community power agency

REGIONAL BENEFIT SHARING DISCUSSION PAPER

Creating strategic impacts for regions that host multiple renewable energy projects

ABOUT COMMUNITY POWER AGENCY

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About us

Community Power Agency is a not-for-profit organisation with expertise that enables and advocates for community energy. We support communities across Australia to engage in and benefit from the transition to renewable energy.

Acknowledgments

This report has been prepared predominantly on Bundjalung & Biripi land. Community Power Agency wishes to acknowledge them as Traditional Custodians and pay our respects to their Elders, past and present. We extend that acknowledgement and respect to all First Nations people across Australia and recognise their knowledge and connection to Country is integral to our resilient & renewable futures, we offer our solidarity and support to First Nations groups working towards self determination and justice.

Citation: Hicks, J & Mallee K (2023) Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects, Community Power Agency, Sydney.

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EXECUTIVE SUMMARY

'Regional Community Benefit Sharing' is emerging as both an opportunity and a challenge in areas that are host (or will be host) to multiple renewable energy projects (generation, storage and transmission), such as in a Renewable Energy Zone (REZ). The ideas presented here are intended to assist with planning for community benefit sharing as part of REZ planning processes.

Australia's renewable energy sector has matured over the past 15 years to create some innovative and community led benefit sharing programs at a single project scale. Currently the challenge is rapidly delivering multiple renewable energy projects in specific regions and navigating how to maximise the benefits to the host communities whilst minimising adverse impacts. Importantly, there is an urgent need for regions, government and industry to step up to the level of strategic planning needed in coordinating benefit sharing programs to avoid wasteful duplication, missed opportunities or community disempowerment.

For the purposes of this discussion paper, regional benefit sharing is defined as the strategic aggregation of community benefit sharing programs associated with energy projects that are located in a common geographic region. This may include, although not limited to, aggregating community benefits sharing programs from generation projects (e.g. solar and wind farms), storage (e.g. pumped hydro and batteries), transmission projects, or through state government led schemes for Renewable Energy Zones (e.g. re-distribution of REZ access fees to communities).

While regional benefit sharing has been identified as a key component of the future of renewable energy and transmission development (particularly in REZ), a regionally coordinated benefit sharing model and associated supporting policy has not yet been delivered in any jurisdiction in Australia. A number of state jurisdictions identify the need to deliver real social and community outcomes, whilst reducing engagement fatigue and cumulative impacts that may occur as a result of developing a REZ. However, frameworks for delivering this in policy and on the ground are still being researched and developed.

This document outlines current thinking to date, although the concepts outlined need to be tested, adapted and deepened as the conversation and context evolves. This discussion paper outlines what community benefit sharing is and why it is important to coordinate, especially in a REZ context. It explores the different types of benefit sharing at each geographic level and presents some base models of regional benefit sharing for consideration.

To establish the most suitable regional benefit sharing model for a region will require community participation through a coordinated engagement program that facilitates collaboration between state governments, councils, Traditional Owners, community and industry.

WHAT IS COMMUNITY BENEFIT SHARING?

Community benefit sharing (CBS) involves sharing the rewards of renewable energy developments with the communities that host them. It aims to integrate a project into the local community by contributing to the future vitality and success of the region. It is based on a desire to establish and maintain positive long-term connections to the area and to be a good neighbour[1].

Community benefit sharing is not just about providing financial benefits to communities. It is also about building relationships and trust between communities and renewable energy developers throughout the life of the project.

Generally, a renewable energy project will allocate funding towards a community benefit program for distribution in the community. Often, this involves providing benefits to the immediate neighbours and neighbourhood hosting a project (those living in close proximity to the project) as well as to the broader nearby towns and villages. Funds can be distributed in any number of ways, including small grants, strategic longer term funding partnerships, scholarships or via the creation of opportunities for community co-ownership or co-investment in the project. For the purposes of clarity, community benefit sharing does not include local procurement, host landowner payments, Council rates (or equivalent), biodiversity plantings or restoration required by regulation or sponsorship. These are the costs of doing business and their value should not be included in the total community benefits sharing budget (See Section 12 for further detail).

There is now a need to consider how project level benefit sharing interacts with benefit sharing that might occur (or need to be coordinated) at a REZ or regional level.

Best practice CBS programs are designed collaboratively with the target community to identify where the program can best meet local needs and priorities, including specific attention to First Nations communities. At their best, CBS programs deliver lasting benefits to communities who identify with the project as part of their sense of place. Poorly designed CBS programs that do not seek meaningful involvement from the target community carry the risk of creating division, resentment or cynicism in a community. If CBS is not accompanied by good and genuine community engagement, it risks being seen as an attempt to "buy out" or "bribe" the community, resulting in less trust and a lack of social licence. CBS is now common practice in the renewable energy industry in Australia[2], and in many cases required at a project-by-project level especially where government incentives or market mechanisms or other such policies are in place[3,4].

[1] T Lane & J Hicks (2019) A Guide to Benefit Sharing Options for Renewable Energy Projects Clean Energy Council, p. 3;
[2] Lane, T., & Hicks, J. (2019). A Guide To Benefit Sharing Options for Renewable Energy Projects. Clean Energy Council;
[3] Victoria State Government (2021). Community Engagement and Benefit Sharing in Renewable Energy Development in Victoria. Department of Environment, Land, Water and Planning.

WHY SHARE BENEFITS?

The purpose of community benefit sharing (CBS) is to broaden the beneficiaries of new infrastructure beyond project hosts (who receive a lease or license payment), direct employees, contractors and suppliers. When coupled with great engagement, benefit sharing is a key element in building good relationships in a community and it contributes towards social license to operate. Great benefit sharing programs are grounded in the understanding that the sun, wind and water are common resources and the proceeds of monetising these resources should be shared with communities that host them.

In the case of a REZ, the purpose is to create benefits across the entire region that is host to the REZ. Hosting large new infrastructure projects comes with an inherent level of change and disturbance in a community. While this brings opportunities (jobs, training, increased local spending, business contracts), it also creates impacts. Benefit sharing shares the rewards of these changes with the people experiencing them, and it is about creating fairness in the process of developing new economic activity.

CBS is common practice for infrastructure developers across many industries who recognise the need to build trust and relationships with impacted communities and demonstrate corporate social responsibility. Building trusted relationships through great community engagement and excellent benefit sharing programs also helps to improve the development process often making it smoother and faster for all parties involved.

WHY COORDINATE BENEFIT SHARING IN A REZ?

As multiple renewable energy and transmission projects are developed in a region, strategic co-design and coordination of benefit sharing can help to create positive lasting impacts in a host community. It is important to consider how best to coordinate benefit sharing programs of individual projects to work in harmony with each other, pool resources, reduce engagement burdens and create strategic regional outcomes that could last for generations to come. Multiple projects in a region generally results in multiple benefit sharing funds, which means a greater ability to deliver larger initiatives that can make a step-change impact on important local issues.

Six key trends are emerging to warrant a coordinated approach to benefit sharing: changing community expectations; diminishing small community projects to fund; big picture legacy; leverage; expanding reach; and, engagement fatigue[5].

