

Warrumbungle Shire Council

**NSW Legislative Council's Portfolio
Committee No. 4 – Regional NSW**

20 January 2024

**Inquiry into the impact of Renewable
Energy Zones (REZs) on rural and
regional communities and industries in
NSW**

Submission by
Warrumbungle Shire Council

IN THE PUBLIC INTEREST



1. THE SCOPE OF THIS SUBMISSION

Warrumbungle Shire Council ('Council') thanks the Portfolio Committee No. 4 for the opportunity to table a submission on the impact of Renewable Energy Zones ('REZs') on the rural and regional communities and industries in NSW.

The focus of Council's submission is on the following selected aspects of the Terms of Reference (ToR):

- (a) *current and projected socioeconomic, cultural, agricultural and environmental impacts of projects within REZs in NSW including the cumulative impacts;*
- (b) *current and projected considerations needed with regards to fire risk, management and containment and potential implications on insurance for land holders and/or project proponents in and around REZs;*
- (c) *the historical, current and projected future financial costs associated with construction and maintenance of large-scale projects within REZs;*
- (e) *adequacy, and management of voluntary planning agreements and payments made to the LGAs impacted by REZs; and*
- (i) *adequacy of community consultation and engagement in the development of REZs and associated projects.*

2. SUBMISSION LODGEMENT

Council requests that the submission and its name be published on the Committee's website.

3. INTRODUCTION

The Central West Orana REZ includes the Local Government Areas (LGAs) of Warrumbungle Shire, Mid Western Regional, Dubbo Regional and Upper Hunter Shire. Within or immediately outside the REZ boundary are currently forty (40) plus generation or transmission projects planned, being built or operational. It is estimated some 7,000 - 10,000 workers will be required over the next six (6) years to construct the REZ projects.

There are eleven (11) proposed generation and transmission projects that are planned to be located, at least partially, within the southern and eastern parts of Warrumbungle LGA.

In its negotiations with the developers, EnergyCo, the Department of Planning, Housing and Infrastructure (DPHI) and other parts of the NSW Government over the past three (3) years, Council's primary focus has been on seeking definitive answers to the following questions:

- a) What are the cumulative environmental, social and economic **costs** arising from the developments and who bears them? and
- b) What are the cumulative environmental, social and economic **benefits** arising from the developments and who reaps them?

Council has been focussed on ensuring that costs reasonably attributable to the developers are carried by same and not outsourced to the LGA's residents and ratepayers.

4. COMMENTARY ON THE NOMINATED TERMS OF REFERENCE (ToR)

ToR (a) current and projected socioeconomic, cultural, agricultural and environmental impacts of projects within REZs in NSW including the cumulative impacts;

i. Roads:

Council estimates more than 250kms of its roads designated 'Local' and 'Regional' will experience significant impacts arising from heavy vehicle movements over the lifecycle of the major projects that have so far lodged Development Applications. The key impact phases are construction, refurbishment and decommissioning.

Council estimates the size of the heavy vehicle freight task will be monumental, with the haulage of tens of millions of tonnes of materials, equating to millions of heavy vehicle movements.

Most of the 'Local' roads were not designed or built to carry such heavy loads and traffic volumes and as a result can be expected to disintegrate and require full depth rehabilitation unless they are first upgraded and then maintained to cater for the projected project traffic. Council is thus concerned to ensure that the REZ developers bear the responsibility for funding the upgrade of, and ongoing maintenance and rehabilitation of, these roads. Otherwise, Council ratepayers could be liable for an estimated future road maintenance and rehabilitation bill of an estimated hundred million dollars.

An influx of some 7,000 -10,000 construction workers over the next six (6) years will also generate additional road wear and tear from light vehicles and an escalation of road accident risks.

One of the unknown risks is how traffic will be regulated to actually use only the prescribed access routes and not use other, non-approved roads. For instance, it is a common occurrence for mine-related traffic in rural NSW to seek out and use minor roads (narrow, winding) – commonly called 'rat-runs' - that are travel time 'short cuts'. Such traffic can damage non-approved access routes, leaving ratepayers to pay for repairs and maintenance.

