

The Hon Mark Banasiak MLC  
Chair  
Portfolio Committee No. 8 – Regional NSW  
Parliament of New South Wales  
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3 July 2025

Dear Chair

Thank you for the opportunity to appear before the Portfolio Committee No. 4 – Regional NSW for the inquiry into the impact of renewable energy zones on rural and regional communities and industries in New South Wales.

We appreciate the opportunity to contribute evidence to the Committee as witnesses on behalf of the Department of Planning, Housing and Infrastructure (DPHI) in the hearing on 13 May 2025.

For the Committee's information, enclosed are the following:

- DPHI responses to Questions on Notice (Attachment A)
- DPHI responses to Supplementary Questions (Attachment B)
- responses to Supplementary Questions asked of the Department of Climate Change, Energy, the Environment and Water that were referred to DPHI (Attachment C).

There are no suggested corrections to the transcript.

We trust this information is of assistance.

Yours sincerely

Matthew Riley  
A/Executive Director  
Department of Planning, Housing and Infrastructure

**Inquiry into the Impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales – Tuesday 13 May 2025 hearing – Supplementary Questions – Referred by DCCEEW for DPHI to respond**



DCCEEW Supp Q#	Topic	Question	Answer
2	Fire Risk and Insurance Implications	Given the traditionally critical role paddocks and open farmland have played as fire breaks, how has the government assessed the potential impact of replacing these areas with dense installations of solar panels?	<p>Potential impacts depend on a number of environmental factors that are assessed at the individual project level.</p> <p>The <i>Large-Scale Solar Guideline</i> explicitly states the requirement for solar development Environmental Impact Statements (EISs) to consider any natural hazards or risks associated with hazardous materials, and the threat of fire spreading to a solar development.</p> <p>DPHI typically engages with the Rural Fire Service (RFS), Fire &amp; Rescue NSW (FRNSW) and other emergency services at multiple stages of the assessment process, from issuing Secretary's Environmental Assessment Requirements (SEARs) to assessing the EIS. As part of this, RFS may advise that an Asset Protection Zone (APZ) is necessary.</p> <p><i>Note: DCCEEW advises this question can be referred to RFS.</i></p>
3	Fire Risk and Insurance Implications	Have assessments been conducted on how the presence of extensive solar farms could alter the spread or intensity of fires during hot, dry, and windy conditions typical of catastrophic bushfire scenarios in NSW?	<p>A hazards and risks assessment is typically included as a requirement in solar project SEARs. The assessment must include fire risk considerations in accordance with the <i>Large-Scale Solar Guideline</i>, as described in DPHI's response to Q#2.</p> <p>This assessment is carefully reviewed as part of DPHI's assessment process, in consultation with the RFS and other emergency services. This includes considering whether fire risks can be suitably controlled through the implementation of standard fire management procedures.</p> <p><i>Note: DCCEEW advises this question can be referred to RFS.</i></p>

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DCCEEW Supp Q#	Topic	Question	Answer
9	Fire Risk and Insurance Implications	In extreme fire conditions, will solar infrastructure limit the use of aerial firefighting assets due to potential hazards or reflectivity issues posed by solar panels or turbines?	<p>The operational risks presented by turbines or solar panels to aerial firefighting activities is not considered to be any different to that of a communications tower or similar hazard.</p> <p>Aerial firefighting can continue to be undertaken around wind turbines if appropriate strategies, emergency plans and communications protocols are in place.</p> <p>Significant reflectivity from solar farms is uncommon for several reasons, including that photovoltaic panels are designed to absorb light and typically reflect less than 2% of incoming sunlight.</p> <p>Notwithstanding, both the <i>Wind Guideline</i> and <i>Large-Scale Solar Guideline</i> provide guidance on modelling and assessing the relevant impacts to ensure any potential significant risk is avoided or mitigated appropriately.</p>
14	Fire Risk and Insurance Implications	What is the contingency plan if evidence emerges that large-scale renewable energy installations significantly increase bushfire risks or complicate firefighting operations?	Should any new relevant evidence emerge that reflects a different hazard profile for these developments, this will be reflected in the advice provided by DPHI's partner emergency services agencies as part of the assessment process. This can also be updated in DPHI's guidelines as required.
21	Management of Voluntary Planning Agreements	What specific accountability mechanisms are in place to ensure Local Government Areas (LGAs) receive equitable and adequate	The financial value of a Voluntary Planning Agreement (VPA) must align with the <i>Benefit-Sharing Guideline</i> , which sets standard annual rates per megawatt for wind (\$1050), solar (\$850), and stand-alone battery storage (\$150 per MWh) in rural zones. The Guideline