Changing community expectations

Public expectations of how community benefit sharing is done and the kinds of positive impacts it can create are changing. Community members are becoming more informed about the options and also wishing to be involved in setting the direction and making the decisions about how benefit sharing is done in their communities. Increasingly the public are wanting to see renewable energy realise its potential to create a step-change in regional communities and really deliver strategic outcomes on issues that local people care about. Renewable energy is a once in a generation opportunity to contribute to the revitalisation of many regional and rural parts of Australia.

Diminishing small community projects to fund

Small community grant programs run by individual project developers can quickly run out of projects to fund for small grants. Although these programs do make important contributions to communities, there are only so many new barbeques for the local park and new insulation for the local hall that one town needs.

A coordinated regional model allows opportunities to pursue bigger projects that are more structural and strategic in nature, and which are beyond what governments and councils can provide. Such initiatives might include boosting opportunities for tourism; attracting investment into innovative housing and cost of living solutions; energy equity (affordable, clean energy for all in the community); supporting and leveraging youth, education/training, health, family violence programs etc; or supporting local business development.

[5] Content in Section 5 draws heavily from work that Community Power Agency developed with RE Alliance.

Big picture legacy

Where there are multiple renewable energy projects in a region, there is the possibility for pooled community benefit sharing funding to have a greater impact, and fund more ambitious local projects. With an increasingly changing climate, communities are also seeking to prioritise improving their resilience in an uncertain world. Water security, disaster resilience, circular economy solutions and adaptation measures are all being discussed.

Regional community benefit sharing can help to address long term challenges of that region and to help build a fair and positive connection to the change. Legacy projects might include initiatives that assist the region to better understand, embrace and participate in energy systems change for example through supportive farm-based, household or community level energy programs.

Leverage

Pooled funding holds the potential to access further opportunities, for example by enabling local community groups to access larger matched-funding grant opportunities or run revolving loan programs. Additionally, by pooling what might otherwise be a series of small grants, a region might then have the option to be eligible to access larger state or federal funding streams that might otherwise be out of reach.

Expanding the reach

Coordinating benefit sharing opens up more diverse and innovative ways to distribute benefit sharing beyond a classic grant funding program. **Whilst grant funds play an integral role in most benefit sharing programs, both the application process and administration of delivery can have inherent barriers to participation (e.g. literacy, grant writing skills, accounting, eligibility criteria, in kind contributions etc.).** Pooling benefit sharing funds allows scope for more innovative funding options that could be tailored to the region's needs and values (e.g. revolving energy funds, micro finance for business incubation, mentoring, scholarships, partnerships or something entirely new). Regional benefit sharing models could also target programs aimed at reaching particularly disadvantaged segments of the community that are otherwise unlikely to be engaged in other benefit sharing activities.

Engagement fatigue

In a context where communities are already experiencing engagement fatigue from the cumulative impact of multiple energy projects developing in the same region, regional benefit sharing provides an opportunity to reduce over-engagement and overcome what is otherwise a piecemeal approach to addressing local needs and aspirations. A regionally coordinated approach provides a useful vehicle to reduce overlap or consultation fatigue where there are multiple projects impacting a local community both in the establishment phase and in the ongoing management of programs.

UNPACKING THE PURPOSE OF DIFFERENT LEVELS OF BENEFIT SHARING

There are several levels of community benefit sharing to consider in any coordinated approach. Each plays a different and important role in the overall benefit sharing landscape.

Immediate neighbourhood

This includes people who are neighbours to wind, solar, battery and transmission projects, people who might be able to see or hear the project from their home or are impacted by construction works. Also community assets and organisations in this same vicinity for example community halls and fire stations. It is common for neighbours to have targeted benefit sharing arrangements, especially for wind farms. This is part of developing positive and beneficial relationships between the project and its neighbours. Such benefits generally apply to all residents within 2-5km of a project.

Local community

This includes communities in the nearest villages and town centres surrounding new projects.

At this scale there is potential overlap between community benefit funds, if there are multiple projects surrounding a town.

Both ***the immediate neighbourhood and local community are considered 'project level'*** *benefit sharing, as they occur in the close geographic proximity to the project.*

Regional

Community benefit sharing that occurs across a regional level increases the positive association people can have with a REZ / multiple projects due to the direct, tangible benefits occurring at this levelAt this scale benefit sharing has the potential to be larger and more complex, as it can pool funds from multiple projects and then leverage further funds from other sources (such as local or state government grants) for example building new training or health facilities and/or services.

With all of these possible avenues, it is essential that local communities are supported and empowered to be active agents in determining what appropriate regional benefit sharing is for their area, and in identifying how it can contribute to local needs and aspirations.

A special note on local government contributions

In some states, there are legislated requirements for 'Payments in Lieu of Rates' or for 'Infrastructure Contributions' for new developments. Both of these requirements act as a commonly understood method for a new renewable energy project to contribute to the ongoing renewal of public infrastructure managed by Ccouncil. In jurisdictions where such contributions are not clearly laid out there is confusion and conflict as to whether these contributions are a cost of doing business or part of community benefit sharing. In these locations developers find it difficult to plan costs and local communities can be pitted against council in the negotiations around how community benefit sharing funds or funds for council infrastructure will be allocated. It is vital that fair contributions are allocated to councils however these must be separate and in addition to budgets allocated for community benefit sharing.

What scale is 'regional'?

In some cases, it might make sense for a coordinated approach to cover an entire REZ. In others, this may be problematic because of a disjunct between the REZ geography and the local community identity of 'their' region, or because population centres within a REZ are dispersed and very distinct from each other. In these instances, potentially multiple sub-REZ benefit sharing coordination regions are required.

These sub-REZ regions could be based on catchments, local government areas or another culturally and socially appropriate boundary as set out by the community. Defining the 'region' will be a process needing to be undertaken with the community and will involve considering both the geographic footprint of the likely energy infrastructure and also the proximity to towns and villages that will interact with the construction and ongoing operation of potential projects. In areas where a REZ is geographically small and the population density is low, the 'local community' around a project might be one and the same as 'regional' definition for benefit sharing.

In all instances, **the definition of geographic boundaries and what levels of benefit sharing are appropriate will need to be a conversation with local community input.** Regardless, it is essential that efforts to coordinate benefit sharing at a regional level do not compromise the ability for projects and developers to have direct, positive relationships with their immediate host neighbours and communities.

How might regional benefit sharing interact with the other levels?