Approvals of REZ projects to date are silent on how traffic management rules will be enforced to protect these vital road assets owned by Local Government.

Being a small shire council, unlike the regional councils of Mid Western and Dubbo, means the resources at our disposal are relatively limited. For instance, currently Council does not have a roads and traffic specialist on staff and has been required to engage consultants, at significant costs to the ratepayer.

ii. Cumulative Impacts:

The assessment of State Significant Developments under the NSW *Environmental Planning & Assessment Act 1979* (EP&A Act) primarily focusses attention to the environmental, social and economic impacts arising from that individual or specific project.

Whilst DPHI does have a cumulative impacts policy, that policy only requires an SSD project to assess the cumulative impacts arising from other SSD projects if they have been approved. However, individual developers in the REZ are working in a highly competitive commercial market and are unlikely to share sensitive data that has not yet been publicly released. Thus, there is little meaningful cumulative impact assessment undertaken.

The DPHI policy certainly does not accommodate a REZ situation whereby some forty (40) major quasi- industrial developments are being located within in a 200-year-old rural landscape and community.

Council has been advocating that the NSW Government and DPHI and EnergyCo in particular urgently address the likely REZ-wide cumulative impacts. Some studies are now belatedly underway however the timetable for delivery of those studies is not yet been publicly released. Even more crucially, given the REZ designation is now three years on,

Local Government and their communities wish to know **what** mitigative measures will be to be implemented and **when**.

Outlined below is an example which highlights the matter of cumulative impacts. On the southern edge of the Warrumbungle LGA there are seven (7) major REZ projects planned, namely:

- Spicers Creek Wind Farm ('WF')
- Sandy Creek Solar Farm ('SF')
- Dapper SF
- Cobbora SF
- Orana WF
- Avonside SF
- Elong Elong Hub for the EnergyCo (ACEREZ) Transmission Line

The seven (7) projects are all planned to be constructed between 2025 and say 2032.

This close aggregation of seven (7) major quasi – industrial developments in a 200-year-old rural landscape is a significant concentration of developments that are very different in character to the existing environment, be it physically, socially or economically.

Council submits that the cumulative impact assessment should include, but not be limited to, the following cumulative impacts:

- Impacts on local roads. This includes the significant increase in road maintenance post construction, upgrades/refurbishment and decommissioning, and the resultant costs;
- Socio-economic impacts, including:
 - a) impacts on emergency services, for example police, fire brigade and ambulance;
 - b) Impacts on the availability of medical resources (for example hospital beds, general practitioners) and other social services;
 - c) Social and amenity impacts on the local residents; and
 - d) Impacts on the changed social and cultural fabric of the area;
- Environmental impacts, including but not limited to cumulative flora, fauna and habitat loss, particularly impacts on threatened species. Also, cumulative impacts on the extraction of groundwater and surface water (substantial quantities of water are required for the building of roads and project infrastructure), waste management, aggregate supply and cultural heritage impacts;
- Visual impacts of multiple renewable energy projects on nearby private properties, important local features and the rural landscape;
- Noise impacts resulting from multiple wind farms close to residents, as well as increased traffic movements during the phases of construction, upgrading/refurbishment and decommissioning;

- Economic impacts, including effects of a reduction in the supply chain of local services and materials needed for other local construction projects and local agribusinesses; and
- The increased risk of bushfires because of the increased human activity.

Council also draws the attention of Committee No. 4 to the cumulative impact assessment report prepared by Mid-Western Regional Council in early 2024. It can be found at

<https://www.midwestern.nsw.gov.au/files/assets/public/v/1/development/mwrc-managing-the-impacts-of-ssd-final-v.01.pdf>

The Report highlights, inter alia, the following cumulative impacts for the Mid-Western LGA alone:

Ambulance:

- need up to thirty (30) additional paramedics in the peak construction period (2026)
- plus need a median of four (4) additional paramedics over the next several years
- likely to be up to 800 additional emergency responses in the peak construction period (2026)

General Practitioners:

- need up to eight (8) additional GP FTEs in the peak construction period (2026)
- need a median of one (1) additional dedicated GP FTE per annum

Hospital beds:

- Need up to an additional eight (8) Emergency Department ('ED') bays and seven (7) nurses in the peak construction period (2026)
- Likely to be an additional 5,085 ED presentations in 2026

Police:

- Will need more due to increases in traffic incidents and potential incidents occurring at accommodation camps.