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		financial support through voluntary planning agreements related to Renewable Energy Zones?	<p>promotes consistency and fairness, replacing the previous inconsistent and ad hoc approach, and must be applied in project design and assessment as a requirement of the SEARs issued by the Planning Secretary for a project.</p> <p>Most benefit sharing payments will be delivered through council-managed VPAs, with terms negotiated between the developer and council in consultation with the local community. A smaller share may be negotiated directly with neighbouring landowners. All arrangements must align with the Guideline and are considered by the consent authority during project assessment and, where required, may form a condition of consent.</p>
22	Management of Voluntary Planning Agreements	How does the government ensure these agreements genuinely reflect the socioeconomic disruption experienced by local communities?	<p>Benefit-sharing payments are not compensation for project impacts or disruptions, which are addressed through the assessment and approval process under the <i>Environmental Planning and Assessment Act 1979</i>.</p> <p>Instead, benefit sharing payments ensure host communities share in the benefits of the energy transition in a tangible and lasting way. The Guideline sets out principles to ensure benefit sharing is transparent, community-focused, and delivers long-term social and economic value.</p>
34	Impacts on Regional Visitation and Tourism	What studies have been conducted to assess potential negative impacts on regional tourism due to changes in visual landscapes and	The visual impact assessment process undertaken for renewable energy development considers potential visual impacts at a landscape level as well as for individual dwellings and tourist and visitor accommodation. It includes the assessment of impacts to scenic values and views from key public places, with specific regard to

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		local amenity resulting from large-scale renewable projects?	potential effects on regional visitation and tourism locations, such as lookouts, tourist drives and visitor accommodation.
35	Impacts on Regional Visitation and Tourism	How does the government plan to balance regional tourism and visitation interests against the demands of expanding renewable infrastructure?	As part of the merit assessment process, DPHI considers land use conflicts, including potential impacts on land used for tourist and visitor accommodation. These uses are classified as sensitive receivers and must be assessed for visual amenity and noise impacts. Additionally, an assessment must be undertaken that considers the development rights of land that could support tourist and visitor accommodation or eco-tourist facilities. The assessment considers how a project may limit the future use or development of nearby land for tourist uses under existing planning controls.
39	Decommissioning and Management of Bonds	In the event a renewable energy company goes bankrupt or otherwise abandons a project, what guarantees does the government have in place to ensure local communities and taxpayers won't bear the costs of decommissioning and site restoration?	The cost and responsibility for decommissioning are matters for the developer and the landowner as part of their commercial negotiations.  The cost of decommissioning is heavily dependent on what the host landowner is willing to accept at the completion of a project and the consent authority's conditions of consent regarding rehabilitation. DPHI has published a <i>Private Agreement Guideline</i> and decommissioning calculators to inform landowners of matters they should consider as part of this process, and to enable them to estimate likely costs.
40	Decommissioning and Management of Bonds	Have you studied cases from other regions or countries where renewable projects have ended their lifecycle, and if so, what lessons have you integrated into	The NSW Government has determined that a bond or bank guarantee to cover the cost of decommissioning and rehabilitation is not necessary as the cost and responsibility of decommissioning are matters for the developer and the landowner in their commercial negotiations.