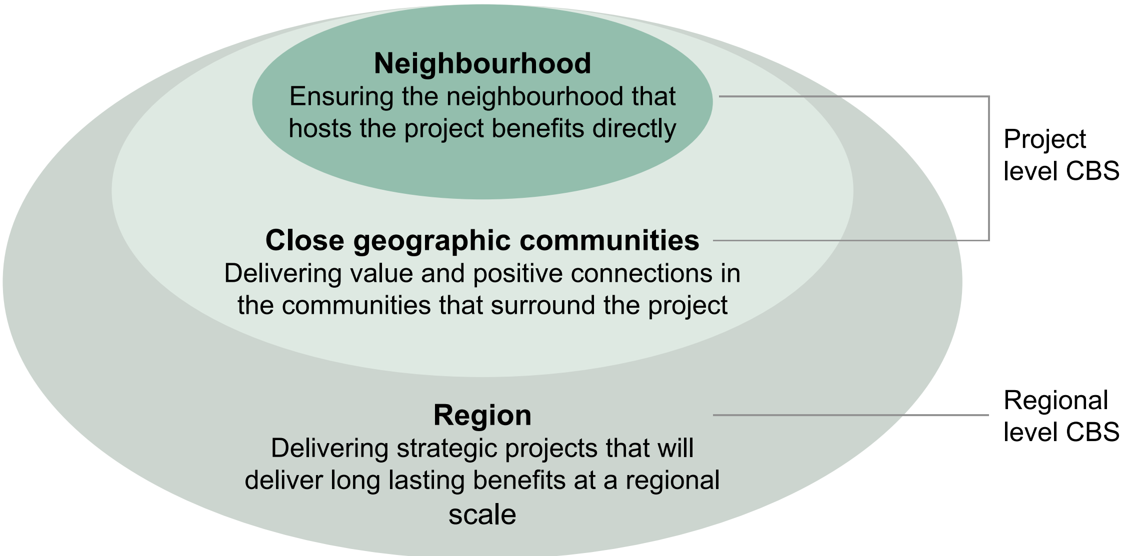
It is important that regional benefit sharing is distinct from (and does not displace) benefit sharing required at an individual project level. Project level benefit sharing will still be important for the close neighbours and the neighbourhood of a project, and any others that experience a direct impact from the project. Developers must still use their project benefit sharing as an opportunity to build positive relationships and deliver positive outcomes for the people closest to their projects.

It is important to note that the presence of a regional benefit sharing program does not negate the need for project developers to engage with local communities on community benefit sharing. A project's community benefit sharing (CBS) should always be designed in a way that is tailored to the specific needs and priorities of each community, and implemented in a way that is transparent and accountable to the community. This includes community input into the decision about how CBS funding is split between different possible levels of benefit sharing.

Rather, regional benefit sharing provides a vehicle to reduce overlap or consultation fatigue where there are multiple projects impacting a local community (e.g. through better coordination and streamlining administration) and provides a layered tool in designing the spread of a project's community benefit sharing impact. For positive social licence to be developed and maintained over time, it is essential that regional benefit sharing does not (entirely) replace benefit sharing commitments by individual proponents to the neighbourhood and local communities surrounding a project.

Therefore it is essential to consult with industry on viable levels of contribution for each level of benefit sharing - acknowledging projects (and governments) ultimately do need to deliver affordable electricity.

Figure 1: Levels of Community Benefit Sharing[6]



The various roles for different stakeholders in these three levels of benefit sharing plus funding for councils are included in Table 1 below. Best practice benefit sharing means a project contributes value to all of these streams and the allocation of each to have been designed with community and stakeholder input.

6. Graphic based on work by the Tasmanian Government (2022) *Renewable Energy Development in Tasmania – A Guideline for Community Engagement, Benefit Sharing and Local Procurement*

Table 1: Stakeholder roles in different levels of community benefit sharing (CBS) from renewable energy projects.

Recipient of benefits	Type of funding programs	Role for community	Role for proponent	Role for Government
Project level				
Neighbour & neighbour-hood	Neighbour payments, electricity bill contributions, solar PV installation, employee volunteerism, etc.	Households & organisations in the target area discuss & help to decide appropriate neighbour benefit; choose to take up the offer or not.	Determine an equitable way of calculating eligibility and funding amount for neighbour benefit sharing by engaging with residents and organisations in the neighbourhood.	Encourage good practice neighbour benefit sharing through community education, industry guidelines & merit criteria for REZ access.
Local Community	Small grants program, scholarships, strategic longer-term funding partnerships, innovative electricity products, etc. This level of benefit sharing (in part or in full) could be coordinated or pooled into a regional approach.	Involvement in program design, governance & evaluation e.g. via a community consultative committee or a committee of council; community members and organisations apply for funding and make proposals for partnerships.	Determine a benefit sharing budget (based on $ per MW installed or other appropriate unit); engage and involve local community members in program design and ongoing governance. Implement monitoring & evaluation for benefit sharing, adapt as needed.	Encourage good practice benefit sharing through community education, industry guidelines & merit criteria for REZ access. Assist with funding and coordination to reduce engagement fatigue e.g. via streamlining grant application processes, community governance & administration support, or information sharing. Share learnings from evaluation processes.
Regional level				
Regional / REZ	Larger, multi year grants & partnership funding agreements, ability to leverage co-funding for strategic projects to address persistent challenges and key regional aspirations.	Community helps to set strategy for benefit sharing program design & governance; ongoing involvement in governance & evaluation; community members and organisations are partners to deliver high-impact programs on key issues and aspirations.	Determine a benefit sharing budget (based on $ per MW installed or other appropriate unit); engage and involve local community members in program design (including the spread of funds between neighbourhood, local community and regional levels) and governance. Implement monitoring & evaluation for benefit sharing, adapt as needed.	Align REZ policy to support a regional benefit sharing program. Fund community engagement to support the design and ongoing management of a regional benefit sharing program. The role for government is further described in the sections on benefit sharing budgets and merit criteria below. Share learnings from evaluation processes.

Table 2: Stakeholder roles when liaising with Council

	Type of funds contributed	Role for community	Role for proponent	Role for Government
Council	Rates, payments in lieu of rates, infrastructure contributions, voluntary planning agreements or the like.	Community to consider key needs and aspiration desired from benefit sharing programs in context with Council strategic plan and resourcing (e.g. ensure benefit sharing initiatives such as new community assets can be served and maintained into the future sustainably)	Engage with council to ensure they have input into and are satisfied with community benefit sharing plans being aligned with their strategic direction.	Set clear guidelines that require developers to make reasonable contributions to Council via a common mechanism separate to the community benefit sharing program negotiated with the local community.

EMERGING EXAMPLES IN AUSTRALIAN REGIONS

Despite the number of renewable energy zones being progressed throughout Australia there are currently no known operating precedents of regional coordination or aggregation of benefit sharing programs across multiple project owners. Whilst some state governments have acknowledged the key issues of cumulative impacts and engagement fatigue at a regional level, and are currently seeking ways to address these issues through their emergent REZ policies, councils appear to be at the leading edge of the conversation on how to practically deliver a coordinated approach for Australia.

Several regions are gathering information and deliberating on how best to maximise the ongoing and lasting opportunity emerging from increased renewable energy development in their area. Below are some of the regions investigating coordinated benefit sharing models.

North West Tasmania REZ, TAS

Renewables, Climate and Future Industries Tasmania (ReCFIT) are leading a community centred approach to Renewable Energy Zone (REZ) design and planning. The first region to be explored as a potential host to the state's first REZ is north-west Tasmania. ReCFIT released new industry guidelines for best practice community engagement, benefit sharing and local procurement and established two regional stakeholder reference groups in the proposed REZ study area prior to REZ declaration.

