



## Renewable Energy Community Benefits and Engagement Guide

Renewable Energy Community Benefits and Engagement Guide Version 1.0 last updated July 2025



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## **Executive summary**

Western Australia is undergoing a rapid energy shift, and local communities—particularly in rural and regional areas—are at the frontline of hosting large-scale renewable energy projects. These projects offer economic and social opportunities but also introduce complex local impacts and risks for the communities that will host these developments and neighbouring communities alike, with some areas experiencing concentrated development activity.

The design and development of renewable energy projects has outpaced planning at a Federal and State Government level and Local Governments, especially those in regional Western Australia, have been left to fill the void.

This guide has been developed by the Western Australian Local Government Association (WALGA) to support Local Governments faced with unprecedented levels of proposed development.

The guide provides Local Governments with a practical framework to understand their role, engage with developers and communities, and advocate

for lasting local benefits. It recognises that Local Governments often have limited statutory powers to influence these developments and that developers are not obligated to provide community benefits or undertake engagement beyond what is required by State processes.

It provides a structured approach based around five imperatives that every Local Government should seek to pursue to get the best local outcomes from the energy shift (Figure 1).

These imperatives reflect a best-case scenario of how renewable energy development should occur, with no supporting legal or planning framework however, this may not be true of every development.

Nonetheless, proactive and strategic action can significantly shape project outcomes and local communities are unlikely to get a better deal without Local Government taking an active role and pushing developers to design projects in a way that delivers advantages to communities and minimises risks and impacts.



Figure 1: Five imperatives for effective local engagement with renewable development



### **Key takeaways for Local Governments**

#### 1. Engage early-don't wait for formal approvals

The best opportunity to shape development outcomes occurs in the early feasibility and design stages. Engagement should begin before development approval is sought and while project details are still flexible. Waiting for certainty often means missing the window where community benefits and project design can be influenced.

#### 2. Set clear council policies and planning frameworks

Local Planning Policies and Council positions help set expectations for developers. Even if these instruments are not determinative in the planning process, they provide a transparent basis for negotiation and community discussion. Local policy can guide issues such as benefit sharing, developer conduct, housing, and local employment.

### **3.** Communicate council expectations and constraints to the community

Communities often misunderstand what Local Government can and cannot do in relation to renewable energy developments. It is critical to set clear expectations—explaining the Council's role, the limitations of planning frameworks, and how the Council intends to advocate for local interests. Honest and consistent messaging builds public trust.

### 4. Involve the community in benefit design and prioritisation

Community benefits are more effective and legitimate when local people help to shape them. Councils should facilitate community input into the types of benefits sought and how they should be governed. Clear community priorities strengthen negotiation positions and ensure benefits are long-lasting and valued.

#### 5. Draw on lessons from other councils

Precedents from across WA and other States show how effective policies, transparent engagement, and fair benefit schemes can work. Narrogin, Victoria Plains, Dubbo, and Port Augusta are examples of proactive Councils that have used a range of tools to influence development and try to improve outcomes for their communities. The guide shares their approaches to inspire and support others.



### Important context

### Local Governments face limits in influence

While Local Governments are often the first point of contact for the community, they do not approve most renewable energy projects. State Government Development Assessment Panels (DAPs) or the State Significant DA (SSDA) pathway will typically make final decisions.

Community benefit funds, information sharing and engagement expectations are also not mandated, instead relying on developer goodwill and community advocacy.

### Use the guide flexibly and collaboratively

The guide is not prescriptive—it is a toolbox. Not all Councils will have the same capacity, and the scale of development pressure varies widely. Smaller Local Governments may benefit from sharing resources, aligning policies, and adapting templates from others.

Collaboration across Local Governments can also enhance negotiating power and reduce duplication.

### WALGA is advocating for change

WALGA is working to strengthen the policy environment through calls for a State Planning Policy on renewable energy, consideration around the balance of land use, and a comprehensive framework for engagement and benefit sharing (see Box 1).

Local Governments are encouraged to support this advocacy through consistent approaches and sector-wide collaboration.



### Box 1: Advocating for relevant State policies and industry practices for the renewable energy industry

WALGA is advocating for greater guidance from the State Government when it comes to the delivery of large scale renewable energy projects in their region. Three advocacy positions have been developed and endorsed by WALGA State Council, focused on key Local Government concerns.

### **Renewable energy facilities**

The growth in the number, size, and complexity of renewable energy facilities across Western Australia is expected to continue as energy generation and other traditional industries decarbonise their facilities and operations. The renewable energy State planning framework requires changes to ensure it is fit for purpose to guide the ongoing development of the energy sector.

WALGA is calling on the State Government to adopt a new State Planning Policy for renewable energy facilities to replace the existing Position Statement, to assist in the orderly development of renewable energy facilities across Western Australia.

### **Priority agriculture**

The State planning framework should also provide sufficient statutory protections for areas identified as high-quality agricultural land.

- WALGA is calling on the State Government to amend the *Planning and Development (Local Planning Schemes) Regulations 2015* to create a new 'Priority Agriculture' zone for land identified as high-quality agricultural land to retain this land for agricultural purposes; and limit the introduction of sensitive land uses which may compromise existing, future and potential agricultural production.
- WALGA is also calling on the State Government to review the areas which have been identified by the Department of Primary Industries and Regional Development as high-quality agricultural land and expand the extent of mapping to address the whole of Western Australia.

## Energy transition engagement and community benefit framework

It is essential that the energy shift currently underway delivers economic opportunities, ensures reliable and affordable electricity, and the greatest possible benefits for the community. WALGA is calling on the State Government to develop a comprehensive framework to manage the impact of the energy transition that includes local engagement and the realisation of local community benefits from energy projects.

You can find more detail about these positions here: <u>https://walga.asn.au/policy-and-advocacy/advocacy-positions</u>

## Introduction

This guide has been developed by the Western Australian Local Government Association (WALGA) to support Local Governments in effectively managing large scale renewable energy developments.

The guide is structured into three sections – developing your local approach; an engagement guide; and community benefits (Table 1). Each section of the guide is supported by links to relevant resources, examples of approaches by other Local Governments in Western Australia and other States, plus suggested actions.

Practical templates and checklists are also provided to streamline efforts and implementation.

### Scope of the guide

The guide is focused on dealing with specific types of large scale renewable generation projects. These include solar, wind, hydrogen and battery energy storage systems (BESS).

Project types that are out of scope include small scale renewable energy projects (e.g. solar panels on household rooftops), transmission infrastructure, and gas and mining projects. This guide will not be explicitly stating a new rate or \$/MW amount for renewable energy projects in WA but it does provide reference points and examples to enable negotiations.

### Achieving consistency

Each Local Government will have their own place specific context and specific community priorities to consider when it comes to large scale renewable energy projects.

However, the more that the sector can work in consistent ways, within a common framework, the more likely it is that the best possible outcomes will be achieved. Developing policies with consistent expectations for developers, negotiating community benefits from aligned positions, and taking a consistent approach to community engagement will also greatly assist the sector to navigate the energy shift.

The guide aims to provide a foundation for a consistent and confident approach across the sector, whilst also ensuring that each Local Government can act on the unique needs of each community.

Section	Content	Templates	
1. Developing your local approach	The energy shift and opportunities and risks for local communities and economies	Checklist to guide local policy development	
	Planning and policy approaches and precedents	Track and monitor projects	
2. Engagement guide	Evidence and advice for creating effective information and engagement strategies	Community engagement planning template	
	Engage with developers to negotiate local outcomes	Information request for developers	
3. Community benefits	Defining community benefits from renewable projects	Checklist for establishing a local community benefit approach	
benefits	Designing a community benefit fund structure	community benefit approach	

### Table 1: Overview of the guide

## Resource limitations and collaboration

A large part of the renewables development will occur in the rural and remote areas of the State. Local Governments in these areas are often financially limited and generally have less experience dealing with large scale developments.

This guide has been drafted to provide a set of information and practical advice and is not intended as a required approach. It is acknowledged that for smaller Local Governments the scope of effort identified in the guide may not be achievable. It also assumes a reasonable level of cooperation on the part of renewable energy developers that may not be present in all cases. Just as each Local Government has a responsibility to provide good governance for their district, based on unique local needs, the implementation of the guide should also be based on judgements about where to best utilise available local resources.

As well as using the guide, Local Governments are encouraged to collaborate and adapt the work of other Local Governments. Many projects span more than one local area and by working together, the sector can get the best out of available resources. Precedents that can be learnt from and adapted are provided throughout to assist.

## A rapidly evolving policy and investment environment

Key decisions on a range of policies and documents supporting the renewables shift are yet to be finalised. The mix of projects from the many proposals that will be approved and built is also uncertain.

Users of the guide should continue to monitor the policy and development environment to stay up to date. Please consult links provided in the guide to keep up-to-date with new policies and programs.



# **SECTION 1:** Developing a local approach





## Section 1: Developing a local approach

### 1.1 State of the energy shift in Western Australia

Western Australia is undergoing a rapid shift from fossil fuels to renewable energy. All state-owned coal power stations will be retired by 2030, replaced with renewable generation and storage. A state-wide plan to guide the roll out of energy generation and transmission infrastructure, support industry and ensure that local communities benefit from hosting these projects is yet to be fully developed.

WA operates its own grids, including the main South-West Interconnected System (SWIS), and a separate North-West Interconnected System (NWIS) in the Pilbara. A number of new transmission lines have been flagged in the SWIS to support renewable development (Figure 2). In the NWIS, the Pilbara Energy Transition Plan will expand transmission infrastructure to connect new renewables (Figure 3). Today wind and solar provide roughly one-third of WA's annual electricity supply (peaking at ~84% at times, due to midday solar)<sup>1</sup>. Total SWIS generation capacity may need to grow from ~5.9 GW in 2022 to over 50 GW by 2042, mostly via large scale wind and solar projects<sup>2</sup>. The Pilbara accounts for more than 40% of the State's emissions and utilises less than 2% of renewable energy generation.