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		your decommissioning bond policies to prevent similar issues here in NSW?	
48	Benefit Sharing Guidelines	Local Government NSW has recommended that councils be given the discretion to apply the Benefit Sharing Guidelines to any size project - what is the government's view?	The <i>Benefit-Sharing Guideline</i> applies to solar, wind and standalone battery energy storage system (on rural zone land) declared as State significant development (SSD) or critical State significant infrastructure (CSSI). Councils retain discretion to apply similar benefit-sharing principles to regionally significant renewable energy projects, as DPHI does not prescribe or monitor benefit-sharing arrangements for these projects.
49	Voluntary Planning Agreements	How are the financial values in Voluntary Planning Agreements (VPAs) determined, and what measures are in place to ensure consistency across different LGAs and REZs?	<p>The financial value of a VPA must be guided by the <i>Benefit-Sharing Guideline</i>. The actual proportion allocated to a VPA is negotiated between a proponent and the local council, following consultation with the local community. The Guideline stipulates that councils should receive no less than 85% of the total benefit sharing arrangement implemented by a developer.</p> <p>The total financial value of a benefit sharing arrangement is determined using the rates prescribed in the Benefit-Sharing Guideline: \$1050 per megawatt per annum for wind, \$850 per megawatt per annum for solar and \$150 per megawatt hour per annum for stand-alone battery storage systems in rural zones. These standardised rates are indexed to CPI over the project's life.</p> <p>This approach strikes a balance between ensuring consistency across all local government areas (LGAs) and Renewable Energy Zones</p>

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			<p>(REZs) while providing some flexibility in benefit distribution based on local circumstances.</p> <p>Applicants are required to outline the expected total value (financial amount or equivalent) of community benefits in the EIS for the project.</p>
51	Land Use Conflicts	How does the NSW Government balance land use conflicts between REZ infrastructure and high-value agricultural land under the current planning framework?	<p>The NSW Agricultural Commissioner has found that renewable energy development is not in conflict with agricultural land use at a sufficiently large scale to materially affect the NSW state agriculture base and that the policy and assessment framework is capable of dealing with localised land use conflicts and impacts.</p> <p>Nevertheless, the <i>Large-Scale Solar Energy Guideline</i> requires applicants to avoid high-value agricultural land where possible and, where not possible, that they adopt mitigation strategies to minimise any significant impacts on agricultural land.</p>
52	Benefit Sharing - Equity	To what extent are benefit-sharing payments being received by non-host neighbouring landowners, and how is fairness in distribution assessed and enforced?	<p>The majority of payments made through a benefit sharing arrangement within the planning system would be made under a council-managed VPA and their distribution will be negotiated between the developer and the council, with input from the local community. A small component of these payments may be negotiated directly with neighbours.</p> <p>The <i>Benefit-Sharing Guideline</i> establishes standardised principles and processes to promote fairness in distribution, improving on previous project-by-project approaches. Any proposed benefit sharing arrangement must be consistent with these principles and would be</p>

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			<p>considered by the consent authority when assessing the merits of a proposed project.</p> <p>Payments received by host landowners or neighbouring landowners in relation to a project's impacts are distinct and separate to benefit-sharing arrangements managed under the planning system.</p>
53	Cumulative Impacts	How are cumulative environmental and social impacts assessed across multiple overlapping REZ developments, particularly in densely impacted LGAs?	<p>Cumulative environmental and social impacts from multiple REZ developments are assessed at both the strategic level and the individual project level.</p> <p>The NSW Government is undertaking REZ-wide cumulative impact studies to understand and enable strategic and coordinated management of cumulative impacts associated with development in these regions.</p> <p>The <i>Cumulative Impact Assessment Guidelines for State Significant Projects</i> require that each individual project consider the cumulative impacts (especially biodiversity, social and economic wellbeing and construction impacts) from the interaction between the project and other development when preparing its EIS.</p> <p>Consent authorities carefully consider each project's assessment of cumulative impacts when evaluating the merits of the project as a whole.</p>
57	Planning Portal	When the planning system allows unlimited project submissions, how does the Department of Planning ensure transparency and prevent	The NSW planning system does not impose restrictions on the number of development applications lodged, recognising any applicants' right, not just renewable energy developers, to a merit

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		overload from speculative proposals?	<p>assessment for any permissible project under a merit assessment pathway.</p> <p>However, all projects are subject to a rigorous and transparent assessment process that considers cumulative impacts and interactions with other projects.</p> <p>The <i>Cumulative Impact Assessment Guidelines for State Significant Projects</i> require that each individual project consider the cumulative impacts from the interaction between the project and other developments when preparing its EIS.</p> <p>Consent authorities carefully consider each project's assessment of cumulative impacts when evaluating the merits of the project as a whole.</p>