A noteworthy element of their work includes building knowledge and capacity in the region on what regional community benefit sharing could look like and receiving input from their stakeholders on important values to include in their emerging model. Details of ReCFIT's stakeholder reference groups, minutes and presentations on community benefit sharing are available on their website.

Central West Orana REZ, NSW

EnergyCo is establishing New South Wales' first renewable energy zone in the Central West Orana region. As part of the REZ design, generators applying to connect to the new transmission lines planned for the region are required to pay a 'REZ Access Fee'. The fee is based on EnergyCo's analysis of the value from improved connection services represented by the new REZ infrastructure. The Electricity Infrastructure Investment Regulation 2021 prescribes the minimum rates and that a portion of the fee must be used for community benefit and employment purposes.

EnergyCo has conducted a range of community consultation activities in the CWO REZ to understand the priorities of the community on how the funds raised from the REZ Access Fee should be allocated. Details of consultation and community feedback can be found on their website. EnergyCo are currently developing a community investment program to provide a framework for how EnergyCo will administer and allocate funding to deliver community outcomes.

It is unclear at this stage (October 2023) how this framework will interact with or sit alongside community benefit sharing programs negotiated at an individual project level with host communities or councils.

Governance aspects that EnergyCo should consider in the design of the community investment program for allocating the REZ Access Fee:

- How will community participation and decision-making be incorporated in the community investment program?
- Will the program have the ability to interact with strategic regional coordination of community benefit sharing funds from individual projects?
- If the program can offer administrative, governance or coordination support to either project level or regional level benefit sharing initiatives?

New England REZ, NSW

The immediate increase in renewable energy developments in this region coupled with the anticipated further development stimulated by the NSW Government's New England REZ has led the five New England councils to come together to strategise and advocate for better outcomes. In 2022 they prepared a joint statement of expectations on renewable energy in the New England region and presented this to the NSW Government.

The joint statement included six requested items, one of which called for the setting of a 'community benefit contribution' equivalent to either 1.5% of capital investment value or $800/MW(AC). Additionally, the statement requested that these funds were able to be pooled and managed solely by the individual councils as a 'Future Fund'. Each council could manage a future fund for their LGA which invests the funds prudently for region building initiatives that generate further income for generations to come.

Gippsland REZ, VIC

The Gippsland region is undergoing a significant economic and social transition from fossil fuels to renewable energy and it is the first area in Australia to be declared an offshore wind zone (OSW Zone). A number of regional collaboration groups have been established to share knowledge, coordinate and leverage better outcomes for their communities. One such collaboration is the 'Community Benefit Sharing Working Group' which is convened by the Latrobe Valley Authority. Established in January 2023 the working group now includes approximately 60 stakeholders, including project developers and meets monthly to pursue a more coordinated approach to benefit sharing and to understand priority projects within the region.

Latrobe Valley Authority acts as a collaboration facilitator in the region helping to connect all levels of government, industries, education providers, community groups and the general public to better articulate the challenges, share knowledge and innovate solutions. Currently in the information gathering phase, the working group has sought briefings from leading benefit sharing experts both domestically and internationally to understand possible models and governance arrangements. There is also a strong recognition within the region that input needs to be actively sought and negotiated with Traditional Owners to share benefits appropriately. Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) are very active in this space.

[7] https://www.moyne.vic.gov.au/files/assets/public/documents/minutes-and-agendas/confirmed-minutes/2023/2023-04-26-confirmed-ocm-minutes.pdf page 185 -195.

Moyne Shire Council, VIC

Moyne Shire Council recently developed a draft proposal for a “Wind Farm Community Investment Program”[7] to create a minimum standard for wind farm company investment in community benefit programs in their LGA. Moyne Shire Council pursued this action as a result of their revised wind farm position statement,informed by a community consultation process that collated views from a telephone survey of 400 residents and over 100 community and industry submissions. The Council sought to articulate a minimum standard for benefit sharing from wind farm developments to enable them to more strongly advocate for long term economic and social benefits.

Presented in draft form at the 26 April 2023 Council meeting the proposed program outlines 11 key elements (with recommended dollar values) that at a minimum, wind farm developments should provide as an overall package. These include annual community grants funds, education scholarships, sponsorship of local events, major project contributions, near neighbour payments, one-off construction payments to most impacted residents, energy cost offset payments to households, council rates payable at beginning of commissioning, use of local accommodation and businesses, sustainable housing solutions and support of the “Commerce Moyne” initiative.

Of particular note for this report is the effort that has been taken to articulate the potential coordination of pooling funds for “Major Project Contributions” across multiple projects and how to govern such an initiative across an LGA. See below an excerpt from the 26 April 2023 Council Report page 189:

> *“Administration for major projects contributions*
> *There are a range of options for administering major project contributions:*
>
> - *Individual wind farms nominate a project or program and make payments directly to the organisations involved. The amount, frequency and duration of contributions can be administered via a MOU between both parties;*
> - *The major project contributions from each wind farm could be pooled into a coordinated fund that is administered by an external community organisation. Groups wanting to access investment for major projects would apply to the administering organisation with a business case for funding over an extended period.*
> - *If Council wanted to co-contribute a proportion of wind farm rates to invest in a major project, it could either contribute directly to the project via MOU or contribute to a coordinated fund, if one is established.”*

Additionally, Moyne Shire Council identifies the potential for leveraging further funds from an model such as this by:

> *“Co-contribution*
> *Council will consider making a co-contribution to match the wind farms investment in suitable major projects, with Council funds being allocated from wind farm rate revenue. This can also help to lever further contributions from the State government or philanthropic organisations. Council will also request a co-contribution from the State Government.”*

Finally, Moyne Shire Council clearly articulates that **a key principle in the establishment of a minimum standard for wind farm community investment is that “wind farm companies use local decision-making processes that involve the community in developing a community investment program and allocating funds to community projects”[8].**

[8] https://www.moyne.vic.gov.au/files/assets/public/documents/minutes-and-agendas/confirmed-minutes/2023/2023-04-26-confirmed-ocm-minutes.pdf page 193.

REGIONAL COMMUNITY BENEFIT SHARING MODELS

To address the challenges and realise the benefits of regional community benefit sharing, there appears to be two main functions to consider:

1. Coordination of administration and/or governance - the ability to streamline administration and/or governance to help reduce community confusion and fatigue. For example, having a common community advisory group making decisions on funding allocations, or using a common application process.
2. Coordination of impact - the ability to work together or to pool funds to create bigger, more strategic and longer lasting impacts at a regional scale.

The following high level options assist to direct consideration of different regional community benefit sharing models. Each of these options are outlined with an initial analysis of risks and benefits. However, it must be noted that these will need to be ground truthed and subject to more detailed design and analysis as coordinated regional level benefit sharing has not been trialled in Australia to date. These models extend the current conversation and thinking of what is possible.

Within each option below, there is scope for actively involving community members and developers in the design of the benefit sharing strategy (i.e. where funding is allocated and what are the strategic priorities).

Each of these options will have merit in different situations. Rather than presenting a pre-designed solution, this discussion paper seeks to present options for consideration. Which option is appropriate in a given context must be something that is decided in conversation with local communities and stakeholders.