More details on the energy shift in WA are available here:

- <u>Energy Transformation Strategy Stage 2, Pilbara</u> <u>Energy Transition Plan</u>
- Energy Policy WA, PoweringWA and Western Power
- <sup>1</sup> About the Wholesale Electricity Market (WEM) <u>aemo.com.au</u> <sup>2</sup> Australian Energy Council 2025, Is time running out for new generation in WA? - <u>energycouncil.com.au</u>



Figure 2: SWIS Transmission Planning



Figure 3: The Pilbara Energy Transition Plan



WALGA Community Benefits and Engagement Guide

### 1.2 Renewable project development

Figure 4 provides a broad overview of the development process. Securing exclusive access to well-located land that has commercially viable renewable resources, limited or no land use constraints and is proximate to grid connections is the priority for developers. Some developers specialise in the early prospective phase of development, before on-selling projects to companies specialising in construction and/or operation.

A design and approval process then follows. This can take several years and projects will often be redesigned to align with planning requirements or to incorporate new technology. Until a project has secured development approval, grid access and financial close, it is uncertain as to whether it will be built. However, the best opportunity for Local Government to positively influence developments occurs during the feasibility and project development phases. Once a project is approved and financial close is achieved, there is little to no opportunity to negotiate more favourable community benefits.

This means that Local Governments cannot wait for certainty before engaging to seek good local outcomes, although it is important to note that negotiating positive benefit arrangements upfront is a best case scenario and may not always be achievable. As illustrated in Figure 4 developers will seek to secure land rights before undertaking community engagement. Landowners are required to sign confidentiality agreements that limit their capacity to advise anyone that they have been contacted during this process.

This means that Local Governments may be unaware that renewable energy developments are on the horizon until renewable energy developers engage with them directly.

From design to construction, Local Governments will need to deal with multiple parties including (multiple) project owners, consultants providing design and community engagement services and firms involved in construction (as per the example in Box 2). Where possible, it will be important to have conversations with project owners to determine their intentions with the project and who the relevant stakeholders and final operator will be. It will, however, be up to the developer's discretion as to what they share. Design and approval can be a long and unpredictable process, whereas the final construction phase is typically around two years. This is when the effort to secure community benefits and manage impacts will bear fruit for the community.



Figure 4: Renewable project development process



### Box 2: Renewable project development – Cunderdin Solar Farm

The Cunderdin Solar Farm is a 128 MW DC photovoltaic solar farm and 55 MW / 220 MWh battery energy storage system. It's located on the outskirts of Cunderdin and began operations in 2025.

Sun Brilliance announced the project initially as a 25MW project in 2016. Project design and approvals were then finalised by its successor Sun Bred Power (now in liquidation). Current owner Global Power Generation (GPG) acquired the project in July 2022, just before construction started. Monford Group then delivered all civil, mechanical and electrical works as head contractor for GPG.

## **1.3 Considerations for communities hosting large scale renewable energy projects**

Like all major developments, renewable projects bring a range of impacts.

Table 2 provides a summary of the key impact considerations during the construction and operation of large scale renewable energy generation. Proactive developers will work with communities to identify and manage these issues.

A challenge for renewable energy projects is that the negative impacts for communities are often inherent to projects, whilst opportunities need to be actively designed into a project to be realised.

For example, the short construction period makes it difficult for projects to offer long term local training opportunities such as apprenticeships, whilst a high demand for construction labour over that period can negatively impact the local labour and housing markets. Projects will also impact local natural resources, changing landscapes, impacting environmental values, utilising land that was previously dedicated to agriculture, and utilising local gravel supplies. Good project design can mitigate some of these impacts and create benefits to landholders and the local environment.

Consider each potential impact as it applies to each proposed project. For local areas with significant development pressure, the cumulative impacts of all projects also need to be considered.

A Project tracking template is provided to assist in monitoring project proposals and key opportunities and benefits. A Developer information request template is provided in Section 2 to enable you to gather the information needed to track projects.

Considerations	Potential positive impacts	Potential negative impacts
People	Train and employ local workers Strengthen local institutions and community resilience	Exacerbate workforce and skills shortages Create community division
Place	Increase local housing stock Improve local infrastructure	Increased demand and costs for limited local housing Infrastructure degraded by project utilisation
Community services	Service expansion or improvement	Additional demand on strained local services
Local economy	Payments to landholders and neighbours Local energy security and supply enhancements Expansion of local business activity to meet project needs Development/enhancement of new industries	Competition for land, local workers and business services, raising local prices or reducing availability and causing negative impacts on the wider economy Short term displacement of traditional customer profiles (i.e. tourists replaced by construction workforce)
Natural environment	Local decarbonisation Environmental improvements	Amenity impacts Direct environmental impacts Loss of farming land

### Table 2: Considerations for large scale renewable projects



#### Box 3: Case Study: Dubbo Regional Council – Managing renewable energy development in the Central-West Orana REZ

Dubbo Regional Council is located in central-western New South Wales, with the city of Dubbo serving as a major regional hub. Within its jurisdiction lies the town of Wellington, which is at the heart of the Central-West Orana Renewable Energy Zone (REZ)—Australia's first declared REZ. Installation of 4.5 gigawatts of new network capacity by the late 2020s is attracting significant private investment and supporting thousands of construction jobs.

### Managing the impacts of renewable energy development

Dubbo Regional Council addresses the impacts and opportunities of renewable energy projects through a dual approach:

- **Primary impacts:** These are managed via engagement with the State's planning system, ensuring that developments meet environmental and community standards. The Council aims to ensure that local assets such as roads and values are protected via planning conditions.
- Secondary impacts: Council utilises Voluntary Planning Agreements (VPAs) to manage other issues and put clear benefit arrangements in place.Its <u>Renewable Energy Benefit Framework</u> provides guidance to developers on delivering community benefits through planning agreements, emphasising projects that offer lasting value to the region.

#### Spicers Creek Wind Farm - Agreement and community investments

A proposed 702-megawatt project. The associated <u>Voluntary Planning Agreement</u> outlines contributions from the developer, including funding allocations:

- **Strategic projects:** 54% for large-scale infrastructure, such as replacing the Forestvale Road causeway with a bridge.
- **Community benefit fund:** 6% to support local groups and initiatives, focused on areas within 30km of the project site.
- **Road projects:** 38% for the maintenance of public roads affected by the development.
- Administration: 2% to cover administrative costs associated with managing the agreement.

#### Temporary housing investment – Building legacy

As part of the Spicers Creek Wind Farm, Squadron Energy has also submitted a development application for <u>temporary accommodation facilities</u> in Dubbo, aiming to house up to 400 workers. This new accommodation will be built on Council owned land in Dubbo that is zoned for future housing development. Once its role in housing the workforce concludes, the site will be handed back to the council, upgraded with better infrastructure to support future residential development. A legacy infrastructure benefit will be achieved as well as increased local economic benefits by temporary workers being located within Dubbo.

More information: <u>https://www.dubbo.nsw.gov.</u> au/Business-Investors/Economic-development/ renewable-energy-zone-rez

https://yoursay.dubbo.nsw.gov.au/Spicers-creekwind-farm-planning-agreement/community-dropsession?utm\_source=chatgpt.com

### **1.4 Establishing clear policies and setting expectations for community support**

Local Governments should provide clear guidance to developers on location, design and community priorities through local planning strategies, schemes and policies. This provides the best opportunity for Local Governments to influence the development of large scale renewable generation projects in terms of their location, design and long-term management based on community aspirations and expectations.

### **1.4.1 Engaging in approval processes**

There are three development assessment pathways that a renewable energy facility application could be determined under:

- Local Government development assessment all development applications are eligible to go through the Local Government pathway. This is the same process as any other development application determined by Local Governments.
- Development Assessment Panel (DAP) any development over \$2 million can choose to opt-in to the DAP pathway. Between 2020 and 2024, DAPs have determined 33 renewable energy applications.
- State Significant DA (SSDA) projects are eligible if valued at \$20 million or more (Perth and Peel regions)/\$5 million or more (rest of State). Between 2020 and 2024, only one renewable project has been determined using this pathway.

To date, most renewables projects have sought development approval via the DAP. In the future, the SSDA pathway may assess more renewable energy developments, particularly for wind farm and other very large projects.

While there is currently no State planning policy for renewable energy facilities, the WA Planning Commission is in the process of developing a draft Renewable Energy Code to introduce consistent development standards for renewable energy projects. There is also an existing Position Statement which carries less weight. The State Planning Strategy 2050 includes an objective "to enable secure, reliable, competitive and clean energy that meets the State's growing demand". All development proposals must outline how they address all relevant State planning policies. Renewable energy facilities, and particularly those in rural areas, are likely to need assessment against State planning policies 2.4 Basic Raw Materials; 2.5 Rural Planning; 2.9 Planning for Water; and 3.7 Planning in Bushfire Prone Areas.

## Box 4: Role of Local Governments in State approval processes

The DAP and SSDA processes require different types of Local Government involvement. Responsible Authority Reports and SSDA referral responses are crucial to shaping approvals to address local impacts.

### DAP process:

- Local Government conducts pre-lodgement meetings, receive and refer applications for DAP assessment.
- A Responsible Authority Report is prepared by the CEO (or authorised party – e.g. other employees or consultants) without the Council.

• The Development Assessment Panel meets and makes its determination in relation to the application.

### SSDA process:

- Applicants are encouraged to engage with Local Government during the project design stage.
- A referral response from Local Government is the primary role for the Local Government in this pathway.
- Council can also provide a deputation to the State Planning Committee ahead of any decision.

# 1.4.2 Addressing renewable energy facilities in local planning frameworks and Council policies

The WA Government Position Statement: Renewable Energy Facilities recommends that Local Governments address renewable energy facilities in their local planning framework. This includes:

- The local planning strategy should indicate landscape protection areas that should exclude renewable energy facilities, amongst considerations around agricultural land, proximity to network and other planning matters.
- 2. The local planning schemes should contain the land use definition, land use permissibility, and additional site and development requirements for renewable energy facilities.
- 3. A Local Planning Policy (LPP) can be used to provide specific application requirements, consultation requirements or development standards for renewable energy facilities.