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Supp Q#	Question	Answer
1	Does the Department of Planning become aware of renewable energy projects prior to Scoping report being submitted?	DPHI may become aware of projects prior to the scoping report being submitted. However, there are no formal requirements for applicants to notify DPHI.
2	Is the Nov 2023 draft private agreement guide retrospective for project earlier than this date?	<p>The November 2023 draft Private Agreement Guideline does not apply to any projects, as it was a draft for consultation and not a final or in-force Guideline.</p> <p>DPHI released a final version of the <i>Private Agreement Guideline</i> in 2024 for all new solar and wind energy generation projects unless an applicant had been issued SEARs prior to 12 November 2024 and lodged an environmental impact statement (EIS) before 30 April 2025, or an applicant lodged its EIS before 12 November 2024.</p>
3	Does department of planning get full copies of All objections submitted to developer of a renewable energy project or just what the developer chooses to provide?	All submissions are lodged directly with DPHI during the formal public exhibition process which DPHI is responsible for administering. Copies of submissions are then provided by DPHI to the applicant and to decision makers.
4	What regulatory or enforcement powers does the department of planning have to handle misinformation provided by developer?	<p>Environmental Impact Statements (EISs) must comply with the SEARs and be signed off by a registered environmental assessment practitioner (REAP) under the REAP Scheme. Among other things, a REAP is required to declare that the information contained in an EIS is neither false nor misleading.</p> <p>The <i>Environmental Planning and Assessment Act 1979</i> (EP&amp;A Act) includes provisions that a person must not provide information in connection with a planning matter that the person knows, or ought reasonably to know, is false or misleading in a particular material. For a developer this is in relation to information submitted as part of a planning application only.</p>
5	Does a Energy Developer have to advise / seek approval to investigate	There are no requirements for a developer to seek approval to investigate development sites. Under the EP&A Act, the planning process does not commence until a scoping report is submitted.

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Supp Q#	Question	Answer
	project locations prior to submitting scoping report?	
6	If so when is planning department obligated to advise affected landholders?	NA
7	What mechanisms are in place to ensure First Nations voices are not just heard, but influence project outcomes, particularly where projects impact Country and cultural heritage?	<p>SEARs outline requirements for engagement, including that it be consistent with the <i>Undertaking Engagement Guidelines for State Significant Projects</i>.</p> <p>The <i>Undertaking Engagement Guidelines for State Significant Projects</i> provide guidance for effective engagement with the community, including Aboriginal and Torres Strait Islander communities. These guidelines also note that they should be read in conjunction with the <i>Aboriginal Cultural Heritage Consultation Requirements for Proponents</i>.</p> <p>The <i>Aboriginal Cultural Heritage Consultation Requirements for Proponents</i> establish the requirements for consultation with the Aboriginal community as part of the heritage assessment process to determine potential impacts of proposed activities on Aboriginal cultural values, including intangible values.</p> <p>The EIS is required to describe the consultation process and the issues raised and identify where the design of a development has been amended in response to those issues.</p>
8	How many First Nations organisations or representatives have been involved in REZ planning committees, and what decision-making power have they been given?	DCCEEW will respond to this question.
9	Can the Department detail any benefit-sharing or income/employment programs that have been implemented specifically for First	<p>Also asked under DCCEEW's supplementary question 43. DCCEEW to provide own response.</p> <p><u>DPHI response</u></p> <p>DPHI has recently introduced a <i>Benefit-Sharing Guideline</i> (November 2024) that makes clear that applicants should consider opportunities for local Aboriginal communities when designing benefit-sharing arrangements.</p>