OPTION 1: 'Business as usual'

No regional level benefit sharing coordination, developers do project level benefit sharing as per negotiations with their local neighbours and communities.

Risks - This option risks community confusion and application/ engagement fatigue in areas of cumulative impact. Fatigue may occur at multiple stages. (e.g. during multiple consultations of setting up community benefit schemes, during operation through needing multiple community committees to administer the schemes which may have overlap of members, and at application time with multiple small grant rounds occurring each year for different schemes). Funding is piecemeal and ad-hoc, lacks broader strategy directed toward larger, substantial regional benefit on legacy or persistent issues.

A key risk of this option is the absence of identifiable community benefits or legacy social value created from the REZ (other than those delivered at a project level). There is potential for community, regional authorities and council to disagree on benefit sharing strategy and allocation. Furthermore, there are risks of a lack of transparency over where funds are allocated, who is benefiting and if it is equitable.

Benefits - Option 1 represents least change to current practice and least effort to implement. Better practice project level benefit sharing could be influenced via state based guidelines and REZ merit criteria for REZ access. Neighbours and nearby communities experience direct benefits, when able to negotiate successfully with developers.

OPTION 2: Coordination of governance of project level benefit sharing

Project level benefit sharing includes benefit programs aimed at the neighbourhood and nearby towns and villages surrounding a project or along a transmission route. Coordinated administration and governance of project-level benefit sharing could assist with engagement and application fatigue, and reduce confusion in communities from cumulative impacts of multiple project benefit sharing funds.

This role could be played by a suitable existing organisation in the region (e.g. a foundation), or a purpose-built organisation at arms-lengths to government, or possibly by a council. In this model, this third-party organisation would play a service provider role to developers for the administration and/or governance of project-level benefit sharing, while still giving developers a lead role (with their project communities) in benefit sharing program design and engagement.

Administration would be done by an organisation with appropriate skills, able to create efficiencies of managing multiple funding streams. Governance of funding allocation could involve community members that make decisions across multiple project benefit sharing allocations (rather than a community committee for each project). Developers could pay a fee for this service provision, as they would essentially be outsourcing a function that they would otherwise need to fill themselves.

Funding streams offered by the third-party organisation could still be 'branded' and associated with specific projects, retaining visibility and connection between communities and projects (e.g. 'the X scholarship', 'the Y grant round', 'with funding from Z project'). This option could increase the range of benefit sharing methods on offer for example the organisation could establish options such as zero-interest loan funds or community co-investment offerings, and it may be able to create more innovative options for multiple projects (whereas it may not be worthwhile for a single project).

Risks - Funding is still piecemeal and ad-hoc, lack of broader strategy directed toward larger, substantial regional benefit on legacy issues. There is no identifiable community benefit or legacy social value created from the REZ (other than those delivered at a project level). Developers may be wary of collaborating if it involves a lack of brand recognition for them, and the potential for associating them with other more controversial projects.

Benefits - Enables coordination and ability to streamline community experience. Reduces community duplication of effort for application and governance of benefits sharing funds operating in overlapping geographic regions. Potential to reduce administration costs for each program. More diverse, targeted and innovative benefit sharing methods can be established. Better practice project level benefit sharing could be influenced via state based guidelines and REZ merit criteria. Central and informed point of contact with the community for developers to engage with.

OPTION 3: Coordination of project level plus regional level benefits

Benefit sharing funds from each project are allocated to regional benefit as well as project level benefits, with the split of funds being decided either by developers or state government run REZ access fee programs, in consultation with the community. The purpose of the pooled regional level benefit sharing is to enable region building initiatives to occur. An existing regional organisation, or a new purpose-built organisation is established, to administer and govern regional/ REZ level benefit sharing and may also play a role in the coordination of project level benefit sharing as well (i.e. it may include Option 2 functions). The regional benefit sharing strategy and program development would be done in collaboration with local stakeholders and communities, to identify key community needs and aspirations to direct strategic use of funds. Governance could involve a multi-stakeholder approach including government, industry and community representatives by establishing a community board. Depending on the geographic scale chosen to define the “region”, and the number of potential developments for that area, local chapters may need to be established with specific sub boards for these areas.

Risks - Potential for miscommunication that benefit sharing is occurring across project and regional levels. This option requires participation from all developers in the region and an appropriate funding allocation (i.e. it will need a critical mass of funds to be effective). Developers need pathways for involvement in order for them to feel comfortable that this program is their interests. If program governance is not done well and communities are not involved in setting the delivery strategy, communities may become disillusioned and cynical about how decisions are made and allocation of funding, which could reflect poorly on REZs generally.

Benefit - Provides an avenue for delivering more significant projects that leave a lasting legacy in the community and helps to address persistent challenges and/or meet regional aspirations for improving their future. Projects maintain connection with their neighbourhood and local community and maintain their brand integrity whilst also contributing to larger, more strategic regional outcomes. A REZ is clearly associated with delivering benefits for the region, while projects also have clear benefits for their immediate neighbourhood and communities. A purpose-built organisation could have a remit and focus on regional-level planning and collaboration to identify and deliver strategic partnerships in line with community needs and desires.

OPTION 4: Benefit sharing is entirely directed to a regional program

If the community expressed a desire to not have multiple benefit sharing schemes at a local level due to a lack of capacity or interest to govern them, a fully centralised program could be established. Benefit sharing funds would be channelled into regional benefit sharing, with no project level benefit sharing. Governance and administration could be delivered by a suitable existing community organisation in the region (e.g. a foundation), or a purpose-built organisation at arms-lengths to government, or possibly by a section of local or state government.

Risks - high social licence risk that the immediate neighbours and communities adjacent to communities feel they are shouldering the changes and negative impacts without fair allocation of benefits. This can erode a developer's ability to develop lasting relationships and trust with neighbours and local communities. If governance and administration are undertaken by government, communities may feel disempowered and fund allocation may not address local priorities. Communities may become disillusioned and cynical about the governance and allocation of funding, which could reflect badly on REZs generally.

Benefit - The highest possible funding is directed towards strategic long term benefit for the region (rather than being split with other levels of benefit sharing). Bigger, more ambitious legacy projects can be pursued. Coordination and pooling of benefit sharing contributions could create administrative and governance cost efficiencies.

Important considerations across all options

In all options, given the purpose of benefit sharing is to provide high-value benefit to communities, **local communities need to be involved in setting the strategy and design of community benefit sharing programs, and in evaluating their performance and relevance over time.** Community benefit sharing programs must be responsive to community needs and aspirations overtime, in order to remain relevant and strategic. Some model options will also include community members in governance and decision-making roles. Communities will need to consider their availability and appetite to contribute to various model styles and what is a best fit for their region.

It is essential that neighbour benefits and benefits flowing to the immediate local community are not entirely displaced by regional benefit sharing, and that developers continue to hold the relationships associated with these local benefits. Option 4 illustrates one end of the benefit sharing model spectrum that could be pursued, however the associated risks highlight this model is not always ideal. Benefit sharing is a key aspect of a project in which communities can have a high level of participation, and it is important for social licence building that this opportunity is used to generate strong community involvement and trust between developers and local communities.

