds to simply buy another home. One might say that the conditions were accepted. Forty-nine per cent was negotiated, not 50. EC's lawyers, unfortunately, have not completed their task correctly. They sent a defective contract for EC to review. EC didn't review the contract, so it went to our solicitor, where we have picked up their mistakes. Why am I picking up the mistakes of Clayton Utz? I'm not on their payroll. I don't really know what more to say.

BEN TURNER: Thank you for this opportunity and thank you to the Chair for picking up on one of the themes that I'd like to talk to this afternoon. In November 2024 DPIE issued an overview of the renewable energy planning framework. It is a framework for "assessing State significant renewable energy development infrastructure in New South Wales". At the time of its release, around 1,300km of new transmission infrastructure was already being constructed or was well into the planning phase, along with numerous renewable energy generation sites across regional New South Wales. The fact that this guidance framework was released as a postscript to the proposed developments in the ISP is emblematic of the rush in the energy transition. The rush is characterised by haste, not by care for a good process. From cost blowouts on Project EnergyConnect through to the failure to properly engage with landholders, there's an underlying theme.

In moving on to the appointment of EWON, I'd also like to address one of the questions on notice that was taken. EnergyCo did not have a complaints mechanism on their website until December 2024. Is this an oversight or is it emblematic that they just didn't have a process at all? Ms Young's comments were very interesting around taking the time to do it right, and that's what we're not taking in this transition. The second theme I'd like to address is the acquisition of properties. There is an inherent power imbalance that exists between the landholder and an acquiring authority. Notably, there is an inherent negotiating imbalance between a large, well-experienced, well-funded government entity and a dispossessed landowner who is not paid for their time in navigating the dispossession that they did not want in the first place.

Secondly, acquiring authorities generally have an unconditional reliance on their own valuer and other experts, which leaves little room for meaningful negotiation or compromise in circumstances where reasonable, qualified expert opinions may differ between the parties. We note that there's a current review into the just terms Act, and this may go some way to addressing those issues. But what we have learnt through experience is that rather than undertaking negotiations with a view to assisting affected landowners to manage and move on from the loss of their land, acquiring authorities adopt an adversarial approach in which the affected landowner bears the evidentiary and cost burden of convincing the authority and its panel valuer of the reasonableness of its claim. This approach is not an expression of the just terms Act, but simply a learned behaviour of the acquiring authority and the valuation industry generally. Acquiring authorities will often cite the acquisition rates on a project as a measure of success, but these statistics ignore the experience of landholders of a drawn-out process that is discomfiting and adversarial.

The CHAIR: The Committee has resolved to have free-flowing questions. I will throw to Ms Hurst, who is on videoconference.

The Hon. EMMA HURST: They were three extremely powerful opening statements. I thank you all for having the courage to share that with us today. It was very important for us to hear all of that, so I thank all of you for preparing and being willing to come forward. I have a few questions for Ms Morris. Thank you for all the work you've done for wildlife. I understand that you've sought funding from EnergyCo to assist with the transition of your wildlife sanctuary to a new site. Can you give us an update on where that's up to and whether you've actually been able to secure any additional funding from EnergyCo for that important work?

KATHY MORRIS: Just a bit of background for everyone, I am involved with Hunter Wildlife. The sanctuary that Emma refers to is a soft-release pen that is specced to NSW Parks and Wildlife. It is a 600-square-metre pen, floppy top and a skirt. I take in wallabies from around about the two kilo mark, so little joeys, and I feed them up, fatten them up and release them. This pen was approximately \$30,000 for installation. It was installed by contractors, and Hunter Wildlife is a not-for-profit and it fundraised a whole load of cookies to get this pen installed. EnergyCo has decided that that pen is part of my fixtures and fittings—it cannot be removed. In the same sentence that it said, "It cannot be removed," it also said, "Can't you just roll it up?" Have I received any additional funding? No. It's part of my fixtures and fittings. So I need to either recompense Hunter Wildlife—if I cannot acquire another property that meets the requirements for wildlife care of macropods, well then, yes, I need to recompense Hunter Wildlife, and that's my problem. What is \$30,000 in a billion-plus-dollar project that we all know is going to blow out, if not double?

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The Hon. EMMA HURST: Exactly what you have said has just led me to my next question as well. Clearly the financial support that you're asking for is a drop in the bucket compared to the amount that's actually being spent on the project. Do you think that if the New South Wales Government and EnergyCo were more willing to fund and support local projects and relocations such as your own, that would go a long way in actually building community trust and support for the Hunter Transmission Project?

KATHY MORRIS: One little wallaby pen? Probably not, considering they refuse to answer questions about the clearing that will happen throughout the project. We were always worried about the clearing that's going to happen on our property and the subsequent properties. On our property, there will be a 140-metre wide strip that is going to be bare earthed from north to south on a property that is 500 metres by 500 metres. They are just starting to consider how they are going to deal with the wildlife that are going to be displaced. I really honestly think it'd be lovely if they supported Hunter Wildlife. Will it build trust? No.

The Hon. EMMA HURST: So you're saying they would need to do a lot more than that, that trust has already been broken, and that's one part of the pie but actually there's quite a few different things they need to do to actually build that trust back?

KATHY MORRIS: Completely. Ben, what has been your experience with the koala colonies on your property?

BEN TURNER: Obviously there are ongoing studies, so I can't comment on it, but obviously it's a concern for all of us that the route for the Hunter Transmission Project goes through native forests and plantation forests for around about 50 per cent of its route and the remainder through mining land, as opposed to running the project through the valley floor, which would be through disturbed land. What we're seeing is a much greater impact on biodiversity and species through the route that was chosen through the various State forests and private lands, as opposed to running through the valley floor.

We note that the Hunter Transmission two project, which will be a second interconnector between the old Bayswater site and the substations down in Eraring and Killingworth, will use existing corridors to upgrade. It's somewhat problematic for us as landholders when we can see that there are other options, but due to the timing required to get that new generation out of both the Central West and the New England REZs into the Sydney Basin, this route has been chosen. Particularly for somebody such as Kathy who has put a lot of effort into preserving wildlife and our families which have preserved our properties as native wildlife sanctuaries as well, it's deeply concerning.

The Hon. EMMA HURST: One more question for Ms Morris in regards to the value of the land to wildlife. I think you mentioned in a media article that you felt that that wasn't being given the same recognition by EnergyCo as other types of land that produced for profit. Can you talk a little bit further about that and what needs to change there?

KATHY MORRIS: Absolutely. Our first conversations with EnergyCo, we were asked, "Well, what do you do on your land?" And I'm like, "What do you mean what do I do? I live here." My husband and I have a huge bush regeneration project, cleared the land of lantana. We were the poster child for Local Land Services for the eradication of lantana on a riparian area. So what do we do? We just probably give back to the land. One of my goals is to leave anything that I touch a better place, be it physical place, be it the relationships that I have. So, yes, our land has been valued at a significantly lower value than my neighbours who have 10 cows and have cleared land. There is no value in a block like mine, like Ian's, like Ben's. People don't believe in land for wildlife—not valuable.

The Hon. EMMA HURST: Lastly, and I open this to anyone, if Mr Turner has anything to add in as well. I know that there's obviously a range of different problems that have been identified here, but in regard to protecting wildlife, what needs to be rectified urgently? I know that's a big question.

KATHY MORRIS: It's a huge question. I'll start if that's okay, Ben. There's going to be huge displacement of wildlife. The bare-earthing of properties blows my mind. I have been told, "Not to worry, Kathy, we will only bring down trees that grow to more than four metres." I'm like, "I don't think I have any trees that are less than four metres." Where is all the wildlife going? If I have 500 metres-ish of 140-metre-wide bare-earthed and it continues, where are they going to go? I have no words. I don't know what's happening on other properties. I don't know what's happening with yourself, Ian, Ben. What do you do? Is there any suggestion of wildlife spotters when they bring trees down? Is there any suggestion that they're thinking about the replanting of native bushes and so forth? I have no idea. They won't talk to you. They won't answer questions, and the people on the front line, they might not simply know. I don't know.

The CHAIR: I might start with some questions. I noticed that all of you—or at least Mr Barry and Mr Turner—were sitting in the gallery while EnergyCo was giving evidence and talking about their approach in

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terms of consultation and how they're doing their best et cetera; I'm paraphrasing. Based on your experiences with EnergyCo, do you think that's an honest reflection of the process on the ground?

IAN BARRY: In a word, no.

The CHAIR: Ms Morris, I'm not too sure whether you heard the evidence.

KATHY MORRIS: If that is their effort, I think they need to do better.

BEN TURNER: The public pronouncements are probably not matched up by the lived reality.

The CHAIR: One of the issues that I put to EnergyCo was this issue of illegal access and trespass. Of the three of you, how many of you have experienced issues around illegal access and trespass?

BEN TURNER: Both Mr Barry and myself have had the experience of that. In our case, it was how we actually found out that the project was occurring. It was very disconcerting that that's how we found out. EnergyCo does not issue its contractors sufficient spatial files to put on devices to be able to work out where they are in relation to State lands and property boundaries. In a lot of cases—in fact, in all three properties—there are no fences at the boundaries. They're backing onto forests and things like that. We live in a geospatial world. That shouldn't be a problem for any entity to be able to do that. When we encountered the first EnergyCo people on our property, when I looked at their devices and asked them to bring up the cadastral file so that they could see the lot boundaries, they didn't have that. That has happened twice further from that point, where contractors didn't know where they were in relation to either forest lands or private properties adjoining.

The CHAIR: Mr Albury from EnergyCo tried to characterise these trespass issues as accidental. Given your experience, Mr Turner—I'm not so sure with you, Mr Barry—that the first time you found out about this was when you found them at the back of your property, do you believe the characterisation that it's an accidental trespass?

BEN TURNER: An accident should happen once.

IAN BARRY: In our case, they came on claiming to be undertaking an eco survey. At a certain point, we said we'd already written into our access agreement that they won't trespass via our back door onto a neighbour's property. They said, "That's okay. He already is amenable to the HTP." When we found out that the eco survey was phoney and my wife, Vicky, questioned them, they admitted they were on a mapping survey of our neighbour's property. When I informed him, he certainly wasn't amenable. He phoned in a complaint to Cessnock police. It's not accidental.

The CHAIR: If I'm hearing you correctly, not only are there issues of illegal trespass, but when they come to you, they're being dishonest about the reasons why they are coming to you and making up stories about what they're doing when they're doing something else.

IAN BARRY: I would say yes to that.

The CHAIR: What does that do to the trust in the process? We heard from Dr Parsons earlier about having trust in a process. What does that do to your trust in the process when, from the beginning, they have been dishonest and they've illegally trespassed onto your property?

BEN TURNER: I think the social licence piece has been dealt with quite significantly this morning. What I would say—and I can't speak for Ms Morris and Mr Barry—is that trust is earned. It's very difficult when you're having to have conversations and it's highly emotive. You're being dispossessed of your land of significant value. In two of the cases here today, it's partial acquisition. You're losing value in your remaining land. You're also losing the amenity of your land. It's very difficult to sustain any form of trust or willingness to move forward when you're dealing with a brick wall of, "It was just an accident," but it's happening repeatedly.

The CHAIR: I have probably one final question before I throw to others. Mr Barry, you have got a serious medical condition—motor neurone disease. How has this process impacted not only your mental health but your physical health? I'll throw that same question to the other witnesses. I thought I'd start with Mr Barry given your pre-existing condition.

IAN BARRY: I've been fighting MND for over 10 years. It was fairly slow. In the past year and a half, my neurologist has noted an increase in my decline. He wrote to EnergyCo probably six or eight months ago and said, "I'm concerned about my client." Nothing resulted out of that. Then he wrote to the Minister. I'd been trying to get a meeting with her for six months. Shortly after the second letter to her, I did meet with her. We had a chat. The short answer is the stress, my neurologist believes, hasn't done me all that much good.

The CHAIR: Ms Morris?

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KATHY MORRIS: Stress—what can I say? My husband's doctor has also provided letters and documentation via our solicitor to EnergyCo to outline the level of stress that this whole transmission project is causing. We just don't sleep. What do you say? Stress is horrid. It has definitely shown in our work. We're both self-employed. I've seen the financial impact of the level of stress. I would not have been able to hold down a full-time job.

BEN TURNER: I concur with what has been said. Although we pale in significance with Mr Barry, it's certainly very stressful. Our property is a broader family ownership, so it is a collective thing. It's highly impactful. I'd go further to say that we've had significant challenges with dealing with EnergyCo about issues of design and impact on our property. From the point of September 2023 to now, we're still not through that process. We're still not through the acquisition process. To Kathy's point earlier, one of the things that we were hoping was that there'd be some level of getting through this so that we can all move on. Unfortunately, that has not been the case.

The Hon. AILEEN MacDONALD: Thank you for coming this afternoon. I have just two questions, and they're open to everyone. Could you elaborate on what you believe a genuinely respectful and accessible consultation process should have looked like?

IAN BARRY: In my case, we repeatedly informed EnergyCo and their subcontractors who arrived that I wasn't a well person, and I think in a fair world, they would have taken that into consideration. That was never taken into consideration. Finally, our lawyer—again, we have all had to retain legal defence against bad treatment. Finally, my wife and my lawyer wrote to James Hay. I'm not sure she got a reply to that. They're very reluctant to exercise sensitivity.

KATHY MORRIS: I would just say be honest. We have not had a straight answer from EnergyCo. Why not be honest? This project didn't start in Sep 2023. It started years—two years—before then. Budgets had to be put together. What they call desktop audits of properties that would potentially be acquired would have had to be put together. Why not tell us and be completely honest with what is going on? There are things that are out of our control. We can't say, "No, we want to move the transmission line a kilometre east or west." But if you're going to do it, be honest and be sympathetic to us and realise that this is our home. This is not anything but my home, and I don't understand why we just haven't had that honesty.

BEN TURNER: It is a very challenging space, so I'm not trying to suggest that there's a panacea for this issue. I think those impacts are always going to be keenly felt. I think early engagement is probably the bigger one, if I was to name one thing that would have changed our experience, and then the speed of which that negotiation occurred. I touched on the theme of acquisition because I think a common theme right across acquisitions throughout New South Wales is that government authorities acquiring do take an adversarial approach. They like to say that it's the just terms Act. I beg to differ. It's more around precedence in the way they behave. The just terms Act doesn't say anything about being adversarial. I think that would probably be the two key elements that I would point out. Just engage early. I've seen it in other industry sectors where that early engagement of a significant project—still the same outcomes in terms of impacts on people, but that has a different result to the way that people perceive that project. Then, yes, the just terms Act—I can speak personally that I've just found it quite stressful.