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Supp Q#	Question	Answer
	Nations people under the Electricity Infrastructure Roadmap?	<p>While the form of any benefits shared with Aboriginal communities should be informed by meaningful and culturally appropriate engagement, they may include employment opportunities, capability support for economic participation, and cultural programs.</p> <p>As the <i>Benefit-Sharing Guideline</i> is still relatively new, limited information is available about any programs that may or will be implemented under it at this time.</p>
10	The submission references First Nations guidelines—what monitoring or accountability mechanisms are in place to ensure developers comply with these guidelines?	DCCEEW will respond to this question.
11	Has the Government considered co-management or land stewardship models with Traditional Owners as part of long-term REZ planning?	DCCEEW will respond to this question.
12	Are cultural heritage assessments led or approved by relevant Aboriginal Land Councils or Elders, and if not, why?	<p>Also asked under DCCEEW's supplementary question 46. DCCEEW to provide own response.</p> <p><u>DPHI response</u></p> <p>Comprehensive requirements for consultation are required to be incorporated into assessments and Aboriginal cultural heritage assessments for State significant applications need to be undertaken in accordance with the <i>Guide to Investigating, Assessing and Reporting on Aboriginal Cultural Heritage in NSW</i> (OEH, 2011) and the <i>Code of Practice for the Archaeological Investigation of Aboriginal Objects in NSW</i> (DECCW, 2010).</p> <p>These assessments include consultation with Aboriginal communities in determining and assessing impacts, identifying and selecting options for avoidance of Aboriginal cultural heritage and identifying appropriate mitigation measures having regard to the <i>Aboriginal Cultural Heritage Consultation Requirements for Proponents</i> (DECCW, 2010).</p>

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Supp Q#	Question	Answer
		This process requires proponents to seek registration from relevant <a href="#">Aboriginal stakeholders</a> who are then identified as the <a href="#">Registered Aboriginal Parties</a> (RAPs) that are involved in the assessment of cultural heritage.
13	Does the government keep any data on attitudes of communities to REZs, renewable energy projects and/or transmission projects that it could share with the committee?	Also asked under DCCEEW's supplementary question 47. DCCEEW to provide own response.  <u>DPHI response</u>  DPHI summarises the issues raised by communities in its assessment of individual projects. These reports are made publicly available on the NSW Planning Portal ( <a href="http://www.planningportal.nsw.gov.au">www.planningportal.nsw.gov.au</a> ), along with all the public submissions received.
14	Local Government NSW has recommended that councils be given the discretion to apply the Benefit Sharing Guidelines to any size project - what is the government's view?	The <i>Benefit-Sharing Guideline</i> applies to solar, wind and standalone battery energy storage system (on rural zone land) declared as State significant development (SSD) or critical State significant infrastructure (CSSI). Councils retain discretion to apply similar benefit-sharing principles to regionally significant renewable energy projects, as DPHI does not prescribe or monitor benefit-sharing arrangements for these projects.
15	How are the financial values in Voluntary Planning Agreements (VPAs) determined, and what measures are in place to ensure consistency across different LGAs and REZs	<p>The financial value of a VPA must be guided by the <i>Benefit-Sharing Guideline</i>. The actual proportion allocated to a VPA is negotiated between a proponent and the local council, following consultation with the local community. The Guideline stipulates that councils should receive no less than 85% of the total benefit sharing arrangement implemented by a developer.</p> <p>The total financial value of a benefit sharing arrangement is determined using the rates prescribed in the <i>Benefit-Sharing Guideline</i>: \$1050 per megawatt per annum for wind, \$850 per megawatt per annum for solar and \$150 per megawatt hour per annum for stand-alone battery storage systems in rural zones. These standardised rates are indexed to CPI over the project's life.</p> <p>This approach strikes a balance between ensuring consistency across all local government areas (LGAs) and Renewable Energy Zones (REZs) while providing some flexibility in benefit distribution based on local circumstances.</p> <p>Applicants are required to outline the expected total value (financial amount or equivalent) of community benefits in the EIS for the project.</p>

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Supp Q#	Question	Answer
16	What specific changes have been implemented as a result of the Community Engagement Review for transmission projects, and how will their effectiveness be evaluated?	DCCEEW will respond to this question.
17	How does the NSW Government balance land use conflicts between REZ infrastructure and high-value agricultural land under the current planning framework?	<p>Also asked under DCCEEW's supplementary question 51. DCCEEW to provide own response.</p> <p><u>DPHI response</u></p> <p>The NSW Agricultural Commissioner has found that renewable energy development is not in conflict with agricultural land use at a sufficiently large scale to materially affect the NSW state agriculture base and that the policy and assessment framework is capable of dealing with localised land use conflicts and impacts.</p> <p>Nevertheless, the <i>Large-Scale Solar Energy Guideline</i> requires applicants to avoid high-value agricultural land where possible and, where not possible, that they adopt mitigation strategies to minimise any significant impacts on agricultural land.</p>
18	To what extent are benefit-sharing payments being received by non-host neighbouring landowners, and how is fairness in distribution assessed and enforced?	<p>DCCEEW will also respond to this question.</p> <p><u>DPHI response</u></p> <p>The majority of payments made through a benefit sharing arrangement within the planning system would be made under a council-managed VPA and their distribution will be negotiated between the developer and the council, with input from the local community. A small component of these payments may be negotiated directly with neighbours.</p> <p>The <i>Benefit-Sharing Guideline</i> establishes standardised principles and processes to promote fairness in distribution, improving on previous project-by-project approaches. Any proposed benefit sharing arrangement must be consistent with these principles and would be considered by the consent authority when assessing the merits of a proposed project.</p> <p>Payments received by host landowners or neighbouring landowners in relation to a project's impacts are distinct and separate to benefit-sharing arrangements managed under the planning system.</p>