SUSTAINABLE FUNDING MODELS

Every large-scale renewable energy, storage and transmission project is expected to deliver some form of community benefit sharing, as outlined in the *Clean Energy Council's Guide To Benefit Sharing Options For Renewable Energy Projects* [8] or *RE Aliance's report Building Trust For Transmission* [9]. How funds are collected and allocated, especially where there are multiple levels of community benefit sharing (CBS) occurring concurrently, is something that needs clarity and which must be co-developed in consultation with industry and community.

There are several options for funding CBS, whether it be project level or at a regional level. Ultimately, how these streams of CBS funding relate to each other, and their total quantum, must be carefully considered to balance the needs of communities, local government, project developers and state governments. There are practical limits on the ability for projects to afford contributions across all streams, and thus a need to set clear expectations and boundaries for each level of benefit sharing. It is essential for benefit sharing that might occur at a REZ or regional level do not displace project level benefit sharing with the neighbours and communities in close proximity to a potential project.

Generally, contributions that occur over time, as a part of operating expenditure (OPEX) or as a percentage of revenue, are more viable for renewable energy proponents, who already face significant upfront costs (CAPEX).

Possible options for collecting CBS funding could be via:

- **OPEX annual contribution per MW capacity of a project** - a commitment made by project developers to contribute a certain amount per MW per year to CBS. This is currently the most common form of CBS funding in renewable energy projects in Australia. Usually accompanied by a (smaller) contribution ahead of operations (e.g. part of CAPEX budgets for construction phase).

[8] T Lane & J Hicks (2019) A Guide to Benefit Sharing Options for Renewable Energy Projects Clean Energy Council;

[9] K Healey (2021) Building Trust for Transmission: Earning the social licence needed to plug in Australia's Renewable Energy Zones. Re-Alliance.

- **CAPEX contribution** - less common, projects make a larger, one-off CBS contribution before construction begins as part of CAPEX. This can be more challenging for projects to finance, and does not create the same ongoing experience/ awareness of benefits and relationship building with communities.
- **Government royalties** - royalties paid to government in return for access or lease rights to publicly owned resources. Common in the minerals industry. Not applied to renewable energy resources in any jurisdiction to our knowledge. This involves creating a lease allocation system. In some jurisdictions, royalty allocations are split between the state and First Nations groups (e.g. in Alberta, Canada from mining royalties). Generally paid annually by quantity of sales and/or profit
- **Investor royalties** - royalty rights on gross revenue held by financial investors. Royalty levels set as an annual percentage return on investment. This model has been used as a finance mechanism in renewable energy projects, including for community benefit sharing, however it is not common. For example, see Falck Renewables partnership with Energy4All in several Scottish wind farms that all have a portion of community investment. To create a CBS stream, an investment in a project is made on behalf of the community, then royalty income is distributed for community benefit.
- **Dividends** - income earned as dividends on shares held by the community, a community entity or by a public entity. Requires upfront investment to receive the dividend, or requires gifting a portion of shares to a community/ public entity. This is a common form of community co-ownership (equity stake) or co-investment (debt stake). For example, Denmark Community Wind Farm.
- **Policy to require a portion of public ownership/ investment** - some jurisdictions, such as the country of Denmark, have introduced a requirement that all large scale wind farms make up to 20% of shares in any project available for public investment. These shares must be advertised locally and can be taken up by individuals, organisations or businesses within a designated geographic region.
- **REZ Access Fee** - charged by the state government to all projects who access REZ infrastructure, a portion of which could be allocated to CBS. This is an approach being taken by NSW and possibly VIC.
- **Resource Rent Tax** - a version of the Minerals Resource Rent Tax, which is a tax on profits generated from the mining of non-renewable resources and collected by the ATO, could be investigated for application to renewable energy businesses.

While some of the above options are common and well understood, others have not been applied to the renewable energy industry in Australia to date, or even elsewhere in the world. All options need a more detailed analysis to determine their viability and appropriateness as a means of collecting CBS funds. In addition, multiple of the above funding streams could be pursued concurrently - they are not mutually exclusive.

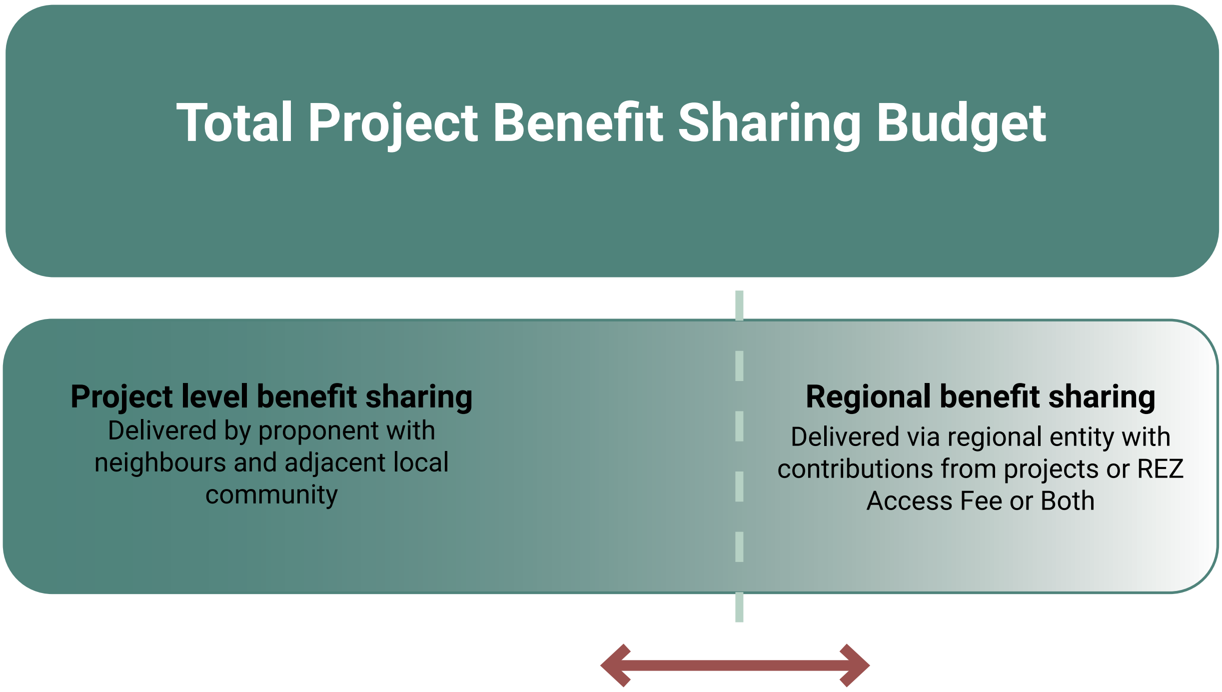
Further, a purpose-built entity to administer regional community benefit sharing could be funded through state or federal government's engagement and social licence budgets, recognising the important role this entity will play in regional communities. The organisation could dovetail as a regionally-based entity to deliver REZ and energy education and engagement activities. This service will deliver benefits for the roll out of REZ for both government and developers by virtue of building community awareness, understanding and benefit.