The Hon. AILEEN MacDONALD: What do you believe this inquiry needs to understand most urgently about the current engagement and consultation practice? What should the Government do now?

BEN TURNER: Mr Albury made some comments a couple of months ago in the media that EnergyCo had made some changes in terms of making specific appointments to address issues and using a different language. I'll be blunt: That's lipstick on a pig. I think it's about being genuine about the engagement—from acquiring authorities with landholders. I think that's what I'd like to put across to the Committee. The acquiring authorities, whether that be EnergyCo or Transgrid or the various other acquiring authorities around, need to be genuine in their engagement with people.

KATHY MORRIS: Hear, hear!

IAN BARRY: Also, we have found with a few of their subcontractors that they appeared to have a natural inclination towards a bullying approach. I think that may come out of a knowledge that they're empowered by legislation that we can't defend ourselves against, which is fine. Mining and security and defence all have that power. But it shouldn't have an attitudinal change in the people who convey it.

The Hon. SARAH MITCHELL: Thank you all for coming and being so honest about your personal experiences. I think it's very valuable for the Committee to hear what you've been through, as negative as the process has been for all of you. In line with what my colleague was saying—Ms Morris, you talked about the inconsistency amongst what you're hearing from EnergyCo and neighbours are hearing different things. Mr Turner, I think you said you found out about it because a neighbour had started engagement with projects.

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BEN TURNER: No, we literally found out when we found somebody trespassing on our property.

The Hon. SARAH MITCHELL: Okay. This is a big issue and a big thing to grapple with. How could there be better consistency, noting your points around just being honest and up-front? Are there any lessons specifically around that consistent information going out to everybody, from your experiences, that should be taken moving forward, by EnergyCo or other operators who are in this space?

BEN TURNER: I think I can speak collectively here. We think there's been very much an individualist approach taken to divide people, to ensure that we don't collectivise and have a group view. From my experience in talking to people in the Central-West REZ, who have been affected by acquisitions, that was their experience as well.

The Hon. SARAH MITCHELL: So divide and conquer as opposed to—

BEN TURNER: The Hunter transmission project affects only about between 20 and 25 private landholders, so we're a very small group. Effectively, here today you've got 15 per cent of that. It's an interesting one and very different from the impacts of the Central-West REZ.

The Hon. SARAH MITCHELL: Again, if any of you are not comfortable with answering this question, that's fine. I just want to ask about the personal cost beyond, obviously, health considerations and mental health. Mr Barry and Ms Morris, I think you've both talked about engaging legal experts to help you with it. Is there any ballpark that you're happy to share with the Committee in terms of what you think this is costing you as a community or individuals in terms of legal costs? If you don't want to, that's fine, but I'm trying to understand the scale of that personal financial cost to you as well to defend your rights.

KATHY MORRIS: That's actually really interesting. As part of the just terms compensation Act, your legal fees are paid for by the Government. There are valuation fees, so you engage a valuer. They have their valuer and we're supposed to negotiate on that. Those two costs are taken care of by the Government. Now we've moved to a different solicitor because we're now in a conveyancing situation. Those two costs were in the vicinity of \$50k and we were very lucky to have a solicitor that did not require a retainer, so we did not outlay. That was appreciative, which I think is different for other parties, and that's the legal cost. The just terms compensation Act also provides for relocation costs and stamp duty, and so forth.

An interesting point is rural properties of more than two hectares, when you sell, even though it's your residential, have a capital gains tax. We have requested taxation advice and that would be part of a compensation package. We were told, "No, that's not part of the just terms compensation Act", so we would have to seek our own. We did finally settle on a figure of \$2,000. At the meeting that this was raised, there was my solicitor, my valuer, Clayton Utz, their valuer, two EC representatives, and Peter and I. We had a one-and-a-half, two-hour conversation.

In that time, I got so sick and tired of quibbling over \$2,000 that I pointed out that "This whole meeting is costing a stack more than \$2,000. Both Peter and I are self-employed and we're not in a scalable industry. If I am not working, I'm not making money, but everyone else in this room is making money." I just cannot get over how miserly EC is. I'm not talking about specifically my compensation. I've spoken to a whole lot of different landholders for a whole lot of different purposes and, wow, I am blown away by the way they run roughshod over everyone because they can. My mind is blowing up.

The Hon. SARAH MITCHELL: Is there anything you haven't told us that you want to? We've still got you for a few more minutes. We may as well utilise the time because there might be something else you want to put on record.

BEN TURNER: There was a comment from the Net Zero Commissioner about speeding up the transition. The great concern there is that anyone who has worked commercially knows it's a basic project management triangle; when you speed things up, it costs more. Inherently, that cost is then pushed back to the taxpayers. I guess, to an earlier point that I made around the process, we seem to be doing things—you know, we're experiencing problems and we're writing new frameworks. Now we want to accelerate this transition, and that will cost us more. That's a great concern that I think the public has been largely not alerted to. If we want to accelerate the transition to renewables—and I don't have a problem with renewables; I believe in the transition, it's just the way we're going about it. To further that, AEMO in the ISP pointed out vertical stacking of projects as a key risk for cost. That's something that's just not being addressed as these projects are coming through. We've already seen projects that have had significant cost blowouts, and it's somewhat concerning that there's not a great deal of focus on that piece.

The CHAIR: Ms Morris, is there anything else you'd like to add?

KATHY MORRIS: We haven't got enough time.

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The CHAIR: Fair enough. Mr Barry, is there anything you'd like to say in the last five minutes that we haven't covered?

IAN BARRY: I would agree with Ben that a lot of the charting of the corridor in the HTP appears to have been theoretical. I think now we're beginning to see that that rush to get that line drawn has to be addressed in practical terms. The other thing I would say is I'm not sure how their personnel department works, but they need a higher calibre of subcontractors because our experience has been they have no people skills.

The CHAIR: Thank you all for your time and for your very open and honest testimony. It's really greatly valued by this Committee. I don't believe you took any questions on notice, but the Committee secretariat will be in touch if you have, and will also be in touch if we have any supplementary questions for you. Once again, thank you very much for your time.

(The witnesses withdrew.)

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Mr DAVID REYNOLDS, Chief Executive, Local Government NSW, before the Committee via videoconference, sworn and examined

Councillor CLAIRE PONTIN, Acting President, Local Government NSW, before the Committee via videoconference, affirmed and examined

The CHAIR: Would either of you like to make a short opening statement?

CLAIRE PONTIN: Yes, I'll do that. Thank you, Chair and Committee members, for the opportunity to appear before this inquiry today. My name is Claire Ponton. I'm the acting president of Local Government NSW, the peak body representing New South Wales general purpose councils and related local government entities. I'm also the mayor of MidCoast Council, but I'm here today representing LGNSW. LGNSW welcomes this inquiry into the impact of renewable energy zones on our rural and regional communities and industries in New South Wales.

New South Wales is in the grip of a renewable energy boom, with nearly 200 projects progressing through the planning system. The scale and pace of development presents both opportunities and challenges. As detailed in our submission, the cumulative impact of this rapid development is significantly affecting the local labour market, housing, infrastructure, water, essential services, emergency response, and transport routes. At the same time, councils recognise that there are opportunities for their communities, such as economic diversification, investment and the creation of highly skilled and well-paid jobs. Local government must be a key partner in the rollout of this renewable energy scheme. Councils are well placed to understand their community's needs and the local opportunities and challenges this transition presents. Partnering with local government is also key in building the social licence for renewable energy projects.

The Committee will recognise from the breadth of local government submissions to this inquiry that councils have been preparing for, and grappling with, the rapid rollout of renewable projects for some years. They have been proactively seeking to secure good outcomes for their communities while navigating the challenges the new development brings. They are also contending with limited resources, having received inadequate funding and support to respond to these additional demands. Our submission reflects the themes we've been hearing from councils in recent years, which consistently call for assessment of cumulative impacts on local infrastructure and essential services, better strategic planning, fair compensation, and sufficient funding and support.

As a final note, I would add that these issues are not limited to the local government areas within the REZ boundaries. Councils outside the official REZ areas are also seeing the effects. Our recommendations apply to all projects, whether they are located in a REZ or not. I thank the Committee for considering our submission and recommendations and those of the local government sector. We look forward to answering your questions.

The CHAIR: The Committee has resolved to have free-flow questions, so the questions will come from anywhere, including members on videoconference as well.

The Hon. SARAH MITCHELL: Thank you both for appearing today, for your very extensive submission and the list of recommendations in particular. Someone has put a lot of work into that, so I wanted to acknowledge that at the beginning. I'm going to ask about a couple of the recommendations that you've made. I want to start with the issue relating to fly-in fly-out or drive-in drive-out workers, particularly the impact that can have when people are using the resources of council but not paying the rates. We heard from some of the EnergyCo representatives this morning, who said that some of the councils in the Central West have preferred the idea of having village-type pod housing and things to not put too much of an impact on local housing markets. I guess that in and of itself encourages more of a fly-in fly-out workforce. How do we balance what an individual council might be asking for versus that broader concept of trying to have local employment where possible? Is that something your councils' members talk about and debate the merits of?

DAVID REYNOLDS: Obviously, when we're looking at policy application, we're talking about an overarching principle, but the application in particular areas may vary from council to council. There are probably a couple of factors that I'd be conscious of, and there are some examples there. I think Dubbo council, for example, has done some good work, and it's included in our submission of mayors, around some legacy housing—so working with providers of legacy housing. One of the challenges around fly-in fly-out or drive-in drive-out, employment cohorts is the possibility of building good community around them rather than just having them as short-term guests or short-term consumers of services in councils.

These projects are catalysts for councils to add to housing stock, to add to communities, and to reset provisions for service areas in the rural and regional areas, which might need some of that economic impetus to do that. Having stable and perhaps longer term communities no doubt helps with those outcomes. But, equally, we understand that they can be used as triggers to generate housing. The types of workforces that are required,

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certainly for the construction and installation of these projects are not the same types of workforces that are required for the ultimate ongoing maintenance and use of these sites. There are probably a couple of things. Overall, we would love to see stronger communities to build stronger resources and to build stronger fabric, but we accept that there are benefits that can be achieved through good planning and good agreements being put in place with councils around legacy outcomes, such as the housing example from Dubbo.

The Hon. SARAH MITCHELL: As someone who lives in a regional area, I certainly advocate for permanent housing that then can have future community use. I think that's a good starting point, but I guess you've got to take into account that local consideration as well. I want to ask about decommissioning. You make a recommendation—I think it's number 50—about having solar and wind decommissioning calculators as part of the development assessment process as well. Could you elaborate on that a little bit more in terms of where you think that gap is and how they could be used to better inform that assessment process—what the decommissioning might look like?

DAVID REYNOLDS: Really what we want to do is make sure that current approvals and current consent conditions are making allowances for good management of sites and good restitution of sites at the end of the life of these projects. Some of them will have limited lifespans, and they will vary in time. But we want to make we're using the best information available to recover these sites. You've heard from other speakers today around conflicts in land use and issues of environmental recovery, or the recovery of agricultural land. We just want to make sure that there are good processes that are thought about up-front so that the conditions can be drafted and applied correctly up-front.

Also that those costings can be properly factored into the overall life of the project, so that on an afterthought later, when someone says, "Hang on, we've got to do a bit of cleanup here. We've got to do a bit of replanting. How are we going to do that?" it's all thought at the front. The community can then have increased levels of confidence with the council about what will be left behind. Things like roads can be repaired and land can be replanted. Those sorts of things can happen, but they can happen in a managed and planned way, as opposed to whatever is left behind being used to do that, if I can put it in those terms.

The Hon. AILEEN MacDONALD: You were talking about a land rebate for neighbours and you pointed to Muswellbrook Shire Council. Can you go a little bit more into how this would work? Can it be implemented under existing regulations?

DAVID REYNOLDS: Thank you, Mrs MacDonald, for the question. I might take some of the technical issues out of that about whether it can be implemented under the existing regulations on notice. What we're really trying to do there is acknowledge that the impacts of some of these projects are so large that we want to take proper account of their impact on the surrounding community and neighbours, so we would like to like to think further about ways of doing that. As I talk, I'm trying to find a Muswellbrook example in our submission. I just can't put my finger on it, so I'm happy to return to that later if we've got some spare time. Perhaps there's another question you had.

The Hon. AILEEN MacDONALD: The position is that the New South Wales Government should provide funding to councils to engage with renewable energy proponents in the first instance to develop appropriate community consultation plans. Could you go into detail again about how this would work and why it would be an improvement on current practice?

DAVID REYNOLDS: Yes. Claire, I'm happy to take that one as well, if you're happy with that.

CLAIRE PONTIN: Yes, David. You're doing well.

DAVID REYNOLDS: I'm sure others will judge that. Mr Chair, through you to the Committee, I think really we'd reinforce, firstly, some simple principles around community engagement. Transparency and genuine and efficient engagement are key to developing a social licence, and that builds trust and can deliver better outcomes for communities and councils but also, hopefully, for proponents who are key parts of the system. What we are hearing, and I think what you've heard from other speakers today—and I certainly don't have their direct experience—is that the engagement is at times inconsistent and fragmented. So, again, that consistency of good and high standards of engagement, we would seek. In the opening statement, you heard us refer to more than 200 projects, which is a very large number, and so I think there's an overwhelming characteristic about lots of things happening, and it seems to be happening all at once there. That can sometimes swamp good engagement.

We would recommend that the New South Wales Government takes the lead in coordinating and consolidating that engagement, and we think that would be helpful. Councils such as Hay, for example, have developed that concept of fundamental principles for successful renewable energy development. It's trying to lead the debate in its community about what good engagement looks like and what some of those principles might be like. That's a good example of a council trying to act there. But really that's about a partnership, a partnership

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between the developers, the council and the community having good conversations early. When I say early, we do have a view that engagement should really start back at site selection discussions, as opposed to further down the line, about "Well, we've chosen our sites and we've sort of decided what we're going to do. Now we're going to talk to you about implementation." We think there are good opportunities for discussion further back down the spectrum when it actually comes to site selection, because we think that coordinated approach could be strengthened in that way.

The Hon. AILEEN MacDONALD: Just on that, what role do you think councils should play in identifying where sites are but also identifying inappropriate sites for REZ development?

