

18 January 2024

NSW Government  
Director, Energy and Resources Policy  
Mr Matthew Riley  
Email: Via planning portal

**RE: Submission on Draft Energy Policy Framework**

Dear Matt

Uralla Shire Council welcomes the release of the Draft Energy Policy Framework and Guidelines and the opportunity to comment on the various components.

Council is pleased to see the integration of the framework and guidelines relating to the various sectors of renewable energy development.

However, Council continues to have concerns about the following issues:

1. Community engagement prior to the development of the renewable energy zones is historically low, resulting in a consequential lack of social licence for development in some sections of these areas. This also fosters community tension and can destroy community relations between supporting and opposing groups. The framework does not address this issue.
2. Decommissioning and who bears the cost is not adequately addressed by the Guidelines, and consequently the assessment and approval process. Experience in the mining industry demonstrates that no matter what conditions (apart from a financial bond) are put into contracts, if the company that owns the resources at the time of decommissioning does not have the resources, the government or the landowner will be responsible for the costs. The Council effectively becomes the provider of last resort. Renewable energy companies and projects are regularly traded. Under current legislation it is not difficult to on-sell the liability to a company lacking the resources to decommission, thereby leaving the landowner with a worthless contract and obsolete, redundant and/or eventually derelict infrastructure.
3. Accommodation for FIFO workers and workers that are only resident during the construction phase is having a major impact on the local population. The few who have rental properties benefit from the increased rental returns; however, the lower socio-economic section of communities can be adversely affected. The short-term economic boost created by the extra workers in a locality could be a 'sugar hit' with a long-term detrimental impact on housing affordability and tourism. A sound policy approach to this issue is needed. The omission of

accommodation considerations from the draft policy framework is a major oversight and has the potential to adversely impact on communities across the REZ areas. This impact is already being felt in the Central West Orana REZ with a significant unmet housing demand. Similar outcomes in the New England REZ should be averted through the development of sound policy approaches and support for local governments seeking to respond and plan to meet this challenge. Department advice that these matters are being considered by EnergyCo is noted. However, it is considered the 'horse has bolted' given the pace of REZ development. Accommodation matters are really integral to the whole renewable energy roll-out, and accordingly should be part of the policy framework.

4. Council should not be fettered in their discretion to manage community benefit payments negotiated with renewable energy developers through planning agreements. Councils should be free to develop appropriate local community engagement models and strategic approaches to the distribution and disbursement of benefit payments for the long term benefit of the whole community, not just the community immediately affected by the project. The opportunity to collate benefit payments over many years to fund more significant legacy project outcomes for the community should be enshrined to ensure this once in a generation opportunity is not lost.
5. In the Draft Private Agreement Guideline, there is no allowance for the developer to cover any future rates and charges increases that result from the development. Council has separately made representations to the Minister regarding the classification of REZ land for rating purposes once developed and generating. The issue of land classification for rating purposes should be addressed, although Department verbal advice is acknowledged advising that changes to rating categories are not envisioned given the opportunity for landowners to develop private agreements. Council is of the view that the energy generating use once operational is a commercial activity and as such should be appropriately classified for rating purposes.

Specific comments on the components of the Guidelines follow:

### **Draft Wind Energy Guidelines**

Council believes this is generally a good document, however it is deficient in that it fails to adequately address some issues critical to local communities impacted on by these developments. For example:

- a) 1.1 Objectives: Council notes dot point 2 encourages industry to select suitable sites, however dot point 4 only addresses "*stakeholder engagement throughout the development assessment process*". It is important that effective stakeholder engagement takes place at an earlier stage than "*the development assessment process*". In terms of social licence stakeholder engagement is critical in the process of site selection, prior to getting to "*the development assessment process*". Words emphasising the need for active stakeholder participation in site selection should be part of the objectives of these guidelines.
- b) Section 2.5 Regulation of approved wind energy projects lists a number of conditions as dot points. Section 6 Other assessment issues lists other assessment issues. This gives the appearance of a hierarchy. The points listed in 2.5 demonstrate a limited view of the potential impact on local rural industries. In Rural areas access to water is critical to continued livestock production; the impact of erosion and sediment control on neighbours and aquatic ecology can be critical; impact on natural hazards can locally be very significant. These issues should not be devalued by virtually being put in as an addendum.
- c) Chapter 3 Community and stakeholder engagement: The establishment of social licence for these projects is critical. It is currently undermined by the confidential discussions related to

site selection. Proponents then try to overcome the local objections and justify the chosen sites. “Meaningful engagement with stakeholders” must be part of the site selection process, not just the environmental impact assessment process.

- i. I welcome the statements further down in Chapter 3 that talk about community engagement “as early as possible”. This should be at the site selection stage and this must be emphasised up front in these guidelines.
- d) Section 4.2. Processes of site selection and project design: We note there are special conditions applied to passive recreation areas that are more stringent than those applied to other areas. Specifically, the interference with management activities such as feral animal, weed and fire control, or search and rescue operations, and radio communications. These issues are no less important to rural producers than they are to State managers of passive recreation areas. The inclusion of special conditions for sites near passive recreation areas devalues our rural communities emphasising “city centric” nature of the whole of this process: a relatively few individuals are adversely impacted for the benefit of the whole. Council objects most strongly to State managed land being considered more important than privately managed.
- e) Section 5.1 Shadow flicker assessment: Shadow flicker can be extremely annoying. There is a lot of land to select from; turbines should be sited so that shadow flicker should never impact on non-associated residences. 30 hours per year is unacceptable.
- f) Section 5.5 Traffic and transport: The traffic and transport section of environmental impact statements generally consider in detail the proposed route for transporting large components. However, they do not effectively consider the, more significant, local transport of road base, aggregate and water for the construction of roads and concrete. There should be another paragraph in the Guideline to ensure these issues are addressed.
  - i. Also, in section 5.5 the statement that “on site access routes should be designed to utilise existing farm tracks is illogical. Farm tracks are usually two narrow wheel tracks on a natural surface. Access routes need to be at least 4m wide consolidated road base.