To note EnergyCo in March 2023 did prepare an initial cumulative impact report entitled *CWO REZ - Coordinating community impacts and benefits in the REZ* however it was short on the scope and detail required.

RECOMMENDATION NO. 1

Council recommends that the Committee find there is an urgent need for holistic, strategic cumulative assessments to be immediately completed across each of the five (5) REZs in NSW.

ToR (b) current and projected considerations needed with regards to fire risk, management and containment and potential implications on insurance for land holders and/or project proponents in and around REZs;

With the advent of some forty (40) REZ projects establishing in a rural area there will undoubtedly be an increased risk of bushfire. It will be vital that grass/bush fires are swiftly tackled by the required firefighting resources before it takes hold and spreads. Thus, Council recommends that each REZ project have on site multiple trailer-drawn firefighting units, including water tanks that are full at all times when on standby. The adequacy of these on-site resources should be to the written satisfaction of the local RFS.

Council also requires:

- a) that the Warrumbungle Emergency Management Committee is consulted in the preparation of a REZ project's Bushfire Emergency Management Plan and in other consultations regarding bushfire and emergency management;
- b) that REZ developers embed in their operating plans clear instructions as to the work plans when temperatures are high/extreme, say above 30°C and also during high winds; and
- c) that there be protocols which ban Hot Work activities during moderate to high bushfire periods.

RECOMMENDATION NO. 2

Council recommends that the Committee find there is a need for REZ developers to:

- a) **have sufficient mobile fire-fighting equipment on site at all times, as deemed appropriate by the RFS;**
- b) **require the approval of Bushfire Emergency Management Plans by Local Government; and**
- c) **ban Hot Work activities during moderate to high bushfire periods.**

ToR (c) the historical, current and projected future financial costs associated with construction and maintenance of large-scale projects within REZs;

One of Council's biggest concerns is to avoid being left with financial costs arising from the impact of REZ-related traffic on its local road network. Council estimates more than 250kms of its roads designated 'Local' and 'Regional' will experience significant impacts arising from heavy vehicle movements over the lifecycle of the major projects that have so far lodged Development Applications. Most of the 'Local' roads affected were not designed or built to carry such heavy loads and traffic volumes and as a result can be expected to disintegrate and require full depth rehabilitation unless they are upgraded and maintained to cater for the projected project traffic.

It is worth noting that REZ project traffic is much more than during the initial construction phase. These projects will operate for more than thirty (30) years and during that time there will be upgrading and refurbishment of the project and ultimately decommissioning and removal of all infrastructure and equipment. Such phases will involve considerable heavy vehicle movements.

Council is thus focussed on ensuring that a project's Conditions of Consent clearly articulate:

- a) which roads are permitted to be used by heavy vehicles;
- b) the specific upgrade requirements for each of those roads, with the upgrades completed prior to construction of the project;
- c) the 'make good' provisions required post construction of the project;
- d) the 'make good' provisions required post upgrading/refurbishment of the project during the operational phase;
- e) the 'make good' provisions required post decommissioning of the project;
and
- f) payment for all of the above by the developer.

There is also a risk that Council will face increased financial burdens arising from increased demands on solid and liquid waste management facilities, with such infrastructure periodically requiring costly upgrades. Who is to bear such costs?

Also, Council faces a financial risk if a REZ developer allocates funds to a community group that results in additional capital works being undertaken which lie outside the scope of Council's Delivery Program and Operational Plan, yet Council may subsequently be expected to maintain and replace them throughout the lifecycle of such assets.