DAVID REYNOLDS: I think, to come to that question, councils have incredibly good on-the-ground knowledge about their native communities, be it in terms of vegetation, so flora and fauna, and protected communities there. They also have on-the-ground knowledge around which parts of their shires flood or which parts of their shires are essential for certain agricultural outcomes. I think if they're not in that conversation, there's a depth and a strength to that conversation that just can't be as strong as it needs to be. They are, of course, only one of the voices, but we think that a good depth of practice on good strategic planning leads for enough time and consideration to be given to that range of inputs, and so we think that would be an improvement in the process.

The Hon. AILEEN MacDONALD: Currently in your consultation with, say, regional councils, how do you believe they're coping with, say, additional workload caused by renewable energy and transmission projects? Do you believe that they need more support in dealing with this?

DAVID REYNOLDS: I'll comment generally. I won't name particular councils, but I think that some of the larger councils that might be based around regional centres probably have the capacity and the staffing resources to deal with the level of applications that are coming for comment and the technical expertise needed to comment on them. But some of the smaller councils, which simply don't have as many staff and aren't able to call on them resource-wise, are very clearly struggling. One of the factors for councils is that, because council is not operating as a planning authority and is not the approving entity, it's not charging a fee in the way that it normally would to deal with either a rezoning proposal or a development application which comes to it for consideration for consent.

The council process is whether it's engaged through community engagement or whether it's asked to comment on a technical environmental impact statement; that work is not funded, and so that work is being covered by the rate base of the council. As I said, those ones with a larger scale are better able to cover that, as opposed to the councils with smaller rate bases. Something that we've been advocating for is some compensation or some funding to come to council to actually help with this technical work, which would in turn provide a better product and hopefully deeper engagement with community too at the end of the day.

The Hon. AILEEN MacDONALD: I'll move to training. In your opinion, what training initiatives are most urgently needed to meet renewable energy zone labour demand?

DAVID REYNOLDS: There are a couple of issues there. Clearly, nationally there's a skill shortage. We've seen a focus at the Federal level on apprenticeships, and we've seen, I have to say, some incredible funding at the State level, which will be a generational game changer, of \$252 million for trainees, apprentices and cadets. That needs to help with this equation, but clearly some of the skills required are not there in sufficient volume, and so that's one of the pieces of logic behind needing to be able to prioritise the projects so that labour can be directed to where it's needed to go. You're looking at trades, you're looking at electricians, you're looking at metal machinists and you're looking at a whole number of construction skills and trades that are going to be in short supply that we will need to catch and kill our own, to use an expression, in terms of getting school leavers or getting people who are changing careers and training them properly.

Of course, that makes for better local economies if you can do that. If you can upskill people, have them earn salaries or wages in communities and stay in those communities and spend where they're living, that's a great regional economic outcome for any community and really goes to the depth and the strength of the overall benefit of the projects. To give you an example, Dubbo council is working with providers in its area about a renewable energy awareness and career training centre. That's funded by an EnergyCo grant and will support up to 200 apprenticeships and 200 industry and specialist accreditations per year. There are councils that are very much on the front foot trying to do good work in this space, but clearly it's a long-term challenge.

The Hon. AILEEN MacDONALD: How do you think councils can better track and plan for project workforce needs?

DAVID REYNOLDS: Firstly, if I can say this carefully and respectfully, it's probably not the responsibility of councils to track and plan for workforces, but I would argue they're very much needing to be a part of the conversation about how you attract those workforces to communities and how you provide local

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economies that are appealing for people to make a decision to come and live and work in that particular area, and, of course, those things again go to the overall fabric of the council's outcome. One of the great possibilities is that people work hard and do the initial setup for these projects but then decide to stay in those communities. They start to raise families, they start to play local sport or they contribute to the local school or the local church or volunteer organisations, but then when that, I suppose, critical mass of construction in the first few years finishes, they actually decide to stay and continue their life there and keep contributing to that community.

The Hon. AILEEN MacDONALD: And you mentioned local, so how can councils be involved in encouraging employment of local human resources as part of the REZ scheme's projects?

DAVID REYNOLDS: I think councils are certainly able to be part of that local conversation around what their workforce looks like, around what their demographics are and around helping to map careers for people into these kinds of sectors. In local government, for example, we run a service called Careers at Council, which does job advertisements but also talks to people about the sorts of careers and jobs you can have over a lifetime in the local government sector. Having that kind of understanding and that kind of framework very much puts councils in a good position to have these conversations. If you're doing proper workforce planning, as councils do under our IP&R framework, you're looking at your local employment environment and you're looking at what the demand for labour is, you're looking at the supply, and you're assessing the gaps in the middle and coming up with strategies to fix them. Councils are well placed to do that.

The Hon. EMMA HURST: Thanks for your time today. What is one of the key changes that you'd like to see the New South Wales Government make to really better support the local governments that are being affected by the transitions? Are there a few top issues that are being asked from councils?

DAVID REYNOLDS: Claire, I'll dive into that one as well. There are four key points that I'd emphasise, and we picked up on them in our opening address: improvements to strategic planning and coordination across all renewable energy projects; changes to the benefit-sharing guidelines; greater support and resourcing of councils in recognition of their role and impact in their local areas; and better and more meaningful communication and consultation with councils, and particularly their communities. I've summarised those down. There's a lot more to be said about each one. If you're after our top three or four, they would very much be it.

The Hon. EMMA HURST: Thank you for re-emphasising those. That's really useful. You raised some concerns on page 17 of your submission that the department of planning guidelines about wind and solar construction contain some important biodiversity protections but don't specifically address the need for wildlife corridors. This seems like quite a big oversight. Do you agree that consideration for wildlife corridors should be made mandatory through that planning process surrounding these REZ projects to be able to ensure that while this planning process is underway, it is a front-of-mind consideration?

DAVID REYNOLDS: Certainly. As you picked up from our submission, we referenced the department's planning guidelines there. We think that greater attention should be paid to that aspect. Whether we're in a position to say one particular solution or another, I'm happy to respond further on it by way of taking it on notice. What we're acknowledging is that they shouldn't be secondary considerations; they should be front of mind, as you suggest, when these things are being planned and approved.

To come back to my earlier point, we shouldn't be deciding things on the run or during the life of projects towards their end; we should be planning and trying to deliver these things in a coordinated way early. For example, recommendation 18 from our submission goes to the Government placing additional emphasis on improving local biodiversity outcomes. There's a lot more text there but, because of our time, I won't read through those. Recommendation 19 is that the New South Wales Government encourage developers to follow best practice international guidelines for mitigating biodiversity impacts. We're certainly conscious of those issues. We're trying to bring them to the fore in that part of our submission with some recommendations there.

The Hon. EMMA HURST: I appreciate that. I also noticed that the submission suggests that renewable energy projects should be focused on rehabilitated mine land or mining-owned buffer land to lessen the impacts of those environmental impacts. Are you aware of any work that's actually been done to focus renewable projects on this type of land?

DAVID REYNOLDS: That was certainly some of the feedback that came from councils. I'm happy to take on notice particular sites and provide those to you if we have them.

The Hon. EMMA HURST: And if those councils have any particular sites that they think would be good to recommend to the Government for such projects, particularly given some of the other issues with sites that we've heard about before, that would be extremely useful.

DAVID REYNOLDS: Certainly.

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The CHAIR: I might ask a few questions before I throw to other Committee members. In your submission, you objected to the benefit-sharing cap of \$850 or \$1,050 per megawatt. Do you believe that setting a minimum instead of a cap would deliver a better result? Do you think that should be indexed to the local impact, not just a flat megawatt figure?

DAVID REYNOLDS: There are a couple of parts to that question. I'll try to deal with them all for you. We think it's not as helpful as it could be to set those benefit-sharing amounts as maximums. We think they need to be increased or they need to become minimums so that the councils have more flexibility there. We would particularly address the rates applicable for the battery energy storage systems. We think that 150 is simply too low there. Of course, we would have a view about the compensation or the amounts for the transmission corridors as well. Over time, what we've seen in other contributions-based systems where rates are not indexed, they simply fall behind. In some markets, they fall behind very quickly. Absolutely that should take indexation into account, whether that is indexation that's written into the guideline in advance or whether that's the publication of appropriately sourced indexes periodically. We'd be happy to be part of further discussions on that. They should not stay as flat and fixed rates, and we would like to see them higher.

The CHAIR: Given what we've heard today about the cumulative impact and what we're hearing about what's happening in the Central-West Orana REZ, where we're having all of these additional projects come forward that were unrealised when the original proposal for the Central-West Orana REZ was first touted, do you think it should be indexed against a cumulative impact across the community?

DAVID REYNOLDS: I think the short answer is that there's not enough assessment or understanding of cumulative impact. If that was deepened and broadened, that would lead to an interesting discussion around whether those rates should increase in line with those local impacts there. The other thing we would argue for is that a greater proportion of those benefits should come back to the councils to administer on behalf of their communities, because the councils have good systems in place. There's good oversight. There's auditing and oversight controls to make sure they go to the purpose for which they're collected, as opposed to some other utility at the time. We'd argue for a bit of better council control too. It probably goes to a deeper understanding of that point you're making around the local impact and how that can be offset through these contributions.

The CHAIR: You've raised something that others haven't raised, and that's the end-of-life waste planning, which obviously has a significant impact on local councils. Do you think proponents or developers should be required to hold some level of agreement or contract with recycling facilities before they get construction approval so that there's a clear path for how the decommissioning will occur?

DAVID REYNOLDS: It's a positive obligation on those who establish these sites and run them to look after the end of life. If it's a contractual situation, I would suggest that that contract have enough flexibility to take account of new recycling methodologies or new improvement methodologies that might come to life over the life of these projects, which might be 10, 15 or 20-plus years. Whether it's a bonded arrangement, whether it's a conditioned arrangement or whether it's a contractual arrangement, there should be some arrangement that locks it in.

The CHAIR: One of the other things you raised are concerns around inadequate firefighting resources. You support the creation of a dedicated REZ firefighting and response team. How do you envisage that working? Do you see it as an expansion of the volunteer rescue service's role, which has various branches across our regions, or is it a standalone, dedicated team for that?

DAVID REYNOLDS: Our submission would be that there's a special level of expertise that would need to be potentially applied. That's probably best retained within the State agency. I'd suggest further discussion and engagement on that would be helpful with those relevant emergency authorities. If I'm thinking of the types of sites that we're potentially talking about—whether it's large solar farms or whether it's wind turbines—I'm not sure that volunteer agencies would have either the equipment or the expertise to respond safely to the range of incidents that they could be called to.

The CHAIR: My final question goes to that social cohesion factor that we've heard about in previous testimonies throughout the day. A lot of the angst related to social cohesion is to do with private landholder agreements and the fact that there's a lot of secrecy and lack of transparency around that. What would you suggest would be a recommendation around easing that angst around social cohesion and that secrecy around private landholder agreements?

DAVID REYNOLDS: I think in a couple of parts—one, you've heard us this afternoon already argue for increased transparency and consistency of engagement right from the outset. I think that would start to help trust in these discussions and these arrangements. Secondly, I think you've heard us argue for greater commitment to the councils as managers and receivers of the contributions that are payable under the

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benefit-sharing guideline. I think, putting those two things together, it probably reduces the opportunity for community conflict around benefits that might be seen to be flowing confidentially to some parties and not others. I think that would help. Of course, there are potential commercial factors that might be private to some parties, but, really, this is government work. It's for the benefit of the State. With good engagement and good discussions, I think we can bring some sunlight to bear on those things.

The CHAIR: Thank you both very much for your testimony. That brings us right to the end of your time with us. I believe you took some questions on notice. The secretariat will be in touch regarding them and any supplementary questions we may have. Thank you very much for your time today.

(The witnesses withdrew.)

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Ms LU ALLAN, Advocacy Director, RE-Alliance, affirmed and examined

Ms EVE ALTMAN, Clean Energy Campaigner, Nature Conservation Council of NSW, affirmed and examined

Dr BRAD SMITH, Policy and Advocacy Director, Nature Conservation Council of NSW, affirmed and examined

Ms MARILYNE CRESTIAS, Head of Policy and Advocacy, Clean Energy Investor Group, affirmed and examined

The CHAIR: We welcome our next witnesses. Would any of you like to make a short opening statement?

LU ALLAN: Good afternoon, and thank you for the opportunity to speak to this inquiry. I'd like to acknowledge the Gadigal people of the Eora nation, as well as the traditional owners of country on which all renewable energy is being developed across New South Wales. RE-Alliance is a not-for-profit working to secure a shift to renewables that delivers long-term benefits and prosperity for rural and regional Australia. My job as an advocacy director is to advocate for renewable energy development that makes regional Australia stronger than it was before. The New South Wales REZ framework, which was the first of its kind in Australia, gave the New South Wales Government the levers it needed to plan transmission and incentivise best-practice renewables, rather than the "first in, best dressed" approach under the NEM rules. The REZ framework has strengths. However, as it has been rolled out, a number of challenges relating to the ability of rural and regional communities to plan for their future have emerged.

First, EnergyCo has a narrow remit to deliver transmission lines, and it does little to support regions to understand, prepare for and maximise the potential long-term benefits of renewable energy projects. EnergyCo should be expanded to play this role. Secondly, regions do not know which projects are going ahead for an extended period of time, hindering their ability to make meaningful plans. For example, the declaration of the Central-West Orana Renewable Energy Zone saw over three times more renewable energy projects than could fit into the grid. They were competing with each other for access to the grid. This competition is completely unclear to landholders, communities and often local government.

Finally, after four years of that region being thoroughly over-consulted by far more projects than could proceed, AEMO Services granted access just last week for 10 of those projects to connect. Regional leaders want to plan for their future. They can't do this until they know which projects will proceed. The REZ framework needs to be able to provide regions with clarity about how many and which projects are likely to proceed much earlier in the process. The third challenge is that allocation of access fee funding to local government creates a few haves and have-nots between and within REZs. This funding structure does not account for the immense amount of planning and engagement councils need to do in the years prior to access rights being granted or to cover councils experiencing renewables development outside of REZs. I'll quickly highlight some additional areas of attention.

Benefit sharing—New South Wales has a good benefit-sharing framework. However, the mechanisms could be more flexible, more transparent, involve greater local decision-making and ensure that there's not a conflation with impact mitigation. This could be improved across the current framework. First Nations justice—New South Wales could strengthen First Nations economic participation and consent arrangements by aligning their policy and planning frameworks with the Commonwealth's First Nations Clean Energy Strategy. For transmission payments, progress has been made in increasing landholder payments for transmission in New South Wales, but neighbour payments and community benefit programs by transmission developers require further guidance.