### **Draft Transmission Guidelines**

In addition to being used by proponents, this document will be used by individuals and communities impacted by transmission lines to hold government and proponents to account in realistically assessing impacts. In this context it needs to be useable by a non-technical audience not familiar with recent legislation.

Specific Council comments follow:

- a) Major transmission lines will generally be Critical State significant infrastructure. The introduction does not adequately recognise the strategic context of the location of transmission lines. Transmission lines go from point to point. Therefore, there is much more need for trade off in this process (to ensure continuity of the route) than there is with point site nature of wind or solar generators. Hence the need for them to be Critical State Significant Infrastructure. The need for continuity limits the opportunity for effected landholders to influence route decisions and introduces a consequent disingenuous tone to the consultation process. This is not reflected in the guidelines. Basically, as one works through the document

it leads to a feeling that consultation will not be genuine and will have little if any impact on location and mitigation associated with the lines.

- b) Section 1.5 Regulatory approvals: This section presumes a high-level knowledge of the relatively recent legislation impacting on electricity generation and transmission. Whilst the legislative context in terms of planning is explained the significance of this legislation should be a key feature in the introduction.
- c) Section 4, Community and stakeholder engagement. This section is aspirational. The process so far is the route is selected and then impacted landholder will be advised, then the community will be provided an opportunity for “feel good” feedback. The guidelines do provide for feedback on the EIS that will be a valuable opportunity for community input into the need for mitigation
- d) Sections 5 and 6. The separation of assessment issues into key assessment issues (Chapter 5) and others (chapter 6) devalue the potential impact of the very significant factors listed. For example, the impact on Agricultural land-use is dismissed as “agricultural land-use can continue to support grazing and cropping...” demonstrates a poor understanding of modern agriculture and the use of widespread (and growing) aerial operations (including drones) for fire control, weed management and pest animal management. This section also does not demonstrate an understanding of the impact of sediment on aquatic ecosystems or the major impact adequate biodiversity security management (as required by legislation) will have on construction. These chapters should be combined.
- e) Chapter 7 Access arrangements and acquisition agreements. Under biosecurity legislation I understand proponents will require consent from landholders to enter property. This section does not (and should) refer to, or outline, the impact having a project declares critical state significant infrastructure will have on access arrangements.
- f) Chapter 8 Strategic benefit payments. Council welcomes the transparent upfront nature of the determination of payments to landholders. It contrasts with the process adopted by proponents for renewable generator projects.

### **Draft Benefit Sharing Guidelines**

Council welcomes the clarification of State expectations of renewable energy providers in terms of contribution to impacted communities. Sections of our community, while recognising the need to transition to renewable energy and away from fossil fuels, feel disenfranchised and essentially helpless as the local impact of renewable developments are realised.

Council recognises the direct and indirect benefits as outlined in the introduction, however we note (and our experience so far confirms) that these benefits flow mainly to individuals with little benefit to the community as a whole. Our experience to date is that the benefits flow to the suppliers of land, goods and services while the remainder of the community is adversely impacted by the restriction in the availability of these supplies and suppliers. The returns from the beneficiaries do not necessarily flow back to the impacted broader community.

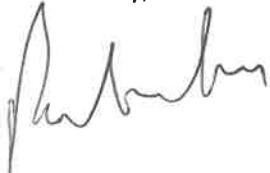
Council appreciates the recognition that the “on-ground effects of the State’s energy transition will be predominantly felt in regional areas” and the recognition that there will be “limited connection to local community enhancement”. Council also appreciates the effort being made to redress this local impact.

Specific council comments follow:

- a) Chapter 2 Benefit Sharing for Renewable Energy. Under 'What is benefit sharing', Council notes that enhancing benefits for neighbours is included in the proposed benefits. The current process for wind energy development included compensation for near neighbour impacted by the development, is it the intention that this compensation for near neighbours come out of the benefits outlined in Chapter 1 (detail in Chapter 3)? This needs clarifying.
- b) Section 2.2 'Why benefit sharing is important for renewable energy'. For benefit sharing to "assist in building community support" the wider community must demonstrably benefit through a transparent and well understood process. This is still not clear or well understood.
  - i. Council is concerned about the statement that "renewable energy projects generally have limited impact on local infrastructure and services". This may be so in our Regional Cities, but is not the case for Rural Shires. Whilst there will be additional 7.11 and 7.12 contributions collected by Council these are required, and fully committed, to maintain the impacted infrastructure and do not represent additional resources available to address wider issues.
- c) Chapter 3 Policy for Benefit Sharing. Council welcomes the recognition of the benefits of administration of these funds through a central body such as council and the recognition different models will be appropriate in different areas and circumstances. Council does not feel adequate recognition has been given to the work involved in developing appropriate, fit-for-purpose models and would appreciate more detail in this section.
  - i. The dot point relating to neighbourhood subsidies does not seem to recognise the electricity distribution and charging system in Australia. The renewable energy providers deliver bulk electricity to the distributors, not to the end consumers. Council does not see how renewable energy providers could provide local subsidies?
- d) Chapter 4 Proposed model and total value of benefit sharing. Council welcomes the upfront clarity on level of contribution expected.

Thank you for consideration of our submission. We look forward to your further advice.

Sincerely,



Robert Bell

**Mayor, Uralla Shire Council**