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Supp Q#	Question	Answer
19	How are cumulative environmental and social impacts assessed across multiple overlapping REZ developments, particularly in densely impacted LGAs?	<p>DCCEEW will also respond to this question.</p> <p><u>DPHI response</u></p> <p>Cumulative environmental and social impacts from multiple REZ developments are assessed at both the strategic level and the individual project level.</p> <p>The <i>Cumulative Impact Assessment Guidelines for State Significant Projects</i> require that each individual project consider the cumulative impacts (especially biodiversity, social and economic wellbeing and construction impacts) from the interaction between the project and other development when preparing its EIS.</p> <p>Consent authorities carefully consider each project's assessment of cumulative impacts when evaluating the merits of the project as a whole.</p> <p>Projects submitted to DPHI for assessment under the EP&amp;A Act are provided with SEARs which outline what must be addressed in the project's environmental impact statement (EIS) (also required to be submitted prior to development approval). This includes key issues to address and key stakeholders to consult. Where relevant to the project, cumulative impact and socio-economic issues are identified as issues to address within the EIS, along with relevant stakeholders to consult.</p> <p>The NSW Government is undertaking REZ-wide cumulative impact studies to understand and enable strategic and coordinated management of cumulative impacts associated with development in these regions.</p> <p>These studies are helping to confirm the scale and timing of cumulative impacts of planning developments and provide both an evidence base and recommendations for NSW Government agencies.</p>
20	Can the committee be provided with examples of how recent policy reforms have improved transparency and community trust in REZ rollout processes?	DCCEEW will respond to this question.
21	Witnesses from the Energy Corporation of NSW have mentioned	DCCEEW will respond to this question.

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Supp Q#	Question	Answer
	the process of bringing community engagement back in-house: what performance metrics or community feedback will be used to assess whether this is more effective than contracting some roles through the project teams?	
22	Can an example of a project proposal that was substantially altered by considerations of a biodiversity corridor be provided?	<p>Well-sited projects can minimise impacts on the environment and result in lower biodiversity impacts and reduced offset obligations.</p> <p>All applicants are encouraged to minimise biodiversity impacts by designing a project to avoid biodiversity impacts where feasible, before mitigating and offsetting residual impacts. This may also be done during detailed design prior to lodging a development application or through the process after a development application has been lodged.</p> <p>The Valley of the Winds development footprint was reduced from 1,318 ha down to 735 ha (44% reduction) to minimise potential impacts, including on biodiversity values. This included a reduction in impacts to the critically endangered Box Gum Woodland from 429 ha to 294 ha.</p>
23	When the planning system allows unlimited project submissions, how does the Department of Planning ensure transparency and prevent overload from speculative proposals?	<p>The NSW planning system does not impose restrictions on the number of development applications lodged, recognising any applicants' right, not just renewable energy developers, to a merit assessment for any permissible project.</p> <p>However, all projects are subject to a rigorous and transparent assessment process that considers cumulative impacts and interactions with other projects.</p> <p>The <i>Cumulative Impact Assessment Guidelines for State Significant Projects</i> require that each individual project consider the cumulative impacts from the interaction between the project and other developments when preparing its EIS.</p>

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Supp Q#	Question	Answer
		Consent authorities, and NSW Government agencies, carefully consider each project's assessment of cumulative impacts when evaluating the merits of the project as a whole.
24	How will EnergyCo assess the success of community benefits programs over time? What KPIs are being used?	DCCEEW will respond to this question.