Establishing a LPP can address principles and processes for engagement with developers and other planning matters. This provides clear guidance and a consistent basis for developers to work to in seeking to achieve Council and community support for proposed developments. It should be remembered that LPPs are tools to guide the use of discretion in planning decision-making and should avoid being overly prescriptive.

### Box 5: Planning changes – stay informed

The Planning environment for renewables development is changing rapidly as more proposals are brought forward for approval. WALGA will keep Members updated on future changes to planning arrangements and periodically update this guide. Council policies can be developed for other matters, and may include:

- Principles and expectations for developers in engaging in good faith with Council and the community
- Community benefits fund arrangements and guidance on investment
- Housing, local procurement, employment and other matters that cannot be dealt with via the planning system.

A checklist of considerations to guide Council policy development is provided as a supporting template. It should be noted that the timeframes, costs, and resourcing implications involved in amending these documents to accommodate renewable energy development can be quite large, and so policies should be implemented where feasible.

Useful resources to review in considering local planning and Council policy development include:

- Shire of Narrogin Community Enhancement Fund
   Policy
- Hay Shire Fundamental Principles for Successful Renewable Energy Development in Hay LGA
- WALGA resources:
  - <u>Empowering Local Government: Planning for</u> <u>Renewable Energy</u> (includes Shire of Nannup Local Planning Scheme example)
  - WALGA Local Planning Policy guide
- WA Government Position Statement: Renewable Energy Facilities



## Box 6: Shire of Narrogin – Living the life, powering the future

The Shire of Narrogin is managing a series of renewable energy projects. The Shire has taken a proactive approach to sharing information to provide a strategic view of issues and inform the community. It has also put in place local planning and Council policies to guide the development process.

### **Project information website**

Narrogin has created a dedicated renewable energy webpage. This provides detailed information on current and proposed projects. This resource offers transparency, enabling the local community, Council staff, and developers to access a comprehensive view of all renewable energy projects in the area. The website is an essential tool, driving greater community awareness and allowing discussion of the cumulative investment and impacts that is being proposed for the Shire.

### Establishing clear expectations through policy

The Shire of Narrogin has developed a local policy detailing clear expectations regarding community benefit contributions and legacy outcomes from renewable energy developers. Drawing inspiration from established practices in other states, particularly the New South Wales community benefit guidelines, Narrogin has set clear benchmarks. The policies address crucial community priorities such as local employment, workforce training, infrastructure upgrades, and securing legacy investments.

### Strategic management of risks and opportunities

The Shire's approach balances management of the challenges associated with renewable project developments whilst also seeking to harness the significant opportunity that renewables investment presents for the Narrogin community and surrounding region. Narrogin aims to ensure that local assets are protected and that there are lasting infrastructure legacies that benefit the community beyond the short-term construction period. Narrogin is also advocating for State support to complete cumulative impact assessments to review the implications of the concentration of projects in the area. The Council sees a pressing need for better coordination to mitigate potential negative consequences, including workforce shortages and escalating housing costs.

### Explore Narrogin resources:

Tracking projects and providing good public information:

- <u>Renewable Energy in the Shire of Narrogin:</u> <u>Comprehensive information on current projects and</u> <u>policies.</u>
- <u>Negotiating with Renewable Energy Developers</u>
   <u>– Fact Sheet for Landholders: Guidance for</u> <u>landowners on agreements with proponents.</u>

### Key planning and Council policies

- <u>Council Policy 3.16 Community Enhancements</u> <u>Fund: Details on securing long-term benefits from</u> <u>renewable projects.</u>
- Local Planning Policy D11 Wind Farm/Turbines: <u>Framework for the assessment, approval, and</u> <u>regulation of wind farms and turbines.</u>
- Local Planning Policy D12 Temporary/Transient Workforce Accommodation



### 1.4.3 Actions

## Review key information on the renewables shift

And track changes to State policies and the planning framework.

## Consider key risks and opportunities from renewables developments in your regions

Including potential cumulative impacts.

## Consider updating your local planning framework

To provide for the proper and orderly planning of renewable energy facilities within your local area. This may include an amendment to the planning strategy and schemes, as well as preparation of a specific Local Planning Policy to address the development of renewable energy facilities.

### Consider preparing a Council policy

Including a statement of expectations and community priorities for projects, providing clear guidance to developers wanting to garner Council and community support for projects in the area.

### Track projects in your region

And share this information with your community.

### 1.4.4 Supporting templates

## Renewable energy local Council policy development checklist

This checklist outlines the key areas to consider in developing policies for large scale renewable project development in your area.

This can be found on page 48.

### Project tracking template

This template will assist in tracking projects and their potential benefits and risks.

This can be found on page 51.

# **SECTION 2:** ENGAGEMENT GUIDE



## Section 2: Engagement guide

Local Governments are well versed in engaging with their communities, however engaging with the community and developers in relation to renewable energy projects comes with unique challenges. The aim of this guide is not to replicate general advice on these issues (see Box 7 for other resources), but to provide a resource specifically tailored for renewable projects.

### 2.1 Community engagement and communications

Effective community engagement builds trust, promotes 'ownership', and empowers the community by providing meaningful opportunities to influence project outcomes. Effective engagement focuses not just on individual perspectives but on collective community outcomes, acknowledging diverse local needs<sup>3</sup>.

Communities have a reasonable expectation that local benefits will flow from developments and that local impacts or risks will be considered and appropriately managed. Communities want to know that local concerns are being communicated to developers and managed in project design and approval. These often include:

- Avoiding undue impacts on farming and nature
- Ensuring meaningful local input into project development
- Effective management of construction impacts

Council engagement should try to address these issues, aligning to Council's role in working for the community to get the best possible local outcomes from development.

### Box 7: General resources for community engagement and developer negotiation

- <u>Guide to Best Practice Planning Engagement</u> <u>in Western Australia</u> (WA Government)
- <u>Planning Engagement Toolkit for Western</u> <u>Australia</u> (WA Government)
- IAP2 Resources (IAP Australia)
- <u>Contract Negotiations 101</u> (LGAQ)

<sup>3</sup> Hicks, J., Ison, N., Gilding, J. and Mey, F. (2014) Community-owned renewable energy: a how to guide. Community Power Agency, Sydney.



### 2.1.1 Planning community engagement and communications

Planning communications and engagement activities is essential to success, particularly when the community (and Council itself) may be divided on renewables development. Key aspects to consider include:

- Council Goals
- Stakeholder mapping
- Establishing community benefit priorities
- Engagement approaches

### **Council goals**

Clear articulation of Council's engagement objectives is critical. Relevant Council objectives might include:

- Building community understanding of projects and Council's role in the development process
- Ensuring good community input to the development design and approval process
- Ensuring community concerns and priorities inform project design and Council negotiations
- Reassuring the community that Council is actively managing local outcomes from renewable projects

### Stakeholder mapping

This includes identifying stakeholders — landholders, business, First Nations people, community and other groups — within the area and other parties connected to the development, categorising them by interest, influence, and key issues. This will assist in targeting engagement to the different local interests.

The Communications and engagement strategy template (p.52) provides a starting point for mapping local stakeholders for renewables development, prioritising them and identifying engagement strategies for each.

### Establishing community benefit priorities

Establishing a clear set of community priorities to guide Council engagement with renewables developers is essential. Council may already have good information on community priorities to guide strategy on negotiating benefits. Goals and priorities in Strategic Community Plans and existing local projects or community investment needs are a good start for establishing priorities to emphasise in negotiating with developers. These may need to be fleshed out further in consultation with the community.

Where priorities are less clear or outdated, a dedicated engagement approach to discuss options and priorities should be considered as part of the plan. This may be relevant where impacts of project development are not experienced equally across communities. Particular communities may perceive that benefits applied across a Council area are not commensurate with the impacts felt in their local area.

There may also be a level of division in the community due to some landholders being engaged by developers to house renewable energy infrastructure (and thus receiving compensation), while others are not.

### **Engagement approaches**

There are a range of ways to engage successfully with communities.

- **Informing:** Providing accurate, timely information on projects and Council activities (e.g., social media, newsletters, public notices).
- **Consultation:** Collecting community feedback on priorities and issues to shape understanding of potential risks and benefits from projects (surveys, workshops).
- **Involvement:** Working with stakeholders to address specific concerns directly (e.g. road access, utilisation of community facilities, training and employment). This may include community co-design workshops that engage residents, community groups, and Traditional Owners to co-develop priorities.
- **Collaboration:** Partnering with community groups in project decision-making (e.g. in decisions relating to the use of community benefits funds).
- **Empowerment:** Delegating decision-making authority to community representatives (e.g. see potential benefit fund management approaches in Section 3).

All engagement strategies should include information sharing and some level of consultation with the community. Involvement, collaboration and empowerment can be considered on a case-by-case basis depending on issues to be resolved and existing Council approaches to community engagement in decision making.

#### **Box 8: Community forums**

Councils in WA have successfully convened community forums to provide an opportunity for the local community to hear directly from developers active in the region as well as State Government, Council and other experts.

For example, the Shire of West Arthur invited landowners and the public to an information forum about windfarms in the district. The event included presentations by the State Government, Western Power, legal advisors, land valuers, and windfarm developers.

To provide independent expert perspectives, the Shire also invited experienced Local Government representatives from other communities and experts from the Curtin Institute of Technology.

These types of forums are a great opportunity for the community to come together and discuss the issues. They are part of a proactive approach to dealing with developments and facilitating community engagement and discussion.

Further background on the West Arthur approach is available via the links below:

- Windfarm forum
- <u>Key principles for effective renewable energy</u> <u>development in the Shire of West Arthur</u>
- Windfarms in the Shire of West Arthur Shire



### Box 9: Case study – Shire of Victoria Plains – Effective communications and community engagement

Shire of Victoria Plains is a small Wheatbelt council with approximately 800 residents and 30 staff across 22 FTEs. The Shire is engaging early and actively with Green Wind Renewables, the proponent of two large scale wind energy projects spanning neighbouring shires and totalling approximately 2.1 GW. The projects represent about 25% of scheduled wind farm capacity to be developed in the WA Wheatbelt.