Agriculture—renewables are compatible with agricultural practices. However, we need further research and incentives that guide industry to work closely with farmers and graziers to work co-location into project design. Decommissioning: Although new planning frameworks address decommissioning obligations and financial assurances, gaps remain for existing projects. There are opportunities for improvements through policy and planning requirements to reduce and better prepare for risks at a project level.

A final note to say that RE-Alliance, with the Community Power Agency and Yes 2 Renewables, are calling for the Federal Government to support rural and regional communities with all aspects of the shift to renewable energy through local energy hubs and local outreach centres to help households lower their energy bills, businesses and farms access loans and subsidies, and also answer questions. This includes helping regions understand the complexities of things like renewable energy zones and how they can participate in local planning. We encourage New South Wales to support this initiative by working with the Energy and Climate Change Ministerial Council on how this can be done in partnerships with States. We appreciate the opportunity to speak, and I'm happy to talk to these and any other issues.

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The CHAIR: Thank you, Ms Allan. Ms Altman or Dr Smith, who would like to make a statement?

BRAD SMITH: I'll start and briefly pass to Eve. We represent the Nature Conservation Council, which is the peak body for nature in New South Wales. We represent around 200 member groups across the State. We're very grateful that the Committee is doing this important work, and NCC staff and our member groups have also been engaged in this issue because it's a very vital and timely challenge for New South Wales. We've got three clear messages for the Committee. The first is that nature in New South Wales needs a timely rollout of renewable energy. That's because climate change is one of the biggest threats to nature, alongside habitat loss and invasive species. An example is the Pilliga forest, which was once a koala stronghold, but droughts and heatwaves have caused populations to crash by 75 per cent in that forest. We all know that billions of animals died in the 2019 and 2020 bushfires. We also know that fire seasons will become more intense until we cease mining and burning coal and gas, and replace those fuels with clean energy sources.

The second message is that well located and constructed wind and solar farms can have very manageable impacts on nature. That's because these projects are mostly on already cleared land. Disinformation about the nature impacts only causes harm, anxiety and division in communities and makes it harder for people to work together to achieve a rollout that delivers on the aspirations of regional New South Wales. Our third message is that we can and must do better for nature. As Ken Henry's review of the New South Wales biodiversity laws found, all development must move to a nature positive framework. Achieving net benefits for nature is not yet in regulations or guidelines, and it should be. The renewable energy transition is a once-in-a-generation opportunity to restore some of our degraded ecosystems and move endangered species like the gang-gang cockatoos, not towards extinction but back towards abundance in regional New South Wales.

EVE ALTMAN: We have run in-person and online workshops in renewable energy zones to make sure that local conservation groups can share the challenges, ideas and successes around renewable energy development. As you can see from our submission, our members inside and outside of REZs want to see transition to renewable energy to fight climate change and protect nature. They want to take advantage of this transition and achieve the best outcomes for nature and their communities in regional New South Wales. Three key themes of improvements desired by our members in renewable energy zones are clear.

First of all, they want better planning regulation and project siting of renewable energy; second, nature restoration and protection to be more prioritised in the process; and third, stronger community consultation and benefits. One urgent task is to work with these communities to identify regional conservation priorities for each REZ. This would help developers, councils, community groups and planning authorities to deliver net benefits for nature. There are many examples of actions developers can take, like revegetating creek lines or restoring woodlands, to bring nature back. We'd be happy to expand on any of these points for the Committee.

MARILYNE CRESTIAS: Thank you for the opportunity for the Clean Energy Investor Group, or CEIG, to participate in this inquiry. The bulk of coal-fired power plants are scheduled to retire by 2035. About 90 per cent of those plants across the eastern seaboard of Australia are expected to close within 10 years—by 2035—and the entire fleet within 15 years. So it's really critical that we replace this large generation capacity to ensure that consumers—that is, households, businesses and industry—still continue to have access to the reliable power that they expect. The market operator, or AEMO, in its 2024 ISP, integrated system plan, tells us that we need \$142 billion of investment in generation, storage and transmission between now and 2050 to replace that generation capacity. That planning that AEMO has done is based on the least cost pathway to enable that transition.

According to the ISP, the bulk of that investment will be in renewable energy zones, so REZs, and that's really to focus on the areas that have got quality renewable resources, that have got access to as much existing transmission as possible, and a skilled workforce. The development of REZs represents a really strong opportunity for regional New South Wales, particularly around job creation, economic growth, regional development, local benefits, as well as access to reliable and secure sources of energy for New South Wales consumers. But that transition and the development of REZs must be delivered well, and that must include robust community engagement processes that start early and that are broad, and appropriate compensation for landholders and neighbours through community benefit-sharing agreements that are fair for all parties. That's for the communities but also for the developers who contribute to some of these funds. We very much look forward to answering your questions and participating in the inquiry.

The Hon. EMMA HURST: Thank you to all the groups for coming and thank you for all the amazing work that you do. I have a quick question for the Nature Conservation Council. In your submission you said that one of the best ways to ensure that animals and the environment are protected during REZ projects is to ensure we have robust nature protection laws. Would you like to see the Government really urgently reform and

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strengthen the Biodiversity Conservation Act? I know we've seen one small tranche, but what sorts of changes in that Biodiversity Conservation Act do we need to see urgently while so much of this development is happening?

BRAD SMITH: I might start on that one. It's a great question. We do have a few clear recommendations in that direction. I think we do need changes to the Biodiversity Conservation Act, but there are also other things that can be done in the interim. Like I said in the opening remarks, we need all developments to move to a nature positive framework. That means identifying how they're going to have net benefits for nature and animals. We'd like to see those types of activities encouraged by the Government in things like the merit criteria for tenders and access agreements in the renewable energy planning guidelines and in model agreements that the Government includes in some of those tender processes.

Those are some things that can be done immediately. Some of the examples that we'd like to see government put forward in terms of ways that developers can achieve net benefits for nature are things like revegetating degraded waterways; improving soil productivity by reseeded native vegetation under solar panels, for example; investing in management of pests and weeds on sites; capping bores; and establishing wildlife corridors. There is a long list of things that developers can do to achieve net benefits for nature. I was just going to come back to the law changes. We'd like, of course, to see improvements to the laws as well. We want to see the impacts on nature improved for renewable energy projects, of course, but also for all developments, which is why going through the Act is important.

I think there's a really huge opportunity for restoration. At the moment our laws have an offset scheme where, if you knock down trees in one place, you protect some trees in the other place, but you still end up having had a net loss. Some trees have been knocked down or some habitat has been destroyed. The Central-West Orana is a good example because it's progressing at the moment. Box-gum woodland is a critically endangered ecosystem which is prevalent in the Central-West Orana REZ. There are small patches of that ecosystem in a lot of places where people would like to build solar farms or wind farms, but there are also millions of hectares of degraded ecosystems of box-gum woodland in the area. One of the reforms we'd like to see to the Biodiversity Conservation Act is to actually incentivise that restoration so that, like I said, these endangered ecosystems and wildlife can thrive.

The Hon. EMMA HURST: I have just one other quick question. I will have some other questions that I'll put to the groups on notice. Just in regard to the wildlife corridors, I asked a question this morning to the planning department and implied that that's really something for the Act and something for the environmental department. However, we have had a lot of submissions and we've had other groups suggesting that it should be part of that whole planning process so that it's dealt with in those early stages. Is that your opinion as well? Would you like to see the Government urgently act on those wildlife corridors within that planning process?

BRAD SMITH: I think, like so much of the development of renewable energy infrastructure, the sooner the better. It's a really strong impetus to develop regional conservation priorities for each REZ. If those priorities are identified, it means that developers can take them into account when they're choosing where to site their projects, which is when you can have the biggest nature impacts, reducing community impacts and so on by choosing the right site. But to choose that right site you have to know what those regional conservation priorities are, and so you have to identify where are places that would make good wildlife corridors. We strongly think that those regional conservation priorities should be identified. We think local community groups should be involved in identifying those priorities because they know their local area.

Ms ABIGAIL BOYD: Thank you to all of you for appearing and for all the work you do in this space. One of the things that we've heard a lot about is, obviously, the need to bring the community on board whenever we're doing these developments and as we transition to more and more renewable energy. I note that there has been mention in the submissions of this idea of the local energy hubs. Perhaps I'll start with you, Ms Allan. Could you just explain what is the purpose of the hubs? I am also interested to know if there is any progress at a Federal level on those, and what the State's role would be in encouraging those?

LU ALLAN: The role of local energy hubs would be, from the community's perspective, to bring together all of the different actors that are involved in this whole process of establishing and building out the renewable energy zones. We've heard today, in many different ways, the lack of community engagement or the confusing community engagement that sometimes looks like over-consultation and sometimes looks like under-consultation. But the lack of clear—where do you go? Who's the one person to go to, or where's the one place that you can go, if you've got questions, issues or concerns?

Local energy hubs are about establishing that for all communities where renewable energy is being developed at scale so that they've got that place that they can go to really understand the impacts and to see the benefits as well. It's about communities having access to the benefits of all parts of the energy transition. That includes understanding how they can lower their power bills and understanding how they can access all the

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different schemes and subsidies and loan programs that are available at a State and Federal level. We know that those programs are undersubscribed and that the community could be benefiting more from those programs, but the communication isn't there. People don't know it exists, and it's a very confusing space. And so the local energy hub has been designed for communities to have this front door to the shift to renewables so that they can understand all parts of it and have access to decision-making around things like renewable energy zones and whatever planning or consultations might be happening at the time for that local energy hub to be an avenue for the community to participate.

To your point about the States, we've been really pitching this at a Federal level because we think it needs significant investment. But we have been encouraging States to talk to the Federal Government, and the Federal Government to talk to States, about how it would be rolled out, and be able to work with the EnergyCos of the world, and to make sure that it really dovetails well with the different engagement programs that are already in planning or underway.

Ms ABIGAIL BOYD: If I could ask one more question I'll direct this one, to start with, to the Nature Conservation Council, perhaps. Taking a step back, a few years ago we had both Federal Labor and State Labor talking about transition authorities and the role that they would play. I think some of us thought that it would also result in having something akin to this local energy hub idea within each community as well, so it could be feeding information back from the community as well as to the community. What has been the impact of the delay in seeing that transition authority structure be developed at both Federal and State levels?

BRAD SMITH: I think the challenge is still coming in New South Wales, in terms of the need for transition authorities. We're already seeing a lot of coal power stations close down. In 2014 there was one on the Central Coast and one out near Lithgow that shut down. There's more to come. But, at the end of the day, the jobs impact from closing coal power stations is quite small because there's not that many people employed in energy generation. Coalmining is a completely different story. There are around 10,000 people employed in coalmining. As coalmines come to their end of life and we start to see that transition, we need people in those communities to already have a vision for where their region is going. I think that's why it's really important that those authorities are on the front foot and are helping to guide the development of the skills and priorities that those regions need. I don't think it's something that we can afford to delay, especially in regions like the Hunter and the Illawarra.

The CHAIR: I might start with a few questions to you, Ms Crestias. In your submission you state that REZs are becoming unattractive to investors due to delays, high costs and transmission issues. Who do you think is accountable for those failures? Do you think it's government as a whole, EnergyCo, the planning system or a combination of all three?

MARILYNE CRESTIAS: The comment that you lifted from our submission was really coming from strong feedback from some of our members, particularly around the Central-West Orana, or CWO, REZ. My understanding is that because the CWO REZ was the first one to be worked on and established by government and EnergyCo, it didn't have quite as many processes in place or quite as much practice as some of the future REZs will have. That has created delays in terms of developing frameworks to set up the CWO REZ. My understanding is also that the New South Wales planning framework, which applies to the CWO REZ but also to the whole State, was in need of significant reform.

CEIG released a report a bit over a year ago with HSF legal that made some recommendations around how to improve the efficiency of the planning frameworks. We saw that the New South Wales Government last year published some updated planning guidelines, which should, in future, support more efficient planning assessments. But the planning system in itself has been a cause of delays in terms of project development and, we expect, will continue to do so because not all of our recommendations were taken on board. We expect that there will still be some friction in that space. Whilst we have made a negative assessment on the early beginnings of the CWO REZ, we hope that EnergyCo and the State Government more broadly, together with the planning department, can have more coherent processes going forward for the development of future REZs.

The CHAIR: With that in mind, do you think the Government should focus on getting the Central-West REZ right to bring confidence that the model actually works, not only from an investment perspective but from an energy generation perspective, before it starts rolling out to the other REZs? Do you think it would expedite the process in the long run if we got the Central-West REZ right first?

MARILYNE CRESTIAS: I believe that we should certainly continue to focus on the CWO REZ and making sure that the development is appropriate for the region and that communities and councils are consulted appropriately. However, I believe that we need to also continue to work on some of the other REZs in New South Wales. We support the Government having started some work, for example, on the South West REZ, and that's largely because of that imperative I spoke about in my opening statement around the need to replace capacity ahead of coal closures and, ultimately, the need to make sure that we have a reliable electricity supply for

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New South Wales consumers. I think Ms Allan also spoke about some of the uncertainty that the community feels when there are early days of consultation but the community doesn't know yet which projects are going to be on the ground. I think pausing some of that work could potentially create more distress in the community. And so, to a certain extent, whilst some processes need to be improved and ironed out, I think we need to continue to work with all the REZs in parallel as much as possible.

The CHAIR: I put the question to several other witnesses earlier on in the day about what exactly is needed to meet our net zero target in terms of the number of panels, the number of turbines, the number of projects across the State, and I couldn't really get a clear answer from any government agency. That obviously raises concerns. If we don't know the scale of what we need to do, how do we plan for the potential impact, not only on individual projects but cumulative? Do any of you have any insight as to what is the exact scale we would need in terms of the number of solar panels, the number of wind turbines, or other generation strategies or infrastructure? You talked about the environmental impact and having a net environmental benefit. If we don't know what the gross or the net environmental impact is going to be from land clearing and what have you, how do we compensate or plan for the net environmental benefit?

BRAD SMITH: Happy to take that question. NCC did a report back in 2017 called Repowering our Regions, which looked at how much renewable energy we would need to reach 100 per cent renewable energy in New South Wales, and what the impact would be on things like agricultural land and so on. The numbers are pretty well known. For example, the infrastructure investment Act in New South Wales calls for 12 gigawatts of renewable energy by 2030, so that's in five years. We think that will fall a little short of what we need because demand is going up. One of the challenges is that the target isn't necessarily fixed. If, for example, we have more data centre demand or EV uptake is faster than we expected, then of course we need a little bit more, and that's what we're seeing. It'll go up a little bit, maybe 10 per cent or something like that.