RECOMMENDATION NO. 3

Council recommends that the Committee find there is a need for DPHI to fully support and protect Council's rights as the Local Roads Authority when it comes to ensuring road upgrade and maintenance costs are fully covered by the developer for the duration of the REZ project.

ToR (e) adequacy, and management of voluntary planning agreements and payments made to the LGAs impacted by REZs;

Council strongly supports the securing of planning agreements for REZ projects. The reasons why Council considers planning agreements ('PAs') are the preferred way to secure financial contributions from REZ developers, and to administer same, are outlined below:

1. Under the *Local Government Act 1993*, the Local Government Authority (that is, Council) has the governance, fiduciary and legal obligations to manage the affairs of the LGA. Council is also subject to public scrutiny and accountability via public elections of officials, which adds additional rigour and transparency not available to either local community groups or private developers. Under the *Local Government Act*, listening to and planning the needs of the community is formally addressed and reinforced via the Council's mandated Community Strategic Plan.
2. PAs are legally binding agreements under the *Environmental Planning & Assessment Act* and *Regulation* between a developer and a planning authority (in this case Council), whereby the developer mostly pays a monetary contribution, also known as a Development Contribution, for the provision of public benefits.

3. The 'Public Purpose' projects to be funded are to provide public benefits that address the broad, tangible and intangible environmental, social and economic costs arising from the developments.
4. Council has established a Planning Agreement Management Committee that will manage the funds generated via an anticipated ten (10) planning agreements with energy generation projects located in the LGA. Please note that because the EnergyCo Transmission Line Project is a State Government project it is immune to the planning agreement requirements.
5. The Committee will be chaired by the Mayor and comprise two elected Councillors and four community representatives from areas hosting renewable energy generation developments.
6. Council must prepare an annual public performance report.
7. The three (3) main CWO REZ Councils have collaborated and agreed on the Development Contribution rate for planning agreements being 1.5% x the Capital Investment Value (CIV) of the development. Alternatively, the State Government somewhat late in the piece has formulated a policy of \$1,050/MW installed/yr for a wind farm or 850/MW installed/yr for solar, payable for the duration of the project. Council accepts whichever calculation method provides the greatest Development Contribution.

Council does not support local community groups being directly allocated the PA Development Contributions for the reasons outlined below:

1. Providing large sums of money direct to community groups devoid of legally binding governance rules and accountability provisions to spend on public projects intended to provide a public benefit is not only at odds with the *Local Government Act 1993* but carries with it opaqueness and a high risk of maladministration.
2. Furthermore, a disadvantage of developers allocating the funds directly is that they are focused on their particular investment, so may fail to see the broader picture that a Council, by virtue of their statutory responsibilities, sees and plans for from a management and governance perspective.
3. Funds administered by a community group may also result in additional capital works being undertaken outside the scope of Council's plans, yet Councils may subsequently be expected to maintain and replace them throughout the lifecycle of the assets. There is no guarantee that such assets would be in accord with Council's four-year Delivery Program and Operational Plan, thus creating an unwanted and unsustainable financial burden.

RECOMMENDATION NO. 4

Council recommends that the Committee fully support the use of planning agreements as the best way for REZ developers to make financial contributions to fund public benefits that address the broad, tangible and intangible environmental, social and economic costs arising from the REZ developments.

ToR (i) adequacy of community consultation and engagement in the development of REZs and associated projects.

Given the manner in which the EP&A Act has been administered by the DPHI, communities, be they urban or rural, tend to have limited scope to gain traction and influence regarding what decisions are made in relation to the scope and design of proposed State Significant Developments.

It is the view of Council that the EP&A Act ought to be reformed so as to more meaningfully allow members of society to be heard and their views acted upon. At present, the so-called 'community engagement' process is misleading and deceptive, raising false hope that ordinary folk have a chance to influence the outcome of a DA for a major project.

The community engagement phase also occurs too late in the assessment process, only happening after the project has, in effect, been designed behind closed doors by the developer's engineers and the accountants. After that, most developers tend to adopt an 'announce and defend' mentality, often fracturing the harmony in local communities.

Council recommends the community ought be consulted during the conceptual design stage when input is more likely to be accommodated.