Council staff found Green Wind Renewables "good to deal with" and "open to suggestions and feedback." Their approach was to "listen first," be "as open as possible" and "offer local insights to inform the developer's direction and engagement approach." Regular and constructive dialogue has been established, with developers acting on Council's advice.

Noting a regional information gap on wind energy developments, renewables and energy literacy, Council engaged a communications firm to develop clear, regular and consistent communications in plain language. The content, shaped independently of the developer, has been well received, helping build awareness and understanding in the community and address perceived bias in proponent-driven messaging.

The Shire CEO has also advocated for early and direct engagement with the Yued Noongar people, improved fire risk planning with local emergency services, and the creation of a community benefit sharing fund. The Shire has pushed for separate agreement around impacts on local roads and constructionrelated housing. The CEO described managing this development as something that "could be my life," underscoring the scale of work for small councils dealing with large scale renewable developments. Victoria Plains' experience highlights the importance of maintaining a straight bat, being open and transparent, and ensuring communications are consistent and trusted. Their investment in professional communications and insistence on fair developer conduct is helping to shape better community outcomes and set a constructive precedent for small Local Governments navigating major renewable projects.

### Victoria Plains online resources to review:

- <u>Renewable Energy Wind Farms (information page</u> <u>including community survey)</u>
- <u>Grevillea Wind Farm information, previous</u> community feedback session event information and <u>developer flyer</u>
- Wandoo Wind Farm information
- <u>Community Newsletter with renewable energy</u> <u>information from the Shire President</u>

### 2.1.2 Communications messaging

Community will have a diversity of views when it comes to large scale renewable energy projects. Aligning Council communications to shared community aspirations is the key to effective messaging.

### Example key messages

**Local benefits first:** Council's priority is to ensure renewable projects deliver local benefits including jobs, local industry opportunities, infrastructure improvements, and community funding.

**Your voice matters:** Meaningful community input is essential to making the right decisions for our community.

**Balanced approach:** We support renewable energy that respects our landscape, existing industries and community values, and invests in our future.

**Council role:** State Government will approve many of these projects. Council will engage in the approval process where possible to seek conditions which protect the best outcome for the community.

### Message traps to avoid

**Division:** Avoid "locals vs. developers" language that deepens community rifts.

**Overpromising:** Be clear about Council's actual powers to avoid disappointment.

**Ignoring concerns:** Acknowledge legitimate worries about visual impacts, construction disruption, and community character.

**Jargon:** Use plain language to explain processes and impacts.

### Importance of being proactive

Wherever possible Council should try to lead the conversation and the framing of local issues, establishing the parameters for what good development looks like and creating a clear understanding of Council role and priorities.

### Additional messaging recommendations

**Use local examples:** Where possible, reference local examples drawn from existing projects, Council projects and policies that local people will connect with on a practical level.

**Visual demonstrations:** Use simple visual tools (before/after photos, simulations) to accurately show visual impacts rather than allowing misinformation to fill the knowledge gap.

**Specific metrics:** Numbers strengthen messaging. Quantify local benefits in concrete terms (e.g., "\$X million in community benefits payments over project lifetime" or "X number of full-time maintenance positions") to be clearer about potential economic benefits or impacts.

**Acknowledge limitations honestly:** Being upfront about potential challenges (like construction traffic or visual changes) builds credibility.

### 2.1.3 – Actions

### Establish an engagement plan

Where capacity and capability allow, consider developing a strategic communication and engagement plan that identifies key stakeholders, preferred engagement approaches, and Council roles.

## Create community input feedback mechanisms

Where possible, provide the opportunity for the community to give feedback. This may include posting information on the Council website and community pages or convening a local forum to provide opportunities to hear from developers and discuss issues. Ensure local communities have accessible channels for feedback independent of developers, especially in areas with high concern or multiple projects.

### Support Councillor and staff capability

Provide training and briefing materials to ensure staff and elected members are equipped to engage confidently.

### 2.1.4 – Supporting template

## Communications and engagement strategy template

This template provides a simple structure for planning and managing engagement strategy and activities.

This can be found page 52.



## 2.2 Engaging with renewable developers

## 2.2.1 Expectations of good practice by developers

Local Governments should clearly articulate their expectation that renewable energy developers that are active in their area will adhere to good practice. Existing industry guidelines, such as those provided by the <u>Clean Energy Council</u> are good reference points. The Australian Government is in the process of introducing a <u>Developer Rating Scheme</u> which will assist in the future. In general, good practice by developers includes:

- Early, consistent and transparent engagement with Local Governments and communities.
- Adherence to all relevant state and local planning, environmental, and social guidelines.
- Clear, accessible, and timely information dissemination regarding the project, including as project design changes.
- Comprehensive assessment and responsible mitigation of environmental and community impacts, including genuine responsiveness to community and Local Government feedback.
- Preparedness to explore community benefits from the beginning of project discussions.

## 2.2.2 Seeking information about projects

Local Governments should try to seek detailed and accurate information from developers so they can effectively assess, plan for, and deal with renewable energy developments. The need to resolve opportunity and risk issues before development approval and financial close are completed makes early engagement important. The supporting template (p.57) provides an information request that can be tailored to local circumstances and specific information needs. However, as noted throughout this document, developers are not obliged to provide this information, and so it will be at their discretion as to what they do and don't share.

### 2.2.3 Engaging in good faith

Local Governments play a critical role in the success and community acceptance of renewable energy projects. Engaging in good faith means approaching developers with openness, transparency, and a commitment to clear communication. Both parties should seek mutual understanding and aim for productive, cooperative relationships wherever possible.

Providing timely and accurate information to developers and facilitating clear communication channels and regular meetings will help to establish trust. The commercially sensitive nature of developments during the proposal phase will also create the need for respecting confidentiality where necessary. Clear articulation of Local Government policies, requirements, and expectations will make it easier for developers to come to the engagement process prepared with good proposals.

Longer term, it will be important to maintain good relationships with the operator of renewable energy facilities. This could be achieved through maintaining regular meetings and information sharing, collaboration on community benefits fund administration and ensuring good relationships are developed between individual Council staff and company representatives.



### Box 10: Industry feedback and support for Local Governments in navigating renewable developments

WALGA engaged with industry bodies to seek their perspectives and advice for Local Governments engaging with developers in their area.

#### Clean Energy Council (CEC)

The view of the CEC is that it is critical for developers and Councils to work collaboratively and to ensure that community benefits are realised in the energy shift. A proactive approach by both parties ensures that developers comprehend community needs and challenges and enables a smoother planning and development path. By fostering meaningful engagement and establishing clear agreements, both parties can contribute to positive outcomes for local communities.

- Councils that have a clear vision for how they want their region to benefit from the energy transition will put them in prime position to capitalise on the economic opportunities, such as developing a local workforce, capturing community benefits, energy security and affordability and diversifying their economy. Councils may also want to consider how they can streamline administrative aspects of engagement, such as pro-forma documents or specific benefit funds and reporting mechanisms.
- The CEC supports reform that creates more consistency and transparency around community engagement and would be open to considering planning instruments that achieved this objective. In almost all cases, it is unreasonable for developers to exclude Councils from community engagement and where there are multiple examples within a specific Local Government area, CEC would be open to considering a facilitative role among proponents and council.

 CEC encourages proponents to formalise agreements with Councils regarding community benefits.

#### <u>Smart Energy Council (SEC)</u>

The SEC recognises the challenges Councils face in dealing with both developers and communities in renewable energy projects. The SEC also acknowledges that there are inconsistencies in community engagement practices. While some developers excel, others fall short, leading to a negative perception of the industry. The SEC is also advocating for improved statewide frameworks and guidelines to facilitate better engagement between developers, Councils, and communities.

- Developers should establish relationships with Councils from the outset to build trust and mitigate potential conflicts. Councils play a vital role when developers crowd a region. Local councils are also better placed to determine preferred local benefits than the developer itself.
- Developers prefer an ongoing and later project lifecycle community benefit that aligns to cash flow to large upfront costs. They also want the community to easily recognise the benefits they have provided.
- A Memorandum of Understanding/Agreement or Terms Sheet could be utilised to make developers accountable in realising community benefits.



### Box 11: Contrasting developer engagement in Kondinin

Synergy (the developers for the King Rocks Wind Farm), engaged primarily via adverts in the local newsletter and social media posts inviting interested parties to add their names to an employment register and various drop-in sessions at local community events. The information that was gatheredwas not formally recorded and shared with the Local Government or the public.

The community noted external contractors awarded jobs over local contractors for earth moving, water carting etc. at the wind farm and workers' accommodation sites. The Shire of Kondinin is still waiting to see a Community Benefit Fund Agreement from Synergy.

In contrast, Shell (developers for the Kondinin Wind Farm) have employed a locally residing Community

Liaison Officer that has provided a continuous onground presence in the local community as well as having individual contact with community groups and landowners. Small scale sponsorship projects of up to \$500 to local community and sporting groups were also appreciated.

A commitment to a community benefit fund in the form of \$100,000 per annum (CPI indexed) that has now been increased to \$150,000 (CPI indexed) per annum is also part of the development conditions of the project. The Kondinin Wind Farm has also created a Community Consultative Committee comprising representatives from developers, landowners, community members and Shire representatives.

Shell's approach has created a stronger level of trust and understanding between the local community and the developer.

## 2.2.4 Community engagement by developers

Community forums and other Local Government-led activities designed to meet community needs are preferable to consultation driven solely by developer priorities.

If resourcing permits, seeking to coordinating multiple engagement activities by developers will help to manage community fatigue in areas with multiple proponents seeking similar community input. Council could request the developers to identify community liaison leads to form part of a group to discuss and coordinate engagement activities. Alternatively, Council could seek resourcing from developers to run integrated engagement activities, with companies then working in targeted ways beyond this activity.

Where possible, feedback from any sessions should be noted down and shared with the community to assist in building trust.

## 2.2.5 Negotiating community outcomes and securing agreements

Local Governments are uniquely positioned to negotiate meaningful community outcomes from renewable developments. Key aspects of development where negotiation is needed include:

- Negotiating community benefits packages, including financial contributions to local infrastructure or community projects (see Section 3).
- Securing commitments to local employment, workforce training, and procurement.
- Developing agreements on managing and mitigating local infrastructure impacts such as road use, housing, and services.