For options where this purpose-built entity plays a service provision role to deliver administration and/or governance services for project level benefit sharing, fees could possibly be collected from developers for use of the service.

BENEFIT SHARING BUDGET DESIGN

Figure 2 below represents how a project's total benefit sharing budget could be divided between local and regional level benefit sharing programs with the total project budget for community benefit sharing being determined and (at a minimum) inline with current industry standards of best practice. The split between these two levels should be negotiated with the host community to strike the right balance, using the REZ access fee as a "safety net" or minimum threshold to be achieved.

Figure 2: Potential split of community benefit sharing allocations



Interaction with potential REZ access fees collection

Given the importance of establishing and maintaining a social licence to operate for renewable energy zones (REZ) and the projects therein, consideration must be given to the allocation of a portion of REZ access fees (if collected) towards activities that help to build social licence. Community benefit sharing is one such activity.

[10] T Lane & J Hicks (2019) A Guide to Benefit Sharing Options for Renewable Energy Projects Clean Energy Council

[11] Tasmanian Government (2022) Renewable Energy Development in Tasmania – A Guideline for Community Engagement, Benefit Sharing and Local Procurement

If a REZ access fee is charged, and a portion of this goes towards REZ/ regional level community benefit sharing, it is crucial that it does not compromise the ability of developers to offer benefit sharing to project neighbours and local communities. As per multiple industry guidelines, best practice benefit sharing involves contributing benefit to nearby communities, and it is important that the access scheme maintains this standard, while being commercially viable for developers. A fee that is levied to create a minimum standard for benefit sharing should act as a safety net for a community rather than the baseline for a project.

If a project can demonstrate that genuine community engagement has been undertaken with a host community to design a community benefit program that delivers an adequate value of benefit sharing both at a neighbourhood/local and regional level, then the REZ access fee would only need to be levied "net" of what had already been committed. If a project could demonstrate that its benefit sharing program exceeds the proposed REZ access fee threshold (which would be the intent of the policy mechanism) this part of the REZ access fee could be reduced potentially to zero.

The benefit sharing budget should be the total quantum that goes towards community benefit for both the local and regional level; administration costs should be covered separately, either by developers or by government, or a combination.

MERIT CRITERIA

In some states (ACT, NSW and VIC), the merit criteria associated with assessing a project's inclusion in renewable energy targets and/or REZ access have included social criteria. These social criteria have assessed project performance to date and plans for future community engagement, benefit sharing and local procurement. As a whole, the social criteria consider the status of social licence to operate for a project and go towards ensuring that awarded contracts are delivering social value in the communities they operate in.

These merit criteria have been a major aspect driving positive practice change and social value creation from renewable energy development over the past 10 years on a project by project basis. **It is also a key component of reputational risk management and social risk management for these governments to deliver projects that deliver stronger social value.** Moving forward, merit criteria that encourage collaboration and coordination will also be required to enhance and build social licence whilst reducing cumulative impacts.

To maintain consistency, it would be beneficial for state governments to draw on the existing industry guidelines to create merit assessment criteria for community engagement, benefit sharing and local procurement of renewable energy projects.

ESTABLISHING A REGIONAL COMMUNITY BENEFIT SHARING PROGRAM

To develop a regional community benefit sharing program requires several phases and involves multiple stakeholders including local community members, local government, Traditional Owners, key local organisations, developers and more.

A state government would be well placed to lead this process as part of the process of designing REZ establishment, or it might be done by a consortium or alliance of regional actors who identify a common need and goal. There may also be opportunities to draw experience from the philanthropic sector in establishing a regional community benefit sharing program. For example, the Foundation for Rural and Regional Renewal (FRRR) has a wealth of experience in pooling funding (from both government and private sources) and establishing sound governance mechanisms for divulging funds to communities whilst building community agency, capacity and self direction.

There will be multiple steps to developing a regional benefit sharing program and a need to involve multiple stakeholders including local community members, local government, Traditional Owners, key local organisations, developers and more.

Designing and establishing a regional benefit sharing program is ideally done through a co-design process. 'Co-design' involves working in partnership with communities and stakeholders to create a mutually agreed final output. This means involving stakeholders and acting in a collaborative way to generate the ideas that inform the design and implementation. This may involve empowering communities to be able to make certain decisions autonomously.

Some basic recommended phases involved in a co-design process to establish a regional benefit sharing program would include:

1. Research community context, aspirations and needs

To be effective regional community benefit sharing must be tailored to the local context.

Identify key values, demographics and trends in the region. Consider existing strategic plans and community development work that has been undertaken already by local government, Regional Development Australia, progress associations, community development initiatives or the like.

Tailor engagement approaches considering the socioeconomic circumstances of the host community. Valuing people's time with sitting fees and providing support to enable wider inclusion (e.g. transport or childcare) will enable a diversity of voices to be heard.

2. Define community benefit sharing budget & regional scope

Engage with community members and stakeholders on geographic scope and regional identity and on how this fits with the footprint of renewable energy developments. Collaborate with project developers, and local government and local communities on a realistic and desirable split between project level and regional level benefit sharing.

A baseline concept of the quantum and regional scope proposed for regional benefit sharing is useful to give tangible substance to the next phases.

3. Plan engagement strategy and define community involvement in developing the regional benefit sharing program

a. Plan a co-design process involving community members and other stakeholders. Possible options for regional benefit sharing will need to be workshopped and objectives defined. Plan for this process to be iterative.

b. Determine what elements are open for input and influence, for example:
   - i. Regional Scope - what definition of 'regional' makes sense, get feedback on the concept developed in phase 2.
   - ii. Governance - how should the community be involved in guiding decisions? For example, community advisory board, establishing funding logic, eligibility criteria.
   - iii. Methods for how benefits should be delivered – grants, scholarships, partnerships.
   - iv. Priority areas – Establish benefit sharing objectives based on the community's aspirations, needs, concerns and values.

4. Targeted engagement

Brief local and key stakeholders on the concept of regional benefit sharing, the opportunities, the challenges and the planning process to develop regional benefit sharing strategy. Establish a Community Advisory Group to help to design a broader community co-design process, and to consider the findings ahead of making recommendations on a desired approach to regional community benefit sharing.

5. Broader community engagement

A fundamental aspect of developing a benefit sharing strategy is engaging the community on ideas and receiving their feedback in the context of the elements identified in phase 3 above. Scope possible opportunities for partnership and possible avenues for program delivery. Consider using community surveys in this phase.

6. **Assess, refine & decide**

   Use input received from the broader community to assess, refine and draft a regional benefit sharing program with the Community Advisory Group. The draft regional benefit sharing program should be refined to take into consideration feedback received during iterative consultation and engagement.

7. **Governance & administration**

   The involvement of community in governance and administration will help strengthen social licence by building relationships and connections overtime. Establish a rigorous and transparent process for community governance, inline with local input received on appetite for involvement and realistic time commitments.

8. **Establish and implement**

   Establish governance and administration processes and structures, including finalisation of funding logic and objectives, eligibility criteria, application processes and selection criteria. Establish key partnerships to deliver programs.