RECOMMENDATION NO. 5

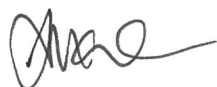
Council recommends that the Committee find that reform of the EP&A Act is urgently required to deliver an improved process that truly engages and collaborates with communities and other key stakeholders such as local Councils.

5. GIVING EVIDENCE AT A HEARING OF THE INQUIRY

Council would welcome the opportunity to give evidence at a hearing of the Inquiry. Thank you for the opportunity to table this Submission.

If you have any queries, please don't hesitate to contact the undersigned on email Lindsay.Mason@warrumbungle.nsw.gov.au or phone (02) 6849 2000.

Yours sincerely



Lindsay Mason
Acting General Manager

Incl: Appendix 1: REZ -Related Major Projects in Warrumbungle Shire

Appendix 1: REZ -Related Major Projects in Warrumbungle Shire

The table below summarises the eleven (11) major REZ projects which will have a bearing on the Council, its residents and ratepayers.

| No | SITE | HOST | MW Generation Capacity | Capex Estim (\$) | Construction Workforce (Peak & years) | COMMENTS |
|----|-------------------------|---------------------|----------------------------------|--------------------------|---------------------------------------|--|
| 1 | Liverpool Range WF | 90% WSC 10% UHSC | 1,332; 185 turbines | 3,400 Mil | 550 (TWA); 4 years | Approved by State Govt Oct 2024. 5% of turbines in UHSC. A Modification to the 2018 approval granted Nov 2024. 2018 project not built. |
| 2 | Liverpool Range Quarry | UHSC | 700,000 tpa aggregate x 4 yrs | 150 Mil | 6 | Aggregate for LRWF only. Four yr life |
| 2 | Valley of the Winds WF | 100% WSC | 943 + 320MW BESS | 2,300 Mil | 400 (TWA); 3-5 years | 131 turbines. Significant roading issues |
| 3 | Orana WF (anticipated) | 90% WSC 10% MWRC | 542 + 100MW BESS | 1,800 Mil | TBA | EIS delayed; due Q2 2025 |
| 4 | Spicers Ck WF | 91% DRC 9% WSC | 730 + 400MW BESS | 2,000 Mil | 590 with 332 in TWA; 3.5 years | 117 turbines. Approved by IPC Nov 2024 |
| 5 | Dapper SF (anticipated) | 90% WSC 10% DRC | 300MW + 300 BESS | 750 Mil | TBA | EIS delayed; due Q3 2025 |
| 6 | Sandy Ck SF | 60% WSC 40% DRC | 700 + 750 MW BESS | 1,200 Mil | 400 with 350 in TWA; 2.5 years | At Response to Submissions stage |
| 7 | Avonside SF | 100% WSC | 180 + 400 BESS | 3,400 Mil | TBA | EIS due Q2 2025 |
| 8 | Cobbora SF | 90% WSC 10% DRC | 700 + 200MW BESS | 1,000 Mil | TBA | EIS due Q2 2025 |
| 9 | Dunedoo SF | 100% WSC | 55 + 60MW BESS | 100 Mil | 125; 1 year | Approved pre-REZ designation (2018). Not yet built |
| 10 | Birriwa SF | 95% MWRC 5% WSC | 600 + 600MW BESS | 1,000 Mil | 500 (TWA); 2.5 years | Approved by IPC Oct 2024 |
| 11 | Transmission Line | 50% WSC 50% MWRC | 90kms @ 500kV; 160kms @ 330kv | 4,400 Mil (2021 dollars) | 1,800 (TWA); 2.5 years | Approved by Minister June 2024 |
| | TOTAL \$\$ | | | 21.5 Bil | 4,371 workers for 8 projects | |

Notes:

- *Assumes project life of 30 years. Likely to be longer.*
- *WSC = Warrumbungle Shire Council; MWRC = Mid-Western Regional Council; DRC = Dubbo Regional Council; UHSC = Upper Hunter Shire Council*
- *TWA = Temporary Workers Accommodation Camp*



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