Local Government and developers will have different priorities, and it may be difficult to reach a common ground when it comes to negotiating positive community outcomes. Where necessary, third party advisors may be used to support negotiations. It is important that negotiated commitments are secured so that the community can be confident they will be delivered during construction and operation. Consider the following methods to secure commitments in discussion with developers about their timelines and capacity to commit:

## Contracts, Memoranda of Understanding (MoUs) or term sheets

These are useful pathways if developers are willing to voluntarily commit but will be ineffective where a developer is not willing to put commitments in writing.

Prior to projects achieving development approvals and financial close it is likely that MoUs or Term Sheets will be preferred by developers. At this point in the process they are unlikely to be able to commit to formal contractual arrangements.

Agreements should clearly define mutual expectations, obligations, and timelines. MoUs and Term Sheets may be translated into enforceable contracts as a project progresses towards approval and financial close.

As well as giving Council greater confidence in the outcomes for the community, clear and secured agreements that include Council support for a project should be seen as a significant asset for developers in competing for access to the network and approval from the State.

### **Conditions of approval**

This option embeds outcomes as binding conditions in the project's formal approval, whether that be through Local Government or State Government processes (i.e. DAP, SSDA or environmental approval processes).

Issues that may be dealt with via conditions of approval (pending they address the nexus principle) include road and infrastructure maintenance, local road upgrades and management plans (ie noise, dust, construction). It's important to note that community benefits sit outside the current legislation and can not be dealt with via the planning process.

## 2.2.6 Dealing with developers who do not engage in good faith

Unfortunately, not all developers will engage openly and actively with Local Government as part of their feasibility and design process. Below are some recommended approaches and strategies Council can consider in trying to deal with poor developer practice.

## Formalise communication and documentation

Clearly capture commitments, deadlines, agreements, and instances of non-compliance or inadequate communication. Write to developers clearly outlining concerns, expectations, and request specific remedies. Seek to raise the issue at higher levels within the company if local agents or consultants prove difficult to deal with on a good faith basis.

### Escalate issues to relevant authorities

Raise concerns with industry associations, seeking their support to encourage the developer to improve their approach. Residents that share Council concerns can also raise complaints with the <u>Australian Energy</u> <u>Infrastructure Commissioner</u>.

Council can also consider notifying relevant State Departments or regulatory bodies (e.g., the WA Department of Planning, Lands and Heritage, PoweringWA) regarding developers' practices to seek advice and support.

### Public transparency

Proactively inform and educate the community about engagement standards, the developer's obligations, and the actions being taken by Local Government to address shortcomings.

Consider making factual, objective public statements or issuing reports about the developer's engagement performance, including non-compliance instances, to increase accountability.

### 2.2.7 Actions

## Define expectations for developer engagement

Set clear principles for good faith engagement, drawing on existing guidelines and setting a standard for transparency, responsiveness, and accountability. Where possible, embed these in Council policy.

### Request key information from developers

Use formal requests to gather information on timelines, impacts, workforce, housing, and community engagement plans.

## Coordinate and enhance developer-led engagement

Consider working with developers to ensure their engagement meets local standards and complements Council efforts. Encourage coordination where multiple proponents are active.

### Address poor developer behaviour

Use formal channels, public transparency, and advocacy to respond to developers who fail to engage in good faith.

### 2.2.8 Supporting template

### **Developer information request**

A template request for key information from developers to inform negotiations.

This can be found page 57.



### Box 12: Case Study – Port Augusta City Council – Strategic developer engagement

Port Augusta, a city of approximately 14,000 residents, has undergone a significant transformation from a coal-dependent economy to a hub for renewable energy. Following the closure of its coal-fired power stations in 2015–16, the community, led by the advocacy group REpower Port Augusta, championed the shift towards renewable energy, leveraging the region's abundant solar and wind resources and its strategic position within the National Electricity Market.

Over the past decade, Port Augusta City Council has engaged with developers on more than 20 renewable energy proposals, encompassing solar, wind, battery storage, and pumped hydro projects. Of these, approximately five have progressed to financial close or are navigating the State's planning system. Notable developments include the 317 MW Port Augusta Renewable Energy Park, a hybrid wind-solar project spanning 5,400 hectares, and the 220 MW Bungala Solar Power Farm, which became fully operational in 2020.

Operating within South Australia's legislative framework, where the Hydrogen and Renewable Energy Act centralises decision-making at the State level, the Council has adopted a proactive role in developer engagement. This includes providing insights into local infrastructure, environmental considerations, and community dynamics. The Council emphasises the importance of aligning developer objectives with community needs, advocating for benefit-sharing arrangements that support employment programs for disadvantaged groups and sponsorships for local cultural initiatives.

To manage the complexities of long-term projects and frequent changes in developer personnel, the Council maintains detailed records of interactions and commitments. This practice ensures continuity and accountability, especially when projects change ownership or management.

Recognising the financial implications of hosting large scale renewable projects, Port Augusta City Council has been instrumental in advocating for legislative reforms to ensure fair compensation for Local Governments. This includes supporting legislation that mandates equitable rates from energy companies to fund essential community infrastructure and services.

### Further information:

- Port Augusta Renewable Energy Park
- Port Augusta City Council Media Releases
- Strategic Directions 2019–2029
- New Legislation for Fairness

# **SECTION 3:** COMMUNITY BENEFITS


# **Section 3: Community benefits**

Large scale renewable energy projects can offer a range of benefits to a host of different stakeholders within the community. These benefits can include:

- Resident or local business payments to lease their land
- Neighbour payments for those located very close to a renewable energy project
- Broader community payments, which encompass a Local Government area or beyond.

The focus of this chapter is on those broader community payments.

# 3.1 Glossary of key terms

Term	Definition
Community Benefits	All of the advantages that local communities can receive through the planning, construction, operation, and repowering/decommissioning phases of renewable energy projects.
Community Benefit Scheme	Arrangements agreed between a developer and a community for the investment of a portion of future renewables project revenues to support community priorities over the life of the project.
Local sponsorships or small grants initiatives	Small payments to support existing community activities or infrastructure, usually made on a competitive application basis.
Community Benefit/ Enhancement Fund	A governance structure that provides for the management of community benefit scheme funding. A fund may manage a subset of funding or all the investment in a scheme.
Community ownership or equity arrangements	Arrangements where community members can invest in part or full ownership of a project, granting them a share of profits and a say in key decisions.
Strategic priority initiatives	Refers to larger scale community initiatives (such as infrastructure or other projects) that may be specified for investment within community benefit schemes.
Pooled funding	Combining financial resources from multiple sources. This may occur at a regional level involving multiple councils or renewable projects. Can also involve combining benefits scheme funding with other financial resources.

# 3.2 Community benefits from renewable development

The potential benefits from renewable energy developments encompass a wide range of advantages that extend beyond purely financial contributions (Figure 5).

Maximising community benefits from renewable energy projects is important because it fosters a more equitable and sustainable energy shift. By sharing the financial and social gains of projects with the host communities, renewable energy developments can support regional growth and address inequalities. This approach also enhances project acceptance and support by demonstrating a commitment to local well-being and long-term community development.

Potential community benefit elements for a project can include:

- Sharing of a portion of future energy generation revenues through community benefit schemes
- Local job creation and skills development
- Supply chain opportunities for local businesses •
- Investments in infrastructure improvements •
- Support for community organisations and services •
- Contributions to decarbonisation of the local economy •
- Habitat creation and biodiversity enhancements

- · Environmental remediation or improvement of previously degraded land
- Capacity building for local governance and community groups

Each project will focus on key elements that align project capacity with community priorities. Developers will also likely want to align funding with their own corporate values.

As it stands, there is no legislative requirement to deliver community benefits and negotiating benefit agreements will require ongoing discussions between the Local Government and developer.

When negotiating with developers, Local Governments should emphasise that community benefits need to be proportionate to the scale of development, longlasting, and designed with genuine community input rather than imposed from outside.

Projects that have multiple types of energy generation and storage that are co-located, or interact with strategic infrastructure corridors or buffer zones, may require discussions on bespoke benefits that reflect potential impacts and opportunities, such as heavy freight access and local roads, amenity for residential areas adjacent to industrial land, and employment pathway alignment for local communities.

#### Figure 5: Areas of potential benefits from renewables for regional communities (Source: RE Alliance)

#### **DIRECT BENEFITS INDIRECT BENEFITS** All the direct forms of payment and compensation transfered to others as Positive local side-effects of the renewable energy transformation the renewable company does business Boost in hospitality Direct jobs in Business for Education and Lease payments Neighbour payments Local procurement to farmers and local contractors to nearby properties industries to service tourism and contracting landholders construction workers for project delivery COMMUNITY BENEFIT SCHEMES What can be achieved when communities and renewable oanies work together for the benefit of the region First Nations

Community funds

In-kind contributions

Neighbourhood improvement schemes

Co-investment and co-ownership

Employee volunteérism

Regionwide community funds

benefits

Unique and emerging benefit-sharing models

# **3.3 Community benefit schemes**

The remainder of this section focuses on community benefit schemes. These schemes invest a portion of future project revenues into community priorities over the life of the project.

For the purposes of this guide, local community benefit schemes may include a combination of:

- a. Local sponsorships or small grants initiatives
- b. Community benefit funds/community enhancement funds
- c. Community ownership or equity arrangements
- d. Strategic priority initiatives direct investment/ co-investment or pooled funding/regional pooled funding

For option a. companies will generally manage this direct with the sponsored organisation or activity. Traditional grants and sponsorships arrangements are increasingly recognised as unsophisticated and inflexible. The appetite for small grants has limits as does the ability of this model to deliver long term strategic outcomes for communities.<sup>4</sup>

For options b. and c., Local Government may be the most appropriate entity to support management and administration, and/or play a significant role as a partner in a governing group.

Renewable energy companies are likely aware of and may run existing community benefit funds or community enhancement funds. These arrangements are often established as industry managed, or industry-council managed.