But then to break that down, so 12 gigawatts by 2030, around half-half solar and wind is a good mix in terms of achieving the lowest electricity prices because the sun shines during the day and the wind is more prevalent in the evening. So that's five gigawatts of each. A solar panel at the commercial scale is around 400 watts, so it's pretty easy maths to work out how many solar panels. The same for wind turbines; that's about 10 megawatts per turbine. It's not difficult to work out the number of turbines or solar panels encapsulated by those targets and, like I said, there might be a little bit of variance—10 per cent here or there depending on how demand changes. I think we have a good picture of where we need to get to. In terms of the impacts that that has on agriculture or nature and so on—I think we put the number in our submission—it's something like 0.02 per cent.

EVE ALTMAN: So 0.012 per cent of Australia's total land mass would need to be dedicated to renewable energy. By comparison, agriculture is 55 per cent of Australia's total land use. The amount of land that actually would be needed—I know that's not answering the number of solar panels or wind turbines, but the Australian National University has dug up that data and it's very, very small.

The CHAIR: I guess it's a case of also choosing the right land in terms of lessening that environmental benefit.

EVE ALTMAN: Exactly.

The CHAIR: I'm pleased, but also a little bit disturbed, that you could come up with a more coherent answer than the government agency. But we'll move on from that. Ms Allan, in your opening statement you talked about this conflation between impact mitigation versus benefit sharing. I just wanted some clarification on that. Are you suggesting that the developers shouldn't contribute to impact mitigation or are you suggesting that there should be two separate funds, one dedicated to maybe getting that net environmental benefit and then a separate fund that looks at that benefit sharing back to the community?

LU ALLAN: Yes. I'd say it's generally a little bit clearer from the industry side of things what types of contributions might be impact mitigation, which is usually done through the planning systems, and then the benefit-sharing programs, which might come on top of that. It tends to be the government framework which can be a little bit conflated, particularly when the framework is around access fee or benefit-sharing contributions going to local government. It is obviously incredibly important that local government is supported in the process, but sometimes those funds can be a little bit—what is the purpose of those funds? Is it for benefit sharing or is it for impact mitigation around making sure the roads are in a state which can facilitate the construction and also not be any worse off after the construction period? It's really important that benefit-sharing programs and funds and frameworks are kept for the purpose of benefit sharing—that is, leaving the region better than it was before, not diverted into purposes such as maintaining the roads, housing the workforce and managing activities that are essentially just doing business associated with the renewable energy projects.

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The Hon. AILEEN MacDONALD: Ms Allan, how would local energy hubs differ from, say, current outreach programs, and how would they be funded and governed?

LU ALLAN: Currently, different outreach programs—for example, you might have a drop-in day which might be run by EnergyCo. You might also have similar types of days which are run by different developers in the region. The issue with that is everyone's only talking about their own project—Energy Co as well. They only talk about the transmission line. But from the community's perspective this is all happening together. It's not just the transmission line, it's not just one particular project, it's multiple projects. As I alluded to before, that competition for capacity over the grid is not seen by the community. The community does not understand that not every project will go ahead, because every project is talking to the community as if it will go ahead. It's their job. It's the job of a good developer to build confidence about what they're doing.

But, at the same time, that clarity isn't there from the community's perspective. So the role of the local energy hub is to be able to bring everything together to make sure that communities are able to see the big picture, and also to find the parts where they can actually benefit from the development as well, whether that's the large-scale renewable energy development or potentially investing in community or medium-scale enterprises, or what agriculture might need if there are particular farmers who are interested in getting off the grid or looking at different options for their own energy needs being able to have a place with trusted local staff who can play that role, outreaching to the community. We see these as quite resourced centres. This isn't just a shopfront way out in the town centre; this is an outreach centre staffed by people who have the capacity to actually go out and make sure that they're hitting the rural areas as well, not just the regional centres.

The Hon. AILEEN MacDONALD: I know you've done a community sentiment survey. Are you able to share any insights where engagement has been inadequate, or maybe suggest how it could be done better?

LU ALLAN: Yes, we've done sentiment. There are lots of organisations that have done sentiment. Where engagement can be coordinated—that's why local energy hubs were really designed and developed by our organisation in partnership with other organisations and with feedback from local communities as well, because there is not that one actor who's actually responsible for the development that's happening. The responsibility is just spread so broadly across so many different actors that it is quite confusing from that community perspective. So, yes, it takes everyone to do engagement really well, but the overall structure of the energy transition means that you've just got so many different actors all talking to the community at once with no clear one place to go with all the answers.

The Hon. AILEEN MacDONALD: I'll turn to First Nation engagement. What practical changes should New South Wales adopt to align more closely with the First Nations Clean Energy Strategy?

LU ALLAN: I think capacity is the key thing here—capacity for land councils and for First Nations organisations to actually have the resources to fully understand what's happening, to be spending time getting across the details, talking to developers, being able to educate themselves so that they can come to the table and negotiate with proponents, and articulate what they need out of the process.

The Hon. AILEEN MacDONALD: How can it be ensured that First Nations voices are embedded in the renewable energy zone governance structures?

LU ALLAN: I think having greater participation from First Nations folks and from land councils in particular. I'm happy to get back to the Committee as well on this because I want to look at the structure of how renewable energy zones are. I don't think there is that much contribution broadly from the community in the governance of renewable energy zones. I think the governance structure is different across the different renewable energy zones. But, yes, absolutely more engagement from First Nations and land councils earlier in the process.

The Hon. AILEEN MacDONALD: Sometimes we talk about co-location or coexisting. How can New South Wales better support the integration of agrivoltaic practices in planning approvals? I've seen them where sheep are grazing under, but most people don't see that because they're not in those communities. How can New South Wales better support that?

LU ALLAN: I think there are two things. One is more research into how renewable energy projects can co-locate with agriculture and what potential benefits there are from that. We know from talking to a sheep farmer in New South Wales that he actually thinks that his wool quality and quantity has increased because of the shade provided by the panels—more grass, better-fed sheep et cetera.

The Hon. AILEEN MacDONALD: No break in the micron.

LU ALLAN: We actually need to understand that in more detail and make sure we're doing research into this and making sure that we're taking the lessons from that and being able to apply design principles elsewhere. A basic thing for sheep farming is having smaller paddock sizes, so you're more able to control your

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flock and it's easier to move them around. But that's not necessarily part of a solar farm design. So we need the research and, secondly, we need incentives for industry to actually be doing that design work with farmers to make sure that that's happening.

The Hon. AILEEN MacDONALD: Mr Smith, how do you think the Government should resource disadvantaged communities to participate in REZ planning?

EVE ALTMAN: Something that we have heard from a lot of our member groups who are engaged is that a lot of them are volunteers. And so any opportunity that the Government has to provide additional resources and funding for community participation would, I think, help with increasing that level of participation from all communities, especially disadvantaged communities, because it is a really big ask to ask people to volunteer their time to travel long hours to come to a meeting once a month. Where there can be extra support given to those folks, I think that would help.

The Hon. AILEEN MacDONALD: What form of public assurance, short of bonds, would provide communities with confidence about decommissioning? That can be a question for everyone, but I'll start with Mr Smith.

BRAD SMITH: My understanding is that, at the moment, decommissioning negotiations largely happen between developers and landowners. The extent to which the land is returned to its former state is an agreement there, and I think that's probably appropriate. For example, wind turbine bases, large pieces of concrete—how much soil needs to be on top of those so that a farmer can go back to whatever land use they were doing before? Or does it need to be completely removed, which would obviously be a big cost for the project? I think it's appropriate that landowners do have the power and choice in a lot of those decisions.

I suppose the other side of decommissioning is what happens to the components afterwards. I'm pretty comfortable that most of the components of renewable energy infrastructure are recyclable, and we will see those industries develop. For example, batteries—we've been recycling lithium batteries for a long time. A very high percentage of the chemicals in those batteries are recycled because they're valuable, similar with steel components in wind turbines. I think, in terms of recycling, we will see that industry develop as projects reach the end of their lives. But these projects last 25 or more years, so that'll happen over time.

MARILYNE CRESTIAS: If I may add, I would agree with Dr Smith. I think it's important to also retain that flexibility to make sure that, as we see innovation in recycling technologies, we don't lock ourselves into the technologies of today, but we make sure that we can leverage any new innovation in that space so that we recycle as much as possible and return the landscape to the best shape possible.

BRAD SMITH: Also that flexibility in terms of the future land use—if an area has a good wind resource today, it will have a good wind resource in 50 years. It's not like a mine, where you run out of coal and then you leave. That resource is still going to be great at the end of life, so there's a good prospect that a lot of these solar and wind farms will negotiate being re-powered, perhaps with upgraded technology but similar land uses.

LU ALLAN: To add to the question around assurance, I think the community does want to see leadership from the Government around assurance, to provide that confidence that they're not going to be left with stranded assets. Currently, the assurance framework across States and industry is a little bit patchy. We need a great assurance framework to provide that confidence, and that needs to come from government as well as industry. I think there are also opportunities in the recycling space. Yes, we know that a lot of the components are recyclable. We need to develop the industries to make sure that we have the capacity here in Australia to recycle them. That's an economic development opportunity if we have leadership from government to be able to start those industries, help get them set up, and make sure that they're there and ready when we need them.

The CHAIR: That takes us right to four o'clock, which concludes our time with you. Thank you very much for your evidence today. You may have taken a couple of questions on notice; the secretariat will be in touch regarding them and any supplementary questions we may have for you. Thank you for your time once again.

(The witnesses withdrew.)

(Short adjournment)

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Mr XAVIER MARTIN, President, NSW Farmers, sworn and examined

Ms RHIANNON HEATH, Policy Adviser, Environment, NSW Farmers, affirmed and examined

The CHAIR: I welcome our next witnesses. Would either of you like to make a short opening statement?

XAVIER MARTIN: NSW Farmers Association represents thousands of rural producers and their regional communities across New South Wales, and we're hearing loud and clear that the rapid and apparently increasingly urgent transition from fossil fuel power and its substantially coastal generation locations to spreading across these inland renewable energy zones and outside them is shockingly poorly planned, poorly communicated and poorly located. This is causing economic and social hardship and serious concern with the utility of this reckless rush, both nationally and globally. NSW Farmers supports alternative forms of energy; however, our critical role is ensuring and supporting viable and sustainable production of food and fibre, as with this comes viable and sustainable regional communities, towns, villages and a nation. Farms produce food and fibre. They are not solar and wind farms; they are industrial complexes. In some areas of New South Wales, in particular the renewable energy zones, there are real and present threats from these industrial complexes.

In our submission, NSW Farmers has endeavoured to present the experience of rural people in New South Wales, identifying the impacts and potential impacts of the botched planning and implementation of the renewable energy zones, and the lack of respect for the short- and long-term impacts on rural land and their communities. It is nothing like best practice, and rarely is there any compatibility with ag land. There's hardly any utilisation of degraded land in the process so far. We understand it is complex and that there may be opportunities for rural landholders and communities to obtain benefit from these changes. There have been numerous inquiries, notably that by the former Federal infrastructure commissioner, that have highlighted the problems that have occurred. It is our firm desire that the inquiry draws a line under the poor performance to date in giving informed and thoughtful consideration to the importance of getting it right in the regions to prevent long-term economic and personal harm. Members are completely over the theories and superior tones from those it doesn't even affect.

The NSW Farmers submission sets out recommendations for the New South Wales Government to reset the energy transition processes and implementation before too much more damage is done. There is a wide range of impacts not envisaged in this reckless rush to convert regional land use. Land values are being impacted by locations of renewable energy generation and grid lines, and areas of rural land are being lost from production to the offsetting of the biodiversity obligations of these developments. We are also observing an increase in social dislocation with the impacts on areas of infrastructure and lack of equity in compensation, where highly inadequate neighbourhood agreements are simply a perfunctory way to demonstrate engagement and, hence, a planning approval.

It has been clear in the narratives to date, from all forms and all sides of political decision-makers, that the increase in renewable energy generation is here to stay. What has been equally clear is that the commitment to getting into the detail on how to effectively go about that in rural and regional Australia has been in the too-hard basket. Government has left the power imbalance unchallenged that favours big corporations and government itself in determining the siting of generation and grid lines, and swamps local landholders with unmanageable, complicated planning requirements. Make no mistake, continuing on this path will delay the effective implementations of renewables—that lost cooperation, that increase in cost—and leave a legacy of damage and discontent. It is not impossible to change this, and we seek that commitment from our State and Federal governments that the time to listen, change and adapt is now.

I've got a number of points out of our summary and submission that I just want to quickly run through. We're seeing the eroding of long-established social cohesion. We're seeing landholders excluded from key decisions. We're seeing a tick-box approach to social licence that has failed. We're seeing a lack of holistic assessment on cumulative impact. The impact of the developments on actual farm equity and prices is grossly misunderstood. Community benefit-sharing schemes do not compensate for the potential or real on-farm losses. At a local fire service level, volunteers are hesitant to engage near these complexes and their transmission easements from a safety point of view.

Public liability insurance is another complete no-go zone in terms of trying to manage that risk of having a neighbouring renewable development. It's totally insufficient for the elevated risk of these fire-lighting devices. The financial costs and competitive concerns are just a wide range of poorly thought through realities and experiences. Land acquisition processes are skewed in favour of authorities. Compensation payments trigger unpredictable tax liabilities and change the nature of the title, triggering one-off CGT exemptions. Housing shortages are acute. The workforce numbers are dysfunctional. Double standards are coming out of the environmental approach.

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As we sit here today, there are bulldozers scalping the tops of hills and mountains and pushing works up those slopes. If any farmer did anything like that, they'd be in jail before their next birthday. Farmers can't even manage the weeds on their farm without running afoul of regulations from this House. The contrast, the hypocrisy that's coming out of this House, is being felt by my members. There's a range of other issues around the dynamics that my members are experiencing, but they are very clear that what is needed is alternative energy options, for sure. But these include—as well as solar and wind—gas, small and modular solar facilities than what's been rolled out haphazard across the landscape, and small modular solar. These are all the policies of the NSW Farmers Association. Chair, I'm happy to take any questions.