9. **Monitoring, evaluation & improvement**

   Involve communities, stakeholders and developers in regular review and evaluation processes. Adapt as needed to continue to meet community needs and expectations, and to remain strategic. Establish a Community Advisory Group to help to design a broader community co-design process, and to consider the findings ahead of making recommendations on a desired approach to regional community benefit sharing.

Supporting community development

To deliver effective and significant change on the community's most persistent needs and challenges, the co-design approach should directly involve the people most affected by the issues. Communities are often calling for benefit sharing approaches that go beyond and are more strategic than small grant programs, seeking ones which deliver a lasting legacy in the community.

Delivering regional benefit sharing that has a strategic and lasting impact is more possible in communities that have already undertaken processes to identify their needs and desired solutions. This takes a certain level of pre-existing community development, foresight and resources.

Where this work has not already been undertaken comprehensively, or in a way that local people feel is invalid, the co-design process will need to be more involved and deeper. In these cases, it is critical to reach out to and include marginalised and vulnerable segments of the community.

Supporting participation

To broaden the demographic range of participation in planning for benefit sharing, consider how to reach out to and encourage engagement and input from marginalised and vulnerable segments of the community. This includes giving attention to women, youth, First Nations people, the elderly, people who are differently abled, culturally and linguistically diverse groups, long term unemployed, LGBTQI people and others.

Methods to broaden participation include:

- Ask people how, when and the degree to which they would like to be engaged, and be responsive to feedback.
- Ensure employees doing community engagement with First Nations people are culturally aware and competent.
- Pay a ‘sitting fee’ or other incentive to encourage low-income / unwaged to participate.
- Offer multiple formats of participation, e.g. 1-on-1 meetings if they can’t make a group session; use phone or hard copy mail if email is not an option.
- Be aware of low literacy rates, including digital literacy. Adapt language and delivery modes to suit; consider using videos or audio recordings.
- Awareness of the acoustics & physical accessibility of public events to allow hearing & mobility challenged people to participate.
- Offer to meet people in a place of their choosing, where they feel safe.
- Offer child care activities/ services or to cover costs of childcare.
- Offer translation options.
- Conduct engagement activities that suit different stakeholders, eg e.g. hold a BBQ after a sports match.
- Engage with and through local social services and social advocacy organisations.
- Allow time, be patient – don’t rush things through.

OTHER ASPECTS FOR CONSIDERATION OUTSIDE OF BENEFIT SHARING

Local procurement

Local procurement of contracts, services and employees is a pathway for significant community benefit. State governments and developers are encouraged to do all that they can to enhance local procurement, including through establishing proactive strategies to prepare local communities and businesses for upcoming tender or quoting opportunities. REZ level coordination will greatly improve these outcomes.

While being incredibly important, it is separate from 'benefit sharing' per se. **Local procurement constitutes meeting an essential project requirement (e.g. for staff or contractors) in a way that benefits local communities, whereas community benefit sharing creates an additional social value stream to share the rewards of the project.**

Council rates and infrastructure contributions

Council level infrastructure contributions need to be clarified and done separately, via establishment of an appropriate mechanism. This provides cost certainty for developers and reduces confusion and conflict about benefit sharing allocations between councils and communities.

Many state jurisdictions have yet to formalise a statewide and consistent approach to calculating and collecting infrastructure contributions to council from renewable energy developments. This is a lost opportunity in ensuring the economic prosperity and development in a local government area also contributes to the ongoing renewal of public infrastructure and services of that area. NSW councils have the opportunity to negotiate voluntary planning agreements with developers when they are assessed as Major Projects, however this has led to varying outcomes ranging from councils receiving nothing to receiving all of the potential community benefit sharing funds in place of the funds going directly to community. This scenario can inadvertently pit councils against the community in negotiations with the developer in the middle.

Councils could consider adopting local policies to guide developers on the quantity and types of infrastructure projects to contribute to, although this method may create inconsistency and would only be voluntary in nature without adoption into planning legislation.

Victoria has implemented a "Payment in Lieu of Rates" mechanism which creates a much needed income stream to respond to and facilitate the changes to an LGA that come with hosting renewable energy generation projects or being designated as a REZ. This model creates clarity for both industry, council and the community, and the number of energy projects hosted in Victoria is testament that there is viability in the business case.

Corporate sponsorship

Historically (and especially in the wind industry) corporate sponsorship of community events and sporting teams has formed an important part of community benefit sharing in Australia. As community benefit sharing practices and understanding have matured, it is now generally understood that the best benefit sharing programs are co-designed with communities and contribute to the needs of that unique area as defined by the community. A tension can arise between what the community sees as important to spend benefit sharing value on versus what creates the best marketing and brand opportunities for a development business. For this reason it is recommended that sponsorship is funded from the developer's marketing budget where they can have full agency over where and how it is spent to meet their marketing goals.

RECOMMENDATIONS

The shift from fossil fuel generation to renewable energy generation represents an exciting opportunity for regional Australia, providing the community is centred at the heart of its design. The simultaneous development of multiple energy generation and storage projects coupled with large transmission line projects in designated regions, has introduced new challenges previously unnavigated in Australia. Excellent community engagement must be coupled with strategic and well thought out benefit sharing programs to have the best chance of developing the scale of renewable energy infrastructure at the pace required to meet Australia’s climate targets.

Better practice benefit sharing programs address both neighbourhood and local community needs whilst also contributing to a coordinated regional benefit sharing program. It is essential that efforts to coordinate benefit sharing at a regional level do not compromise the ability for developers and proponents to have direct, positive relationships with their immediate host neighbours and communities.

Strategic coordination is essential for benefit sharing programs to cultivate a social licence, a crucial component in achieving a fair and fast energy shift in regions hosting multiple energy infrastructure projects.

State and local governments both have clear roles in enabling excellent regional benefit sharing. Effective State Government REZ policies would support regional communities to establish regional benefit sharing programs, and foster communities’ understanding of what great benefit sharing practices can look like. Similarly, local governments should ideally be at the centre of discussions and planning around these programs in their jurisdiction as well as being supported via state government policy that clearly identifies the quantum of funds payable for rates/infrastructure contributions as separate from community benefit sharing funds.

Regional benefit sharing programs have the potential to act as a focal point for regional development throughout Australia if the community and their regional stakeholders are empowered to co-design the outcome.

Community Power Agency recommends:

1. All state governments co-design with communities regional benefit sharing programs, ensuring local community members are embedded in the governance structures.
2. Regional benefit sharing models are designed in a way that enables energy project developers to deliver both regional benefits as well as neighbourhood and local benefit sharing programs,
3. If REZ Access Fees are charged, they serve as a safety net or coordination of benefit sharing, rather than a substitute for individual project level benefit sharing initiatives.
4. Federal Government dedicates resources to the various entities involved in designing regional benefit sharing in order to contribute to nation-wide social licence for the energy shift.
5. State governments legislate the amount project proponents must contribute to the local government where their project is located, in lieu of rates or as infrastructure contributions. This payment should be separate and additional to the project’s community benefit sharing funds.

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