For option d., a bespoke approach will need to be developed.



<sup>4</sup> RE-Alliance. 2023. Building Stronger Communities: How community benefit funds from renewable energy projects support local outcomes

# 3.4. Contribution rate negotiation

The WA Government released a draft Guideline on Community Benefits for Renewable Energy Projects on 12 June 2025. The proposed rates identified in the draft Guideline are:

- \$500-\$1,500 per MW per annum for wind projects; and
- \$150-\$800 per MW per annum for solar projects, paid over the life of the development and indexed to inflation.

It should be noted that other jurisdictions across Australia have their own rates, including NSW, Victoria and Tasmania.

Local Governments should enter contribution negotiations based on a clear policy position and focus on achieving comprehensive community benefit packages that include community benefits schemes as well as wider community benefits.

Local Governments should also approach negotiations understanding that while there are established benchmarks, each project has unique characteristics that may justify increased levels of contribution (Table 3).

As part of negotiations, Local Governments should consider how to structure contributions for long term value. This can be achieved by:

- including automatic CPI or other indexation mechanisms (i.e. Local Government Cost Index) so the real value of benefits do not decline over time,
- build in review points every 5-7 years, and
- hybrid models with both fixed and variable components based on project performance and profitability.

All negotiation positions should be based on reasonable ranges reflecting precedents set in the industry within Australia. Ambit claims will undermine the reputation of the sector and the legitimacy of work by other Local Government leaders across the State to secure these long-term investments for the future of local communities.

Factor	Considerations
Company commitment and reputation	Some renewable energy developers show greater commitment to community outcomes as part of their approach to business. These firms will be open to investing more in local benefits.
Council and community support for projects	Developers may be open to higher contribution rates where they can see that it will lead to greater support by the community.
Recognition of contributions	Developers want to see their investments explicitly recognised as being associated with projects.
Premium resource areas	Projects in areas with exceptional wind/solar resources may have higher profitability and contribution rates.
Coordinated negotiation strategies	Aligning benefit negotiation approaches across Local Governments where a project is located in more than one Local Government area will assist in achieving better outcomes.
Precedents set by other projects	Identifying agreements made in other projects with higher benefit rates provides a powerful basis for seeking higher contribution rates.
Settlement proximity	Projects that are highly visible or located near towns or residential areas create greater amenity and perception impacts.
Cumulative impacts	Where multiple renewable projects (or stages) are present or planned in close proximity, cumulative effects may need to be considered.

Table 3: Considerations for community benefit scheme contribution negotiation

# Box 13: Examples of project community benefit arrangements

- <u>Vestas Winterbourne Wind Farm (NSW)</u> \$1,000,000 upfront payment, \$1,250 per MW up to 600MW and \$1000 for any installed capacity over 600MW
- <u>Squadron Energy Spicers Creek Windfarm</u> (<u>NSW</u>) – 1.5% of installed capital value to be invested in a community benefit fund and strategic community projects
- <u>Tilt Renewables Benefit Sharing</u> company level public commitment to design of local benefits arrangements
- <u>NEOEN Goyder Renewables Zone</u> creation of a national park as well as community benefit fund, major projects fund and future fund arrangements

# **3.5 Community benefit/Enhancement fund structures**

This section examines considerations for establishing community benefit fund structures that Western Australian Local Governments can consider when negotiating with renewable energy developers. State Government policies or developer preferences may constrain choices in some cases, but Local Governments should aim to negotiate for arrangements that best serve their communities.

Model	Advantages	Disadvantages
Developer administered	Low administrative cost	Limited community ownership
(Developer retains control and	Clear accountability	May lack independence
administers fund directly)	Streamlined decision-making	Can create perception of tokenism
Council administered	Aligns with strategic planning	May not appear independent from
(Local Government manages fund	Leverages existing governance	Council priorities
through existing frameworks)	Democratic accountability	Administrative burden on Council
Independent trust	High community ownership	Higher establishment and running
(Separately established legal entity with	Independence	costs
dedicated governance)	Can attract additional funding	Governance complexity
		Requires specific expertise
Hybrid approach	Flexibility to evolve over time	Potential governance complexity
(Combine elements of multiple models)	Can balance different interests	May create confusion about roles
	Adaptable to local circumstances	Requires clear documentation

### **Fund Administration Models**

# **Contribution strategies**

Structure	Advantages	Disadvantages
<b>Annual contributions</b> Regular payments throughout project life	Predictable annual income Allows for adaptive management to meet changing community needs	Does not allow for larger flows into strategic projects unless there is provision to 'bank' annual flows to permit larger investments in the future
<b>Upfront endowment</b> Larger initial payment creating investment fund	Interest/returns provide ongoing funding Less dependent on future financial payments being made as planned	Developers strongly prefer rates to align to project cash flows.
Performance-linked Contributions tied to project output/profit	Aligns with project success Can increase over time Shared prosperity model	Less certainty about what funds will be available over time if commercial conditions change. Project performance information may not be publicly available to monitor required contributions

# Geographic Scope

Scope	Advantages	Disadvantages
Proximity-based	Prioritises investment closest to infrastructure and residents impacted by development	Narrows investment options and wider community benefit pathways Impacts of a project aren't always felt most by the Local Government in closest proximity
Local Government Area (LGA)	Covers entire Shire/Council boundary	Single-LGA projects with broader benefit distribution
Regional/multi-LGA	Enables larger strategic project investments Administrative efficiency	Can lead to winners and losers narratives between communities
Tiered approach	Provides benefits across different geographic scopes to meet different needs	Complex and can undermine investment flexibility

### **Community input mechanisms**

It is important to consider how the community will have input to fund development and investment. There are a series of ways in which communities can participate in governance of funds including:

- **Community advisory committee** Formal group providing input to fund administrators
- **Direct board representation** Community members on governing board with decision authority
- **Annual community forum** Regular public meetings to gather input on priorities
- **Rotating community seats** Time-limited positions ensuring fresh perspectives

In addition to community participation in governance arrangements, it is important to clearly plan for community input to investment priorities. Options include:

- **Community needs assessment** Structured process to identify priorities before fund establishment
- **Strategic alignment** Linking fund objectives to existing community strategic plans
- **Participatory budgeting** Community voting on funding allocations for specific categories
- **Rolling Consultation** Ongoing engagement to reassess priorities throughout fund life

Transparency mechanisms are also important and can include:

- **Annual public reporting** Comprehensive disclosure of decisions and outcomes
- **Online grant tracking** Public visibility of applications and funded projects
- **Impact measurement** Regular evaluation of funded initiatives against objectives
- **Community scorecard** Periodic assessment of fund performance by community members

#### Legal and governance considerations

It is important to ensure funds align to Local Government responsibilities and requirements. Local Government Act requirements for handling external funds needs to be adhered to alongside appropriate risk management arrangements. Council delegation requirements for decision-making as well as procurement and conflict of interest policies must be in place.

#### **Cross-boundary collaboration**

Many projects are not confined within a single local area and the benefits of collaborating with other Local Governments and (where relevant) regional organisations should be considered by all Local Government. Pooling of funds can create opportunities for more significant strategic investments in economic and social priorities and reduce administration costs and burden. Cross boundary approaches can involve:

- A formal agreement with clear resource sharing, administration and dispute resolution mechanisms.
- Joint fund and decision-making arrangements where funds are jointly managed by representatives from all communities involved.
- Shared services (one Local Government undertaking administration to reduce these costs) with each Local Government making its own funding decisions with a portion of the funds.

Working with State Government should also be considered. Examining pathways for State Government matching funds for strategic projects can assist in translating community benefits funds into larger strategic economic and social outcomes for the community.

# 3.5.1 – Actions

#### **Establish Council expectations for benefits**

Define a clear position on what community benefits should be delivered from renewable projects in the local area, including expectations for funding, investment priorities and governance.

#### Engage your community on priorities

Identify local development needs and community priorities through engagement or existing plans (e.g. SCPs) to guide benefit negotiations.

#### **Explore regional collaboration**

Where appropriate, collaborate with other Local Governments, to support shared investment, resource pooling and lower administration costs.

#### Design appropriate benefit structures

Choose a benefit delivery model that reflects the scale of development and governance capacity. Ensure strong governance and reporting frameworks are in place.

# Negotiate and document community benefits

Where possible, secure commitments from developers through clear negotiation processes, MoUs, or contractual agreements.

#### Monitor and review benefit delivery

Try to track benefit delivery over time, adjusting as community needs evolve and ensuring ongoing accountability.

# 3.5.2 – Supporting template

### **Community benefit checklist**

This template provides a structured approach for decision-making on benefits structures.

This can be found page 61.



# TEMPLATES

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# Renewable energy local Council policy development checklist

This template provides a structured list of considerations to support the development of Local Government policies for renewables projects. The policies can provide a foundation for negotiation of community benefits and other issues that are not able to be dealt with by the planning system.

Please refer to Section 1.4 of the guide for further information and links to relevant resources. Section 1.4 and the accompanying Narrogin case study also includes links to existing WA Council policies and other documents that can be leveraged in creating policies for other Local Governments.

# **1. POLICY FOUNDATION AND STRATEGIC ALIGNMENT**

This section identifies issues for consideration in order to establish a clear purpose for the policy. Other Council policies and the local and State planning framework need to be clearly considered in establishing the purpose of the policy.

Clearly state the purpose of the policy

Confirm if a statement of alignment needed with:

- o The Local Planning Strategy and Scheme
- o Strategic Community Plan and Corporate Business Plan
- o <u>WA State Planning Strategy 2050</u> and relevant SPPs (e.g., SPP 2.5 Rural Planning, SPP 3.6 Infrastructure Contributions)
- o WA Planning Position Statement Renewable energy facilities.

Confirm consistency with the <u>Planning and Development Act 2005</u> and <u>Local Planning Schemes Regulations 2015</u>.

# 2. POLICY SCOPE AND DEFINITIONS

This section ensures the scope of the policy is clearly defined.