The Hon. SARAH MITCHELL: Thank you, Mr Martin and Ms Heath, for being here and for your comprehensive submission and opening statement. There's a lot in there and a lot I want to ask, but I'll try to confine it to a couple of questions so that others have time. Mr Martin, you spoke in your opening statement about concerns. I think you said that basically there's hardly any compatibility with ag land and some of these projects. Other witnesses today have given contrary evidence. Can you speak from your perspective as to what farmers are saying to you about the ability to coexist and if it's having a positive or a negative impact on their farming practices?

XAVIER MARTIN: I'm sorry; I didn't know there were any other farmers here today or what they were speaking about.

The Hon. SARAH MITCHELL: There was evidence before about better yields for wool producers if they've got solar farms. I thought you might have a view on that.

XAVIER MARTIN: I did hear that speculation. The sooner they fund this R&D that they touched on, it needs to be done. What my members are saying to me is they don't trust the composition of these artificial structures in the landscape. They're typically shown to leach. It's not recommended that we put them on our roofs for drinking water, so why wouldn't it be the same for sheep or goats if they're going to eat feed that has run off those—whether it's heavy metals or whatever results over the years or decades that that infrastructure is in place. We know that the science globally now can just about locate any molecule that is in the wrong place at a particular time. The reality is we do not want to jeopardise our food or fibre reputation out of our green nation. It doesn't surprise me that one farmer thinks he's on a winner. No, I think this House needs to be aware that tens of thousands of farmers are quite sceptical about that concept.

The Hon. SARAH MITCHELL: In relation to issues around uncertainty for the scale and location of some of these energy projects, when we had EnergyCo and others here today, I asked some questions about the number of projects, particularly in the Central-West Orana REZ, that are going through the planning system, even though I think only 10 have been approved or have access agreements. There are almost 50 still in that planning phase and the uncertainty that that gives. As an organisation, would you support or look favourably on almost a moratorium or stopping the number of projects that can go through that planning process within a REZ so that that uncertainty maybe can be removed for local farmers and landholders?

XAVIER MARTIN: Absolutely. There should be a pause for no other reason except that we've been disconnected right across rural New South Wales with this so-called telco upgrade. My members in the Orana region cannot attend to these multiple consultations. They cannot log on. They can't even get SOS on their phones. It's become highly dysfunctional in the last six months. It's quite the nonsense to refer to a zone where they were completely mutilated by this House's strategy around supplying coal for Lithgow. We had 40, 50 or 60 properties resumed in that region for brown coal, or whatever it was, to go to Lithgow, and then they decided they wouldn't go ahead after they'd smashed the villages and towns and the farming community. The community is just recovering, decade on decade, and here comes another one called renewables. They're completely over it.

The Hon. SARAH MITCHELL: You touched in both your submission and in your opening statement on some of the tax implications around compensation, but then also the impact on land value, not just for those directly impacted by the projects or transmission lines, but neighbours and what that means in terms of long-term financial planning for a farmer impacted in that area. Can you talk a little bit more about the main concerns that are coming from your members about that? How do they see that impacting their financial position in terms of their farming businesses?

XAVIER MARTIN: The typical experience is that one or other landholder is approached, perhaps at the saleyards or perhaps at the pub. It varies from point to point and farm to farm. But to the extent that one or other gets tempted to take their 20 pieces of silver and retire to Merimbula, the reality is they're left with a whole lot of neighbours that just can't believe that this is what's happening to them, whether it's wind or solar, or both. Then you've got this rollout of this special fire-lighting device called an overhead transmission line. It's just extraordinary what's going on out there.

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The Hon. SARAH MITCHELL: The concern around that would obviously be something that's of prominence in your membership at the moment. Is this your most talked about issue for some of your members?

XAVIER MARTIN: It's certainly in the top half-dozen. Where branches are in the renewable zones—I've just done 50 or 60 branch meetings in the last two months—those that are in renewable energy zones, this is the only thing. To see the mental health stress, Sarah, I've never seen the dynamics that I've observed in those branch meetings. They are under huge distress.

The CHAIR: You talked about that widespread breakdown in trust between rural communities and EnergyCo, that it's a tick-a-box exercise and it's not really genuine consultation. Do you think there should be a formal appeal or review mechanism for landholders who've been misled or unfairly treated during that consultation?

XAVIER MARTIN: There absolutely needs to be a form of redress. There also needs to be a proper probity assessment done. It's just such a mess. It's not orange lights flashing; it's red lights flashing. We can't trust the statutory authority, or all the consortia hanging off them, to go about doing their own sample and testing. We have to have an independent probity review of just where we're at, because it is such a shambles.

The CHAIR: You've spoken about the impact on land use, social cohesion, social fabric, property prices. Can you give us a sense of how that rise of land banking and speculative development has impacted land values and impacted the ability of young people to get into farming? We've spoken many times, Xavier, about the need to encourage young people into farming. How is this process impacting that?

XAVIER MARTIN: What happens is that there's a theory trotted out about a so-called REZ—"What a great spot to have it"—and it doesn't really matter whether it's first spoken of out of this place or out of a town not far away. It immediately has a sterilising effect on the area that's been reported. Whether it's hundreds of farms in a particular area, all of a sudden you've got a serious problem with succession planning. Who wants to move into a whole pile of complex fields of glass and hilltops with fans all over them? No-one's desperate to do that. For a start, you've got a problem with succession planning.

Then you've got a problem with your partners or shareholders or lenders. They start saying, "What's it really worth?" And it isn't worth more; it's worth less. Apart from the few that take their 20 pieces of silver—and I'm starting to hear from some of them that have really regretted signing their contracts for both wind and solar because they now realise that their title is going to be worthless at the end of life because they don't have any real remedy for decommissioning. Just on that alone, it would be worth having a pause to review and do the probity around just how they got the weasel words through the contracts that they've got.

The CHAIR: Can we touch on insurance? You mentioned in your opening statement something we haven't really explored thus far in the inquiry. What are your members saying about their ability to actually get a policy at all, or whether it's an increase in premiums because of the increased risk? Is there a policy that will cover them in the market?

XAVIER MARTIN: I haven't found one yet. A typical farm pack is \$20 million public liability. It's prohibitive once you start looking for multiples of that, and I'm not aware of any of the major insurers that do offer that. What I hear at meeting after meeting is members saying, "Hang on. What they're proposing next door to me is hundreds of millions of dollars. Are we all going to man the truck and the fire trailers and get there and put it out before it gets into those solar complexes or it burns one of those wind complexes?" Or vice versa—if they light the fires, who's going to get the blame and how do we know how this is all going to work? There's a massive gap in liability cover. It has a significant impact on volunteerism.

What I've noticed these industrial complexes do is just put a sign on the fence saying, "Ring 000." They're just magically transferring to all my members the responsibility of trying to manage fire, when they're probably the greatest fire-lighting device in the landscape with their overhead lines, transmission lines and what have you. We're starting to see the fans catch on fire in Victoria and other parts of the world. We're seeing batteries exploding. Who knows what solar panels are going to do down the track? But we seem to be seeing, time after time, that this dysfunction is added on to dysfunction.

The CHAIR: You talked about the social cohesion and division. You made reference to the 20 pieces of silver several times. Do you think the secrecy around individual landholder agreements and compensation is exacerbating that social cohesion coming apart in rural communities? What do we need to do to rectify that?

XAVIER MARTIN: It's an extraordinarily corrosive component, the NDA approach. Some of my members are realising now that contracts were signed two or three years ago for their neighbours. To find out all of a sudden that—not only do you have this complex next door, but it changes all the hydraulics, all the water flows off those lands, in the case of solar. In the case of wind, as I said earlier, they managed to be able to bulldoze

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a road right to the top of those hills and mountains and scalped the top. That changes all the hydrology. All those things create so much distrust and dysfunction in the community. For farmers to see their landscape, where previous generations have nurtured and cared for centuries-old kurrajongs and gums—that's all clear-felled in the name of renewables. It's just extraordinary.

The Hon. SARAH MITCHELL: I'm picking up on the decommissioning point because I meant to ask about that. In your submission, you put very strongly that your position is that you'd like to see legislated decommissioning bonds. Is that something you've raised with the relevant Ministers or with government? What sort of reception have you had in terms of that policy position?

XAVIER MARTIN: We have raised that with relevant Ministers and other decision-makers because we've been down this dry gully before with the extractive mining industries. They've got a well-known method, which this House had to come up with a solution to. Quite frankly, this consortia that are hanging off this whole renewables project need the same method applied to them, sooner rather than later.

The Hon. SARAH MITCHELL: Are you finding that people who signed earlier agreements are now worried about what will happen at the end of their project, particularly given that it's very much between the landholder and the company, and that there might be inconsistency in what happens in terms of decommissioning and what that will mean going forward?

XAVIER MARTIN: I'm privy to serious private reservations that I can't put on the record, but I think the simplest answer to your question is that there's gross dysfunction out there.

The Hon. AILEEN MacDONALD: Following on from my colleague's question about decommissioning, you've said that there should be mandatory decommissioning bonds, but it appears that the Government doesn't support that. Is there any other way to give certainty to landholders that decommissioning will be carried out as specified in their contracts with developers?

XAVIER MARTIN: The short answer is no, because there's nothing stopping them from using the method that the extractive mining industries used to use. You'd be familiar; they just onsell down. Some of these projects have been onsold virtually on an annual basis already. There's one near Wellington that I think is on its third owner in three or four years. They've got the method worked out. Until this House responds to that, my members are seriously exposed.

The Hon. AILEEN MacDONALD: Would local energy hubs in regional towns, as suggested by RE-Alliance, be helpful for farmers looking to engage with renewables?

XAVIER MARTIN: To the extent that there's a subset of landholders—and we certainly don't try to tell farmers how to run their farms. To the extent that there's a few that think it's a jolly good idea to engage with wind or solar or both—I'm not sure I've met anyone yet who really wants to host a transmission line. To the extent they think it's in their interests, we live in a free society. But what I'm seriously concerned about, and what my members policy is seriously concerned about, is getting this planning right. It's such a mess. As we sit here this afternoon, it is just such a mess.

The Hon. AILEEN MacDONALD: You also note in your submission that landholders in renewable energy zones have access to more support and more structured payments than those outside the REZs. What do you think can be done to improve the experience for landholders that want to host outside REZs?

XAVIER MARTIN: It's a serious problem. It's definitely being gamed outside the REZs. Certainly the consortia that are involved have worked out where to engage and get action in their interests. To an extent, it's become more and more difficult for my members in those zones. That's why we've gone to some trouble to update this renewable energy guide. This one was 2018. We've just brought out the latest one. To us, it provides important information for landholders, whether they're thinking about involving themselves in renewables or not. Unfortunately, it's 80 pages—I wish it was only eight—but it is such a dysfunctional mess it takes 80 pages to explain.

The Hon. AILEEN MacDONALD: Page 12 of your submission refers to "suitable alternatives to traditional renewable energy sources such as large-scale wind and solar". What policy settings could there be to support this diversified transition to alternatives without stalling the REZ rollout?

XAVIER MARTIN: The first thing you'd do is you'd start listening to those in this nation that produce the food and fibre. Despite the misleading and deceptive interpretation of data from the previous witnesses, the reality is we've only got about 2 per cent of this island that's actually good land. At the moment we're smothering some of those best lands with glass and fans, and concreting towers into the hills and mountains. It's a serious problem. There may be a case for listening carefully to just where local knowledge would say—and I know that MPs from this place have been out in the landscape and been shown by some of my members—you could put

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solar. It's a sort of shotgun gravel ridge. Even a merino sheep would need a packed lunch to survive up there. But, no, that's not where they want to put it. They want to put the solar, put the glass all over the best canola, wheat lands and barley lands. That's way easier. Let's bulldoze all the kurrajongs and all the gum trees, and that's apparently environmental success—just crazy.

I don't want to go into a whole litany of the failures, but I do want to draw the inquiry's attention to one that I see as just a standout of the sorts of behaviours, and that is the ACEREZ, and their consortia, desire to build works across the Talbragar River flood plain. When my members are caring for the environment, managing that flood plain, on what basis does someone—with, what is it, State significance?—turn up and decide to build a work that concentrates flows, increases velocities, changes durations and depths of water, and somehow say, "What a ripping good environmental outcome this is going to be"? Just that one example of that authority engaging with that Merotherie Road should set alarm bells ringing in this place—"Hang on, we haven't got this right."

The Hon. AILEEN MacDONALD: On that, how can consultation processes be legally strengthened so that they do include that landholder input before route selection but also in terms of where projects are installed?

XAVIER MARTIN: There are actually practical men and women out there. They're not in the towers just nearby here. They know what parts of the landscape would be suitable for solar and wind complexes. They are typically lower value lands. The reality is at the moment we're just rolling it out across some of our best food lands on the east coast of Australia.

The Hon. AILEEN MacDONALD: Do you have any evidence of tourism decline linked to visual amenity changes or construction disruption? You might want to take that on notice.

XAVIER MARTIN: Yes, I'm happy to take that on notice. I've certainly had members emotionally upset about their farmstay B&B. I don't want to disclose personal information, similar to Mrs Mitchell, but I'm happy to take it on notice.

The CHAIR: One final question from me ties in with what Mrs MacDonald was saying and what you've been saying about appropriate land for this and what's being done is done on inappropriate land. You talked about a red light and green light, and red lights are flashing. Should we have a set of lands and just go, "No, we don't develop on this land", like the floodplain land that you mentioned, like critical agricultural land that's important for our nation's food security? Should we just say, "These are the no-go zones. Build over here, not here"?

XAVIER MARTIN: Absolutely. Mr Banasiak, we do have a relatively good understanding about the biophysically strategic ag lands, and that seems to be just cast aside in this unfair dysfunction that we're engaging in around renewables.

The CHAIR: I think that's lost in a government drawer.

XAVIER MARTIN: That's out there. This House just needs to use it.

The CHAIR: We've only got one more minute. Is there anything else you think you want to add before we close off?

XAVIER MARTIN: Please don't underestimate the whole dysfunction that is visited upon our communities. Whether it's the volunteerism around our Rural Fire Service, our SES, once you degrade and cause a lack of cohesion in a community, it is so hard to come back. I used the example of Dunedoo earlier because it's had the double whammy of that nonsense around Lithgow coal that I referred to. It's such a complicated matter, and it's just so galling to my members to hear people turn up here and give witness to you who are just completely impractical. I know they're goodwill people. They've got these theories, but my members are just exasperated. My members have got the common sense to get their boots on, get out the door and get the job done for your and my food and fibre. When they hear this sort of nonsense that I've had to try not to laugh too much through today, it's just exasperating to them. Please consider just how unfair this has all become and do something about it.

