

NSW Government Response to Recommendations from August 2025 Parliamentary Inquiry into the Impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales

On 30 July 2024, a Portfolio Committee No. 4 – Regional NSW was tasked with inquiring into and reporting on the impact of Renewable Energy Zones (REZs) on rural and regional communities and industries in New South Wales. The First Report was published on 21 August 2025 and focuses on the Central West Orana REZ and will be followed by a Final Report which all other REZs and their impact on local communities.

The committee received 153 submissions and one supplementary submission. Three public hearings were held, and five site visits were conducted.

The report made five recommendations. These recommendations are the focus of this Government Response (see Table 1 below).

The NSW Government acknowledges the concerns raised by rural and regional communities. We thank everyone for the time they have invested in the review process.

We recognise that trust is earned through actions over time and are focussed on continued improvement.

Consequently, we support or support in principle all recommendations, with action already underway in each case.

The NSW Government is committed to continuous improvement and ensuring the best outcomes for the people enabling this vital transition. We look forward to continuing our work with host communities, acknowledging the critical role they play in securing the State's energy needs.

Table 1: NSW Government (responses to recommendations in the First Report into the Impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales (August 2025)

Recommendation	Response
<p>1. That the NSW Government urgently conduct an independent cumulative impact study on the Central-West Orana Renewable Energy Zone and ensure identified impacts are addressed.</p>	<p>Support</p> <p>The NSW Government recognises the importance of assessing and mitigating cumulative impacts within and surrounding the state’s Renewable Energy Zones (REZs).</p> <p>Consequently, Regional Major Infrastructure Studies have been conducted for the Central West Orana (CWO) and New England (NE) regions.</p>
<p>2. That EnergyCo provide mental health support to landowners who are affected by the Central-West Orana Renewable Energy Zone.</p>	<p>Support</p> <p>The NSW Government acknowledges that infrastructure development such as roads, rail, and energy projects can be disruptive and stressful for local communities.</p> <p>Since 2016, the Centre for Property Acquisition has delivered mental health support for all landholders affected by property acquisition.</p> <p>EnergyCo has tailored the support available to address regional challenges in service access.</p> <p>The NSW Government has also provided funding to expand the remit of the Energy and Water Ombudsman of NSW (EWON) to provide independent dispute resolution services for community members impacted by transmission infrastructure projects.</p>
<p>3. That the Department of Planning, Housing and Infrastructure (DPHI) review the use of Social Impact Assessments (SIA).</p> <p>Amongst other issues, this review should consider:</p> <ul style="list-style-type: none"> opportunities to enhance engagement with affected communities opportunities to identify, measure and mitigate intangible impacts, such as noise and dust 	<p>Support in principle</p> <p>DPHI will explore options to improve the use of SIAs for state significant renewable energy infrastructure projects considering feedback from the inquiry.</p> <p>In July 2025, DPHI released updated Social Impact Assessment Guidelines, following consultation with Social Impact Assessment (SIA) practitioners. Next, DPHI will focus on enhancing processes to improve the quality and consistency of SIA work.</p>

<ul style="list-style-type: none"> opportunities to identify, measure and mitigate social cohesion impacts, and whether the DPHI has adequate resourcing to assess SIAs. 	
<p>4. That the NSW Government investigate options to ensure payments for land acquisition are not taxed. As part of this process, the government could work with the Australian Government to examine whether changes to federal legislation are required.</p>	<p>Support</p> <p>While this issue sits under Commonwealth jurisdiction, NSW has raised this issue with the Energy and Climate Change Ministerial Council (ECMC) and is currently working with the Commonwealth and other jurisdictions to explore solutions to improve outcomes for impacted landholders.</p>
<p>5. That the NSW Government identify ecological protection and restoration priorities for each Renewable Energy Zone and encourage developers to contribute to nature positive environmental regional outcomes.</p>	<p>Support To date, Conservation Investment Strategies have been released for the Central-West Orana and Hunter regions and are available on the NSW Department of Climate Change, Energy, Environment, and Water (DCCEE) website.</p> <p>DCCEE is actively engaging with proponents of renewable energy generation and storage projects to promote alignment with these strategies.</p> <p>All State Significant Development projects are subject to the Biodiversity Offset Scheme.</p> <p>The NSW Government is working to better coordinate delivery of biodiversity offsets to maximise environmental outcomes in the Renewable Energy Zones.</p>