Define what developments are covered (e.g., wind, solar, BESS, hybrid) including scale thresholds (e.g. >5MW)

Define key terms such as:

- o Renewable energy facility
- o Community benefit (defined in guide Section 3)
- o Community benefit scheme (defined in guide Section 3)
- o Community benefit/enhancement fund (defined in guide Section 3)
- o Proponent
- o Social license
- o Nameplate capacity



# **3. COMMUNITY ENGAGEMENT REQUIREMENTS**

This section specifies expectations of developers in relation to Council and community engagement:

Establish upfront engagement expectations of proponents with Council

Community and stakeholder consultation processes

- o Community Engagement Plan
- o Refer to Clean Energy Council Best Practice Charter

Establish expectation for ongoing engagement across the project lifecycle

# 4. COMMUNITY BENEFIT SCHEME

This section identifies key elements of the preferred arrangements for a community benefit scheme (Review Section 3 of this guide and the supporting template for working through these considerations in detail):

Identify key elements of a preferred Community Benefits Scheme

- o Location priorities (e.g. some funds dedicate portions to areas adjacent to renewables facilities, with other funds being able to be spent across the Local Government area)
- Consider the need to specify categories of investments and specific funding allocations (e.g., community grants, strategic projects, any specific infrastructure or other projects agreed with the developer)
- o Consider how to leverage other sources of funding such as State Government grants
- o Specify on-going community engagement/participation processes

Include a preferred rate for contributions (e.g., per MW, CPI-indexed)

Provide details of the specific governance arrangement (i.e. a Council managed Community Enhancement Fund (CEF) model or equivalent). Include provisions for:

- o Governance and fund administration (Shire-managed recommended)
- o Annual reporting and transparency measures
- o Thematic priorities aligned with local strategies



# 5. SCOPE AND FORM OF AGREEMENTS WITH DEVELOPERS

This section identifies matters which the Council wants agreement on with the developer, but that cannot be dealt with via the planning and development approvals processes. It should also identify the preferred approach to formalising agreements in relation to community benefits and other matters as part of negotiations between Council and developers. Review the information in Section 2 of the guide regarding agreements in considering this component of the policy.

Local employment and procurement arrangements

Temporary workforce housing and legacy infrastructure

Decommissioning/repowering plans and end-of-life restoration

Identify preferences for terms sheets, MoUs and contractual arrangements to formalise community benefits commitments made by developers in the design and planning phase of the development

# 6. POLICY IMPLEMENTATION AND MONITORING

This section identifies a simple process for implementation and monitoring.

Identify internal responsibilities (planning, compliance, community development)

Include a review schedule (e.g., every 3–5 years or post major development)

Define performance indicators or triggers for policy update

# **Project tracking template**

This template is provided separately as an excel spreadsheet. It is designed as a single repository for information about projects and should be used in conjunction with the Section 2.2 Template – Developer Information Request

Category	Key information	Project information	Notes/comments
	Project name		
	Developer / company name		
	Contact person & details		
	Project type (e.G., Wind, solar, battery, hydrogen)		
Project details	Location (with map)		
	Scale / capacity (mw)		
	Land area (hectares)		
	Intended life of the project (years)		
	Feasibility completion date		
	Development application submission date		
	Environmental approvals status		
	Commissioning / operation date		
Design and approvals	Development application status		
	Ep act referral (yes/no)		
	Clearing permit required (yes/no)		
	Other required approvals		
	Construction start date		
	Estimated construction workforce (peak)		
Construction	Estimated ongoing operational workforce		
	Construction duration (months)		
	Anticipated use of local workforce (%)		
	Worker accommodation plans		
Workforce, housing and local procurement	Use of local housing		
and local procurement	Engagement with local training programs		
	Local procurement strategy		
	Roads and access routes used		
	Required road or infrastructure upgrades		
Roads and infrastructure	Heavy vehicle movement estimates		
	Impacts on local infrastructure		
	Aviation impacts		
	Current land use		
	Land ownership type (freehold/leasehold/crown)		
	Water supply impacts		
<b>F</b>	Environmental values on site		
Environment and land use	Mitigation measures for environmental impact		
	Impact on agricultural land		
	Waste, noise, dust management		
	Fire management approach		
	Community engagement undertaken		
Community engagement	Planned engagement activities		
	Approach to ongoing community input		
	Community benefit proposal		
	Key community concerns raised		
	Local government officer / contact		
Additional notes / comments			

# Communications and engagement strategy template

This template provides a practical framework for creating a local communications and engagement strategy for renewables projects. Refer to Section 2.1 of the guide for further information while you are using the template.

# **1. SITUATION ANALYSIS**

Document the wider context for the plan with specific information on your local area that will drive the need and approach to communications and engagement.

#### Current context:

List proposed/approved renewable energy projects in the area

Summarise community sentiment (surveys, feedback received)

Note Council's formal role/powers regarding these developments

Identify key stakeholders and their positions

#### Community priorities assessment:

Economic benefits (jobs, rates, community funds)

**Environmental concerns** 

Visual/landscape impacts

Agricultural land use

Other local priorities:

This is an example list, please add to it and amend as needed to reflect local context.

# **2. COMMUNICATIONS OBJECTIVES**

Objectives should be simple and clear. Examples that can be adapted to local needs are provided below:

- 1. Position Council as a proactive advocate for community interests
- 2. Ensure accurate information reaches all community segments
- Create meaningful opportunities for community input into Council approach and project development
- 4. Counter misinformation with evidence-based facts
- 5. Build understanding of Council's actual powers and constraints

# **3. KEY MESSAGES**

Key messages are repeatable forms of words that should be at the heart of all communications within the plan. They should be short with simple language and avoid any jargon. This will make them memorable, clear and accessible across the community. Spend some time getting these right and test and refine them in the early phase of implementing the plan to ensure they are working effectively.

Primary message (Simple statement of Council position)

#### Supporting messages:

- 1. Local benefits (How Council will ensure local advantages)
- 2. Community voice (How input will influence outcomes)
- 3. Balanced approach (Council's position on development)

## **4. TARGET AUDIENCES**

#### Stakeholder engagement matrix

It's important to be clear on who you are targeting, how they are likely to be exposed to it ('channels' such as meetings, online, media) and what types of information is most likely to be influential. Use the table below to adapt this list to your local situation, including adding any groups not mentioned and including locally specific knowledge about how to communicate with them.

Category	Stakeholder group	Engagement style preference	Engagement approach	
	Host landholders		Community meetings,	
Local – Directly involved	Development neighbours	Relational, practical	impact-specific engagement	
	Local Government (Council and administration)	Technical, formal	Briefings, joint planning, structured collaboration	
	Business & industry groups	Practical, semi-formal	Roundtables, business forums, email updates	
Local – Interested parties	Community groups	Relational, Informal	Invites to info sessions, surveys, event participation	
	First Nations (if involved)	Respectful, culturally-led	Cultural protocols, direct engagement, partnership building	
	Local residents (not directly impacted)	General Public, mixed	Fact sheets, community newsletters, drop-in info stalls	
Local – General community	Schools and educators	Educational, visual	Curriculum content, student sessions, local project tours	
External	Renewable energy developers	Formal, strategic	MoUs, formal briefings, co-designed plans	
	State Government departments	Technical, compliance-focused	Formal reporting, policy liaison	
	Local		Press releases, interviews,	
Media	State and national	News-oriented, storytelling	media kits	

# 4. TARGET AUDIENCES (cont.)

### Local Stakeholder Assessment

Audience Segment	Key Concerns	Preferred Channels	Information Needs
Landholders hosting or near projects			
Broader community			
Business community			
Community groups			
Others:			

# **5. CHANNEL STRATEGY**

This table translates the stakeholder analysis into a plan for utilising different communications channels. The channels listed are exhaustive and are not all likely to be relevant to your strategy. Adapt as needed, including removing channels that are not relevant or a low priority.

Channel	Purpose	Frequency	Responsibility	Resources Required
Traditional media				
Local newspaper				
Local radio				
Direct engagement				
Community meetings				
Drop-in sessions				
Print materials				
Direct mail				
Information displays				
Digital				
Council website				
SMS alerts				
Local networks				
Community organizations				
Local businesses				

# 6. MISINFORMATION RESPONSE PLAN

Misinformation is common in renewables. This involves a false or misleading claim being made and creating confusion in the community or leading to beliefs about projects and their benefits or impacts that are not true. Identify misleading claims that are made by community members about projects and use this table to document evidence-based responses to managing these issues within your communications approach.

Common misconception	Evidence-based response	Source	Channel for response

# 7. COMMUNITY INPUT MECHANISMS

Communications and engagement are a two-way activity and a key objective should be to capture community views on key issues and future priorities that are then incorporated into Council approach and shared with developers where relevant.

Use this table to identify how the community will have input to the Council's work on renewables projects during the implementation of the strategy.

Input Method	Purpose	Timing	How input will be used
Surveys			
Feedback forms			
Community reference group			
Others:			

# **8. TIMELINE AND MILESTONES**

Identify key phases of work considering renewables projects milestones (e.g. approvals) and Council processes that will impact the types of communications and engagement activities undertaken.

Phase	Key activities	Timing	Success measures

# 9. EVALUATION PLAN

Consider how you will test whether the plan is effective. These can be simple mechanisms such as review meetings, tracking of online communications success (click rates and engagement) or surveys of people engaged where resources permit.

Objective	Measurement method	Timing	Target

# **10. RESOURCES AND BUDGET**

Make sure to properly document the costs involved in implementing the plan so these can be reflected in budgets and tracked over time.

Item	Purpose	Estimated cost	Timing
Staff time			
Materials production			
Event costs			
External expertise			
Others:			

# **11. RISK MANAGEMENT**

Document key risks and management approaches. Several common renewable project related risks are identified that you may want to consider during planning.

Risk	Likelihood	Impact	Mitigation strategy
Community division			
Misinformation spread			
Council credibility			
Others:			

# **12. APPROVALS AND GOVERNANCE**

Document internal approvals and any governance arrangements required by Council for the purposes of the plan here. Consider:

Council approval requirements

Reporting mechanisms

Strategy review points

Responsibility for implementation



# Developer information request template

This template provides a request for information that can be sent to developers to ensure Local Government has good information on each project proposal. Refer to Section 2.2 of the guide for further information and adapt the template as needed for local requirements.