The CHAIR: I believe you've taken a couple of questions on notice. The secretariat will be in touch and if we have supplementary questions they'll also be in touch. Once again, thank you for your strong evidence and strong representation of the farmers of New South Wales. Thank you for your time today.

(The witnesses withdrew.)

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Mr ANDREW ABBEY, Policy Director, NSW Minerals Council, sworn and examined

Mr BOB HAWES, Chief Executive Officer, Business Hunter, Business NSW, sworn and examined

Ms LEAH TUCKER, Senior Policy Manager, Energy and Infrastructure, Business NSW, affirmed and examined

The CHAIR: We now welcome our next witnesses. Do you want to make a short opening statement, Mr Abbey?

ANDREW ABBEY: Yes. The inquiry is timely, given the number of renewable energy projects being developed across the State. Our industry recognises the importance of renewable energy projects as part of the pathway to transition. In fact, a number of mining operations use renewable energy, and other operations are either in the process of developing or considering renewable energy opportunities on their sites or former mine sites once they close. Our submission focused on the impacts of these projects on resource exploration activities in particular, which is an important issue for our members, and existing New South Wales mining operations which occur in the regional areas. We also noted in the submission the opportunities and challenges of locating renewable energy projects on former mine sites once operations have ceased.

I'd just like to quickly emphasise the following points. Firstly, there is a real potential for conflict to occur between renewable energy projects and mining exploration activities, particularly for metals and mineral resources, many of which are likely to be required to facilitate increasing global decarbonisation efforts going forward. There have been cases where renewable energy projects have been approved without any consultation with the exploration licence holder, who has a legal right or interest to explore for resources. That has impacted on their ability to continue their exploration activities.

This can impact on exploration efforts, making it more complex and expensive, and at worst case impact on the future viability of extracting the resource. It's not suggested that renewable energy projects shouldn't be able to proceed or that the land property owner's rights are impeded. But rather, with early consultation and much better collaboration between all parties, the risks of impacting on exploration efforts or sterilising the resource can be minimised.

Whilst we note recent positive changes to the planning department's Renewable Energy Planning Framework, released in November 2024—and, more recently, assessment requirements have increased the emphasis on consultation with exploration licence holders—we would like to see this consultation made mandatory where renewable energy projects overlap an exploration licence area. Further, where the development of a renewable energy project means exploration activities can no longer take place or sterilisation of the State's resource, and an exploration licence holder has been left out of pocket through no fault of their own, they should be reasonably compensated for expenses that have been incurred as part of their exploration activities to that date.

Secondly, the proliferation of renewable energy projects is impacting and will continue to impact on existing mining operations in the short to medium term. At the moment these impacts are largely associated with the forecast number and size of vehicle movements which will pass by a number of mining operations, which may sound relatively minor. But when you have things like shift changes, blast patterns and multiple oversize, over-mass vehicles moving past your site and a potential risk of emergency service vehicles not being able to access a site, it becomes a challenge.

There are also—and a number of other witnesses touched on it earlier—transmission lines touching on a couple of mine sites. Various respective mining companies are working through the process of the appropriateness of their location. As noted in our submission, it's imperative that there is strong government oversight and management of these logistical issues and that all persons impacted during the construction and startup phase are not forced to deal with multiple separate dealings or approaches from renewable energy developers themselves. Agencies like EnergyCo and Transport for NSW should take a much stronger coordinating role in consultation and coordination.

Finally—and I'll touch on this briefly—former mine sites provide a significant opportunity to locate large-scale renewable energy projects with minimal land use conflict. Previously disturbed and rehabilitated land, including voids, can be used and existing mine infrastructure, including transmission lines, can be repurposed, thereby minimising new or additional impacts elsewhere. The recent New South Wales parliamentary Standing Committee on State Development inquiry into beneficial and productive post-mining land use recently considered this issue in considerable detail and reported its findings on 14 April 2025. Our submission to the inquiry provided an extensive overview of the significant opportunities and regulatory challenges associated with delivering renewable energy projects on former mine sites.

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We're pleased to note the committee, amongst other things, recommended the Government undertake a review of the post-mining regulatory framework and processes to make sure they're fit for purpose and to basically make it much easier than it currently is to facilitate alternative land uses on former mine sites—including, importantly, renewable energy projects. This is a positive first step, and we look forward to the Government's response on the issue. Thank you, and I'm happy to take questions.

BOB HAWES: I commend the Business NSW submission to you. In the context of how we fit together, I'll give a quick explanation. Business NSW operates across nine regions in the State of New South Wales and has around 50,000 members and affiliates within and across those regions. Business Hunter is dedicated to the interests of the Hunter region in New South Wales, currently still one of the power sources for energy in New South Wales. We have around 4½ thousand members and affiliates across businesses within that region. We made 15 recommendations within our submission, and we're happy to explore those with you, but we do appreciate that the projects and processes across the renewable energy zones are moving very quickly.

There are certainly elements of the plane being built as we're flying it, and we're doing our best as a business community to try to work with all the stakeholders to get that happening. The Business NSW submission points to shortcomings, challenges and also opportunities that are arising from the delivery of the REZs. We believe that those issues are well documented across many of the other submissions that the inquiry has received and, obviously, from evidence being given by people that are appearing before the inquiry. We're happy to discuss those today, as I said, as the Committee members see fit.

However, we do recognise and acknowledge that since our submission was drafted in December 2024, we have seen or become aware of steps that departments and agencies are taking towards reconciling and resolving some of those shortcomings and challenges. Yet, if the proverbial child was sitting in the back seat of the car bleating, "Are we there yet?", the answer is definitely no. Looking ahead, we know that the business sector is very keen to work constructively with stakeholders to ensure that we make the best of the opportunities offered in the creation and development of the REZs. We look forward to the work of the inquiry concluding and to moving ahead with practical recommendations that could emerge from your work. Thank you for the opportunity today.

The CHAIR: Ms Tucker, do you have anything to add to that, or will we go straight into questions?

LEAH TUCKER: No.

The Hon. AILEEN MacDONALD: You mentioned the circular economy in the Business NSW submission. What are the barriers to a circular economy emerging for renewables, and what actions would you recommend Government take to encourage it?

LEAH TUCKER: To answer that at a high level and talk to the barriers, I think one of the biggest barriers in planning for a circular economy is that the technology for renewable energy, whether it's wind or solar, is moving at a rapid pace, so to plan for a circular economy is proving quite difficult for the private sector. I would say that would be a barrier. The cost, as well, associated with those technologies is changing at a rapid pace, and the way that you dispose of them is the same. On what the Government could do, we recommended that they could develop and implement a circular economy framework to guide the private sector on how you develop a circular economy for the REZs and for the renewable energy infrastructure. We believe it's the Government's place to do that. I think they're best placed to guide the private sector for that.

The Hon. AILEEN MacDONALD: In your experience, how are regional businesses experiencing the renewable energy rollout? Do you believe that they're benefiting from increased economic activity?

BOB HAWES: I think that answer is variable. We've got a lot of businesses that want to engage and join in the opportunities that the development of the REZs is offering. That, in and of itself, is not universal and is completely open-ended. There's a lot of rhetoric going around about how that might happen in relation to engaging businesses right across the State of New South Wales. And then there are the businesses that are in those areas—particularly the Orana or Central West and New England or North West—where sometimes the opportunity is overwhelming. One of the previous witnesses you asked about tourism, for example. Some of those towns, in and around the industries that are around those towns, are supported by opportunities in the visitor economy.

However, just about all the accommodation in those places is now taken up by the itinerant workers. I'm sure you've heard that from others. Businesses that are directly impacted and are getting the benefit of having full houses are fine, but all the flow-on effects that go—in the case of, say, Mudgee or some of those areas out there where they would get visitation to their vineyards and so on, it has become variable, unpredictable and uncertain. How long that will last depends on the extent of the construction. When you come back into the places like the Hunter region, there's a bit more of a capacity to be able to accommodate that. But, as I said, it's not open ended

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and it's not universal. It really does deserve more examination as these things go forward, as difficult as that process might be.

The Hon. AILEEN MacDONALD: What can the Government do to encourage more regional businesses or manufacturing alongside these renewable projects?

BOB HAWES: I think there are steps being taken by EnergyCo to try to do that. But, as I referred to earlier, the difficulty is that the scale of some of the work within the projects is just completely beyond some of the small businesses and the small manufacturing businesses that exist in these towns and regions. There isn't a transformer manufacturer in New South Wales, let alone Australia, that can build the requirements for that end of the scale that some of the equipment that's being built. That goes on for a lot of the main components of what we're seeing. However, EnergyCo is doing its best to try to break that down. But, in the other sense, and the realisation of that—realising the Government can do so much to try to compartmentalise or make elements within those construction pipelines.

At the end of the day, there's a head contractor appointed. That head contractor doesn't want to be constrained by a whole bunch of rules and regulations other than getting the job done for a price. That part of that system is yet to be tested, although—particularly in places like the Hunter, where we are trying to engage to make sure that we get that opportunity. Having said that, sometimes you don't want to overpromise and underdeliver because there aren't businesses sitting there with 200 people doing nothing, and a piece of machinery waiting for someone to come and knock on their door and say, "Can you build this for the REZ?"

This work that's happening is fantastic and it's an enormous wave of opportunity. It's an enormous economic wave. But it's come in addition to what we're doing in the economy, not instead of. That in itself puts stresses and strains on the business community—the local communities, I've no doubt you've heard, and the agricultural community, which we just heard from the previous witness. It is a vexed question to try to get that right, but I must say there are now steps happening in that direction that we are seeing that they're trying, in a proactive sense, to get that engagement working so that local businesses do have an opportunity to participate.

The Hon. AILEEN MacDONALD: In one of your previous answers, you mentioned housing for locals as well as the workers who are coming in. What measures would best address the temporary housing needs of REZ workers without displacing the local residents or creating rental pressure?

LEAH TUCKER: I guess this is something that has been widely addressed, but one thing you could, which was mentioned to look at—was to look at temporary modular housing to put in the areas, which doesn't add to local residents and, as you said, put on rental pressures as well as put property prices up. That's something we suggested to look into, which I know the Government is supporting. We just saw as well that the Federal Government, from the last budget, is also in support of modular housing. I'd say that's a really good solution to look at.

The Hon. AILEEN MacDONALD: I think you're supportive of legislated decommissioning bonds, saying that they're necessary. What would be the risk of relying on voluntary or case-by-case arrangements?

LEAH TUCKER: I suppose the previous witness is also saying that you have a risk of change of ownership of your renewable energy project, wherever that is. You also have a risk of the company or the person who's doing that project going financially—either they're bankrupt and therefore they won't be able to pay that. Legislating it up-front means that they have no other option. They won't look at any other options. It's just a very straightforward way. It does follow, I think it was the offshore electricity market framework. They do the same in this country. That's working really well, so we used that as an example for you to look at because I believe that, as that's working well, why wouldn't we follow the same?

The Hon. AILEEN MacDONALD: In New South Wales, would you support mandatory inclusion of mining data in renewable energy zone route and infrastructure planning stages?

ANDREW ABBEY: Absolutely. I think it was AMEC that, in their submission, included better mapping of renewable energy projects or proposals, transmission infrastructure et cetera, overlaid with the State's resources. So, yes, we would support that, particularly where those resources are—all the resources are obviously important, but where they're critical minerals or the like, they should be given a heightened level of protection and seat at the table in terms of discussing what the impacts of a renewable energy project would be over an exploration area that includes those resources—and, as part of that deliberation, making sure that the viability of extracting that resource isn't compromised.

The Hon. AILEEN MacDONALD: What are the current gaps, then, in that coordination between, say, EnergyCo and the resources sector, and how could that be resolved?

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ANDREW ABBEY: Having watched a number of witnesses and heard the previous couple of witnesses, I think the most consistent and common theme is better, earlier and more detailed engagement, communication and collaboration, and better sharing of information. A number of parties also mentioned the breakneck speed at which this is all happening. Making sure there's enough time to—the last thing I want to do is suggest that projects should take longer in the assessment system. We're one of the biggest users of the assessment system and have very significant concerns about the time taken. Nonetheless, this is clearly having an impact on property owners and others, including the mining industry and exploration industry, so anything that can be done to improve communication, engagement and the like.

One of the areas, in terms of the impacts on explorers, is that, whilst there have been steps put in place by the department of planning in its renewable energy planning framework, we still feel that it's a great first step but it should be made mandatory where the resources are important and there are explorers who have a legal right to that resource or to look at exploring for that resource—subject to land access agreements and dealing with the landowner, obviously. There should be mandatory consultation and engagement requirements and, if that doesn't occur, then the project should not be able to be approved or determined until such time as that occurs. Often these issues will, nine times out of 10, probably resolve themselves through better engagement and better consultation. But I think there are enough examples out there, and I think you've heard enough examples, where there's concern about the level to date.

The Hon. AILEEN MacDONALD: I understand that there's sometimes workforce competition between the two sectors. What kind of strategies would help avoid that between, say, the renewable energy sector and the mining projects that are in the same region? Is there the possibility that there might be some existing government programs or initiatives that could be scaled to meet both sectors?

ANDREW ABBEY: My answer would be all of it, everything, and as much as you can do. The mining sector is hungry for people. I think somebody misquoted the number of coalmining workers. It's 27,000 to 28,000. At various times it can be 30,000. These are direct jobs, not flow-on jobs. There are more than 8,000 direct jobs in the metals industry. The Minerals Council, over the last number of years, has run its own career campaigns to try and increase awareness of mining as a well-paid, viable career to increase the number of people flowing into it. The last thing we want to do is compete with or cannibalise other industries. We're attempting to look after our own patch, but I think it is incumbent on the Government as well. If we want to take advantage of the benefits that can flow from the billions of dollars of renewable energy developments that are going to occur in the next X years, then there should be programs in place. Whatever can be done.

BOB HAWES: Can I add to that? It's a really good point, because we traditionally saw competition between industries. The mining industry was always regarded as this opportunity where they could afford to pay and had a good capacity to pay. They were taking people from one industry to that industry. What we're seeing now—as this work is happening "in addition to" instead of "instead of", which I said earlier—is within industries people are now being poached. It's not necessarily going from the renewable energy industry to mining. It's people who work in the renewable energy industry or other allied industries that are now pinching people. It's not just a skills problem; it's a people problem. We simply don't have enough. The businesses that are going well are screaming for people.

In some of these regional areas in which this work is happening, their unemployment rate has a zero in front of it. We do not have pools of people swanning about and waiting for someone to knock on the door to work for these businesses. These businesses are getting exasperated, and this is why some of them get into trouble in the end. They make commitments that they can't meet and then the results are devastating. We know in the Hunter region—there are mines up there that are now doing short shifts because they simply cannot get enough people even though the time is right to be able to make money and mine the product. Instead of offering three shifts, in some cases they're only able to operate two. It is a universal issue, the whole thing about workforce. We need to plan. There is not enough we can do in that space to try and motivate and mobilise a workforce to be able to deliver what is being asked.

ANDREW ABBEY: Just to add to your addition, in the mining industry there was always an agreement not to attract workers to your mine site from other mine sites, but it's getting harder and harder because of the sheer hunger for workers or appetite for more people, particularly in the Hunter.

The Hon. AILEEN MacDONALD: I think you mentioned in your opening statement that there's the potential for renewable energy to use former mine sites. How much potential is there?

ANDREW ABBEY: That's a very good question. I'm pretty sure the submission we put in to the other inquiry relating to post-mining land use included that. We keep a very good database through our Upper Hunter mining dialogue of the rolling rehabilitation program and land that's coming online. When they're operating on operational mine sites, it's challenging to use that land because you need buffer distances, there are environmental

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outcomes et cetera. Once a mine does reach the end of its operating life, there will be lots and lots of hectares of land—in the thousands of hectares—that has a very close proximity to power sources, infrastructure, roads, population bases et cetera. We made the point that you don't have to start eating up good, valuable agricultural land. This is disturbed land. We did make the point, and I think, to the credit of that other committee, they heard it loud and clear. It was relatively universally agreed that the existing regulatory framework is too hard to easily turn it over to an alternative use for a whole host of reasons which we could go into as part of another inquiry—which, indeed, they did.

The Hon. AILEEN MacDONALD: I have one more question. How should REZ planning better account for existing mining leases and exploration titles to avoid future land-use conflict?

ANDREW ABBEY: With existing mining leases, once you've got an up-and-running mining operation, there is enough grunt with those entities to look after and deal with them. But, notwithstanding, there should be very clear transparency of information and very strong communication guidelines. Our primary concern at the minute is the explorers and their lower cost operations, particularly out in the Central West and the western regions of the State. They are not cashed up, for lack of a better term. They need to be consulted with early and engaged with in meaningful dialogue between them and the proponent to work out what everybody's thinking about, the location of things and where the location of the resource is.

I think you had a question earlier about the mapping of the resource. That would be a good start as well. The worst case would be that there's a really valuable resource that's economic and it's covered with 15 or 20 wind turbines that cost, I think it was, \$480,000 or \$500,000 bucks apiece to pull down. Next thing you know, extracting that resource or even continuing with exploration activities—because it would be some important structure that you might not necessarily be able to work with as part of the exploration activities. Next thing you know, that resource could be sterilised—so better communication. I also made the point in our submission—and I made it earlier—about mandatory consultation being required as part of the assessment process. If that consultation doesn't occur, the project shouldn't be able to be determined until such time as it occurs.

The CHAIR: Can I just go to the topic of rehabilitation standards and decommissioning bonds. It's been a bit of a theme today. We heard from the Government, in their argument against decommissioning bonds, that they said that it shouldn't be the same as mining because decommissioning a mine in terms of environmental rehabilitation is so much more complex and potentially so much more costly that it's not necessary. I just want to get your comment on whether you agree, or do you believe there should be an equal requirement for the developers to make good?

ANDREW ABBEY: I'll answer it in a couple of ways. The mining industry is obviously very comfortable with rehabilitation bonds. We get on with it. We have problems in terms of how they're sometimes structured. There's always questions about the cost estimates, how much money is required up-front, at what point in time is the cost of providing that et cetera. At the end of the day, it's a well-worn path, and we get on with it. In terms of renewable energy projects—clearly property owners and, I think, farmers pointed this out very clearly—people are aggrieved at the idea that if there's four or five changes in land or project ownership—or indeed if, as I think Leah pointed out, the company goes broke—who's going to pick up the tab if it's just left there as a stranded asset?

The only other point I would add is we're also loath for any industry to being exposed to unnecessary cost and regulatory burden purely for the fact that we want to see projects proceed. We know renewable energy projects are going to occur. They're on a pathway to occur as part of the transition thing. There needs to be a very delicate balance here between what is the cost to the actual project, but importantly protecting the landowners interests. In answer to your question about the environmental impacts, clearly a solar farm sitting on top of the land is probably different to an open-cut mine. I think there's probably some reasonableness to that argument.

The CHAIR: In terms of resource supply chain and critical minerals, we've heard the Minister in charge of mining talk about the need to mine our way to a renewable future, which is a nice motherhood statement at a Minerals Council dinner. How has that been actualised in reality given that 79 per cent of our solar panels come from China, and 10 out of the 15 suppliers of wind turbines are also from China? Are your members seeing an uplift in the uptake of critical minerals for renewables being used in our domestic products?

ANDREW ABBEY: As a starting point to answering that, it's about more approvals and more certainty in the approvals process. You had the McPhillamys goldmine out at Orange fall over for various reasons. You had the Bowdens silver mine out near Lue fall over for various reasons through a court process, notwithstanding the fact that the New South Wales Government approved it. There is a whole bunch of projects in the pipeline. There are a few projects sitting around that are fully approved and looking for investors. Unless the Government gets its skates on in terms of approvals and creating an attractive environment for people to want to throw money into

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these projects to get things going, New South Wales will fall behind in terms of its capacity to provide critical minerals as part of the transition and decarbonisation efforts.

The CHAIR: The hypocrisy is that The Greens want renewable energy but don't want the mines to deliver that. Can I go to Business NSW? In terms of that circular economy discussion and waste management discussion, do you think some of those obligations should be built into the developer proposals so that they have contractual obligations to invest in the circular economy in terms of end of life?

LEAH TUCKER: Yes.

The CHAIR: That's nice and easy. You also talk about benefit-sharing needs going beyond landholders to support local businesses. What kind of business-specific benefits would you like to see?

LEAH TUCKER: To answer that I'd go to thinking of more legacy projects. I think that's what that was pointing at. I'm not going to talk to a specific business, but it's about the community and business as a whole in the area, and making sure that some of the benefit sharing goes to legacy projects for the community that would otherwise fall on council to pay for, who can't. If these impacts are going to happen in those regions, let's benefit local businesses, whether that be upgrading your local council pool, recreation areas or parks or just making sure those things are there, which businesses can then grow off.

The CHAIR: With those comments, is that a reflection that the current benefit-sharing scheme has missed the mark?

LEAH TUCKER: The current benefit-sharing scheme doesn't have a good focus on small business and the diversity of small business. I acknowledge that is very hard to cover, but when you read the benefit-sharing scheme, it does seem to focus on landholders and not so much on business and the opportunities business could get from it.

The CHAIR: Do you think that, potentially, each REZ might need some sort of standalone regional business participation strategy that's directly designed by those small business owners, chambers of commerce and local business associations?

LEAH TUCKER: Yes. I think that goes back to the thorough consultation that is a theme that has been brought up here today, and each region has different characteristics and different strengths.

BOB HAWES: And we need some transparency in that. The difficulty is we understand about the communication of that message, and there's a willingness there to do that. But many businesses have a particular focus in a particular area and we are not always getting it. But, certainly, that should be something that we give a red hot go at, to make sure that there is some inclusion in the elements of the outcome of what those plans might look like.

The CHAIR: Moving on, you talked about concern around the unmanaged cumulative impacts, and we've heard about that quite strongly with the Central-West Orana REZ, with the proliferation of projects that aren't necessarily approved by EnergyCo or don't have access agreements but are just popping up. Do you think we should have some sort of carrying capacity figure for our REZs and, once we know what that figure is, some sort of cap or pause on any projects above that carrying capacity?

BOB HAWES: Carrying capacity in the sense of—

The CHAIR: The number of projects across the landscape contributing to the gigawatt requirement that net zero and EnergyCo have set in terms of what they want to reach.

BOB HAWES: That is a tough nut to crack in that you're dealing with market mechanisms around people who have been awarded contracts and are trying to get on with life et cetera. But in a sense we're seeing some self-regulation in that the market is not able to cope with all the work. It's like some of the infrastructure projects on roads and things at the moment that have to be slowed down simply because there isn't enough machinery and there aren't enough people around to do it. That's what we're worried about. The experience with the renewable energy economy is that when you get that lack of control and that lack of knowing—even if it's just a global idea of what that cumulative operation looks like, there can be better certainty about outcomes in that people are able to better recognise what's being delivered and who's delivering it and how. You see similarities in the property industry. When things go boom, everyone is in there doing it. But the other side of that is the bust, when they all went in there with best intentions and in good faith, but the outcomes aren't very pretty.

The CHAIR: To pick up on that, the concern from residents and community that we've certainly heard in the Central West is that there hasn't been that natural market reaction. The proponents or the developers are still putting these proposals forward, going forward as if they are going to happen and causing that stress on landholders and social cohesion breakdown in communities. The market might fix itself later down the track, but

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they've essentially torn the community apart in the process. I think the community is trying to explore whether there can be a mechanism that maybe causes the market to correct itself earlier, before that damage is caused.

BOB HAWES: Some of those mechanisms that were spoken about earlier, in terms of zone and having an idea where projects are going to go, can, in and of themselves, be of assistance in that process. In the Hunter region we have seen some projects that have been on the books for 10 or 12 years, and nothing has happened. Why? They're not in the right spot. They're nowhere near infrastructure. They're waiting for that opportunity to come along to plug in. In other cases, as the previous witness attested, we're seeing prime agricultural land being taken when that's not really what we want. We've got other opportunities, and we take a breath, stand back and say, "Where is this best to happen?" But at the end of the day, it's a market mechanism of someone selling their land and someone buying it and then coming forth with a project on the basis that there aren't any guard rails to stop them doing that. Those sorts of things are big lever things that would be helpful to improve that certainty so that people know what's going on.

The CHAIR: Finally, you argue for REZ projects to be classed as critical State significant infrastructure. Do you think local councils or communities should have an ability to appeal those declarations?

LEAH TUCKER: I'll take that on notice.

The Hon. AILEEN MacDONALD: The Business NSW submission recommended reinvesting REZ access fees into local infrastructure and manufacturing. What governance and accountability mechanisms would ensure that the funding delivers long-term regional benefits? You can take it on notice.

LEAH TUCKER: I'm going to take it on notice to give a better detailed answer.

BOB HAWES: Going back to your question about State significant—there are two elements to that. We will take on notice the first bit, but the other element was that the rapid pace at which we need to deliver projects as a community and as an economy was also a suggestion to try to help add certainty and fast-track some of these mechanisms without necessarily rolling out of the local communities—absolutely not. But the fact that there was an unequal planning pathway for these based on those different elements—different agencies involved and different local governments involved—to get certainty out of the projects and investment in what the Government is trying to do in terms of the energy road map and delivering a renewable energy project, which is ultimately up to the private sector, that pathway would help that.

The Hon. SARAH MITCHELL: This is probably for you, Mr Hawes or Ms Tucker. In your submission you talked about the potential to see renewable energy as tourist attractions. I found that interesting. I'd rather go to the beach, probably, than be near a solar farm. You talk about research in Europe and you cite some evidence. I found that to be interesting and curious that that could potentially be a positive. I know you said before, Mr Hawes, that it's a bit mixed in terms of community views. Is that something people are talking about in the tourism space that could be a plus?

LEAH TUCKER: I think, to answer that, it is very mixed. There are negatives, but we didn't want to put in a submission just focused on the negative.

The Hon. SARAH MITCHELL: Yes, I appreciate that.

LEAH TUCKER: The one example I know that was put in was around Goulburn, and that is already happening. They are taking tourists as well as schools to educate them on renewable energy and how it works. It was more just to put that positive in that there are opportunities. There are opportunities for small business to work with businesses who are developing renewable energy projects. I'm not saying that it's going to take over the tourism in those areas.

The Hon. SARAH MITCHELL: Yes, for every positive there will be a negative as well.

LEAH TUCKER: It's not going to be going to the vineyards in Mudgee, but I am saying there is opportunity there and it would be great if it was investigated and looked at. I don't know how it would happen or how you could coordinate it, but some sort of coordination and collaboration with the tourism industry and those renewable projects is an opportunity.

The Hon. SARAH MITCHELL: Mr Abbey, you talked a bit about this before—I apologise; I am not on the State Development Committee—but, at a super high level, what are the main one or two barriers for an old mine site becoming a renewable site that you can share?

ANDREW ABBEY: There are a number of regulatory pieces of legislation that interplay with each other. You've got to get approvals for the actual land use, which have got an original approval for the mine site under the Environmental Planning and Assessment Act; then you get a mining licence under the Mining Act, and that has a whole bunch of requirements about rehabilitation, which links back to the original planning approval

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from 25-plus years ago; and then when you go, "Hey, a brand-new use came along that's way better suited today than it was 20 years ago and we want to do the brand-new wind farm" or whatever, to unpick all those existing consents or modify the existing consents—

The Hon. SARAH MITCHELL: It could be from decades ago.

ANDREW ABBEY: It could be from decades ago. To get a new approval and then to unpick all your relinquishment and rehabilitation requirements, or to change those, is very difficult. Then there are long-term liability requirements associated with that. At the end of the day, the mining company is obliged to have long-term financial liability over the site to make sure that the rehabilitation requirements are met. That provides a hindrance to any third party coming along and taking over the site and purchasing it. That's easier because, if you're on the hook for millions of dollars or whatever it is, you might not necessarily want to be exposed to that. That all adds up to somebody saying, "Rather than build the solar farm on that, I'll just go over here. It's a lot cleaner. I've just got to get one approval and away I'll go."

The Hon. SARAH MITCHELL: It's a good idea, but red tape makes it hard in practice.

ANDREW ABBEY: Yes. I don't dismiss that lightly. It's complicated and it's hard, but there has got to be a better way if we want to start solving some of the problems of eating up virgin farmland. That's better served for food and fibre.

The Hon. SARAH MITCHELL: I agree.

The CHAIR: That takes us to the end of the session today. Thank you very much for your evidence. You have taken a couple of questions on notice. The Committee secretariat will be in touch about timelines for that. You may also receive some supplementary questions from us as well.

(The witnesses withdrew.)

The Committee adjourned at 17:35.