Developers committed to good practice should respond positively to this request. However, it is important to note that developers may be unable to provide answers for all of these questions (or may chose not to respond). During the project design phase, key decisions relating to parts of this request may not have been made, or be dependent on information from government agencies or other parties.

Discuss any information gaps and timing for information provision and update the information held by Council regularly. Make sure to respect commercial confidentiality where reasonably requested as part of acting in good faith and developing trust to underpin constructive negotiations of development and community benefit issues.

Information gathered using this template can be compiled in the Project Tracking Template to more easily assess cumulative issues and to maintain a single database of information for internal reference and to support communications activities.

#### Purpose of this request:

This information request supports the Local Government's planning, infrastructure coordination, and community engagement responsibilities. It ensures local communities are informed and involved in decisions that affect them and that developments are aligned with local capacity, land use values, and expectations.

1. PROJECT OVERVIEW					
Project name:					
Developer / company name:					
Contact	t person & deta	ils:			
Project 1	type:				
,	Wind	Solar	Battery	Hydrogen	Hybrid
	Other (please s	specify):			
Locatior	n (with map):				
Scale / c	capacity (e.g. N	/W):			
Land area (hectares):					
Current land use (e.g. grazing, cropping, conservation):					
Intended life of the project (years):					
2. DEVELOPMENT APPROVALS AND TIMELINE					
Key project milestones and dates:					
Feasibility completion:					

Development application submission:

Development approvals:

Construction start:

Commissioning / operation:

#### **Current Status of Development Approvals:**

Application	Submitted	Approved	Not yet submitted
EP Act referral or assessment		Yes	No
Clearing permit required		Yes	No

Other relevant State or Federal approvals:

# **3. WORKFORCE AND HOUSING REQUIREMENTS**

Estimated construction workforce (peak): Workforce phasing and expected numbers at different times during construction: Estimated ongoing operational workforce: Duration of construction period (months): Anticipated use of local workforce (approx. %): Worker accommodation plans (e.g., Camp, existing local housing): Planned use of local residential housing / rentals: Engagement with local training providers or job programs: Contracting strategy and local procurement opportunities:

# 4. INFRASTRUCTURE AND LOCAL SERVICES

Use of local roads / access routes (please map):

Required road or intersection upgrades:

Heavy vehicle movement estimates (daily/weekly):

Potential impacts on local infrastructure (water, power, waste, emergency services):

Contributions or agreements proposed to support infrastructure impacts:

# **5. ENVIRONMENTAL AND AGRICULTURAL IMPACTS**

Current environmental values on site (e.g., Native vegetation, waterways, threatened species):

Planned mitigation measures for environmental impacts:

Agricultural land impacts (will the project impact current or future agricultural uses):

Agriculture co-existence plans:

Waste, noise, and dust management plans:

Fire risk and management approach:

# **6. COMMUNITY ENGAGEMENT**

#### Summary of community engagement undertaken to date:

Who has been consulted?

What issues have been raised?

How has feedback influenced the project design?

Community engagement plan for the future stages (include schedule):

Approach to informing the broader community:

Mechanisms for ongoing community input / dispute resolution:

Proposed or negotiated community benefit contributions:

# 7. ATTACHMENTS AND SUPPORTING MATERIALS

Please include the following (where relevant and available):

- · Project fact sheet / summary document
- Site map and layout
- Visual simulations
- Traffic impact assessment
- · Environmental or agricultural impact assessments
- Community engagement reports
- Workforce and procurement strategy
- Draft community benefit framework or proposal

# **8. DECLARATION**

I confirm the information provided in this document is accurate to the best of my knowledge and will be updated if significant changes occur.

Name:

Position:

Organisation:

Date:

Signature:



# **Community benefit checklist**

This template provides a structured list of items to consider in developing a local approach to community benefits schemes and the design of community benefit/enhancement funds. Please refer to Section 3 of the guide for further information during the use of the template.

## **PHASE 1: PREPARATION**

This section provides items to consider in preparing to design a local scheme.

#### **Community priorities and needs**

- Complete community needs assessment to identify priority areas for funding
- Document existing community assets and infrastructure gaps
- Review strategic community plan for alignment opportunities
- Identify potentially affected communities and stakeholder groups

#### **Community priorities and needs**

Develop and adopt Council policy position on community benefit expectations utilising the policy development checklist that provides for:

- Establishing a minimum acceptable contribution rates (\$/MW)
- Setting clear objectives for community benefit funds
- Defining preferred governance structures and community input mechanisms

#### **Regional coordination**

Identify potential for cross-boundary project impacts

Contact neighbouring Local Governments to discuss consistent approach

Consider developing joint position statement on community benefits

Review recent precedents from comparable communities

# **PHASE 2: DEVELOPER ENGAGEMENT & NEGOTIATION**

Review this section prior to engaging with developers on the Council's preference for a community benefits scheme for the project.

#### **Negotiation strategy**

Collect and review information on the development using the request for information template

Establish negotiation team (staff, elected members, specialist advisors)

Set clear objectives and minimum acceptable outcomes

Identify potential trade-offs and priorities

Document comparable precedents and benchmark rates

#### **Contribution structure**

Confirm preferred contribution metric (\$/MW, % of revenue, fixed sum)

Consider balance between upfront and ongoing contributions

Include CPI or other indexation mechanisms (i.e. Local Government Cost Index)

Define payment timing and milestones

Establish terms for project modifications or expansions

Explore community co-investment options

### Documentation

Document agreed terms for the fund in an agreement with developer

# **PHASE 3: FUND DESIGN**

This section provides a list of items to consider in making decisions about governance arrangement for community benefits/enhancement funds that may manage some or all the contributions to a community benefits scheme.

#### Structure selection

Evaluate options (Council-administered, independent trust, etc. - see box 14 p.64)

Define legal entity and governance documentation

Establish funding priorities and exclusions

Determine processes and decision criteria

Set fund administration costs and allocation



# PHASE 3: FUND DESIGN (cont.)

#### Legal framework

Determine appropriate legal structures (See Phase 3 checklist) Review Local Government Act requirements for handling external funds Identify taxation implications of different fund structures Develop draft legal documentation (deed, agreement templates)

#### **Governance framework**

- Define committee/board composition and selection process
- Establish community representation mechanisms
- Document conflict of interest procedures
- Define decision-making process and voting requirements
- Set term limits and succession planning

#### Administration systems

Develop grant application forms and processes Establish assessment criteria and scoring frameworks Create reporting templates for grant recipients Define financial management and audit requirements Set up dedicated website or information portal

#### **Community input mechanisms**

Develop communications strategy for fund activities Define community consultation processes for funding priorities Establish regular review of community needs Create feedback mechanisms for fund operations Plan community information sessions



# **BOX 14: KEY CONSIDERATIONS FOR SPECIFIC FUND STRUCTURES**

### **Council-administered fund**

- Integration with existing grant programs
- Separation from general revenue
- Staff resourcing for administration
- Council decision-making processes
- Transparency mechanisms

#### Independent trust

- Trustee selection and duties
- Administrative costs and efficiency
- Community representation in governance
- Relationship with Council
- Legal and regulatory compliance

#### **Developer-administered fund**

- Council and community oversight mechanisms
- Transparency and reporting requirements, independence safeguards
- Transition planning for ownership changes
- Integration with Council priorities

#### Regional fund (multiple LGAs)

- Equitable governance representation
- Benefit distribution across jurisdictions
- Administrative responsibility and costs
- Decision-making procedures
- Conflict resolution mechanisms



## **PHASE 4: IMPLEMENTATION & MONITORING**

This section identifies key considerations following agreement to a Scheme arrangement with a developer or where Council is setting up arrangements for future contributions.

#### Documentation

Finalise legal agreements with developer

Develop fund guidelines and policies

Create terms of reference for governance bodies

Document roles and responsibilities

#### Launch and awareness

Plan fund launch event/announcement

Create information materials for community, brief key stakeholders and community groups

Establish point of contact for enquiries

#### **Operational systems**

Set up financial accounts and management systems

Establish grant round timing and processes, develop assessment rubrics for applications, establish reporting schedules and templates

#### **Evaluation framework**

Define key performance indicators for fund

Establish baseline data for impact measurement

Schedule regular review points



# **PHASE 5: ADAPTATION & LONG-TERM MANAGEMENT**

Build these considerations into the long-term management approach for the scheme and fund.

#### **Review process**

- Identify timing and requirements of periodic review of fund operations
- Establish process for updating priorities
- Create mechanisms for community feedback
- Define process for governance adjustments

#### Impact assessment

Document community benefits achieved and distribution of benefits across community

- Assess alignment with strategic objectives
- Evaluate administration efficiency
- Publish impact reports for community

#### Fund evolution and knowledge sharing

- Monitor changing community needs
- Review funding categories and priorities
- Document lessons learned
- Share experiences with other Local Governments
- Develop case studies of successful projects



# Disclaimer

WALGA worked with ProjectsJSA to develop this guide. This report is provided solely for the purposes of the Western Australian Local Government Association. This report is strictly limited to the matters stated in it and subject to the various assumptions, qualifications and limitations in it and does not apply by implication to other matters.

ProjectsJSA makes no representation that the scope, assumptions, qualifications and exclusions set out in this report will be suitable or sufficient for other purposes nor that the content of the report covers all matters which you may regard as material for your purposes.

Unless expressly agreed otherwise in writing, ProjectsJSA does not accept a duty of care or any other legal responsibility whatsoever in relation to this report, or any related enquiries, advice or other work, nor does ProjectsJSA make any representation in connection with this report, to any person other than the Western Australian Local Government Association.

WALGA acknowledges that the success of engagement and the negotiation of community benefits often comes down to the developer, and there is no guarantee the advice in this guide will be successful. How engaged Local Governments want to be in working with developers and negotiating community benefits should be determined by the Local Government on a caseby-case basis. WALGA will continue to advocate on behalf of Local Governments, and this guide is not designed to replace those advocacy efforts.



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