

Policy Title	Renewable Energy - Community Benefit Sharing Framework Policy
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Responsible Officer	Director Environmental Services
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1. POLICY OBJECTIVES

The objectives of the Renewable Energy Community Benefit Sharing Framework (**Framework**) are to provide a consistent approach to all renewable energy projects proposing to locate within the Inverell Shire and to clarify Council's requirements for all proponents while still providing for flexibility to address the varying nature of renewable energy projects.

The **Framework** is consistent with the NSW Governments *Benefit-Sharing Guideline* (November 2024) and seeks to promote benefit sharing strategies associated with the development of state significant and regionally significant renewable energy projects in the Inverell Shire Council Local Government Area (**LGA**) that:

- Secure off-site benefits for the community so that renewable energy development delivers a future sustainable net community benefit;
- Ensure that the wider community share in the benefits resulting from renewable energy development in the **LGA**;
- Ensure that the costs and benefits of renewable energy development will be equitably distributed within the community and inter-generationally;
- Ensure that community benefit outcomes are determined and managed through appropriate Council governance processes.

2. SCOPE

This policy provides Council's approach and position on Community Benefit Sharing associated with the development of state significant and regionally significant renewable energy projects in the Inverell Shire Council Local Government Area.

3. RELATED LEGISLATION AND POLICIES

Section 1.3 of the *Environmental Planning and Assessment Act 1979 (EP&A Act)* provides the legislative basis for the policy Framework.

Part 7 Division 7.1 Subdivision 2 of the **EP&A Act** provides the legislative basis for planning agreements.

4. POLICY STATEMENT

4.1 Governance

Council will ensure a governance structure that reflects the needs and concerns of the immediate communities impacted and the broader region to assist with determining the public purpose for funds derived from renewable energy development in the Inverell Shire Council **LGA**.

Council will manage funds to ensure that they benefit future generations as well as the present generation.

4.2 Public Purpose

The public purpose that funds will be applied to include (but not limited) to:

- Recurrent costs of infrastructure, services or facilities;
- Additional or improved open spaces, public facilities or infrastructure such as upgrades to local parks, libraries, community centres, showgrounds, museums and transport infrastructure;
- The provision of affordable housing;
- Options to improve energy efficiency, community batteries, low-cost electricity deals to allow local use of renewable energy and low-cost electricity deals for local manufacturers and supply chains;
- Providing funding or works for neighbourhood community facilities (e.g. solar panels) initiatives delivered in partnership with other local organisations including scholarship programs to enable local students to complete courses in specific fields (e.g. engineering and project management);
- Sponsorship of community events such as fundraising events, local produce markets, nature walks, community clean-up events and gardening days; and
- Sponsorship of local groups such as sporting clubs, biodiversity volunteering groups and community gardens.

4.3 Community Benefit

Community benefit excludes that which is required (by a developer) to mitigate adverse impacts of development including (but not limited to) host and adjoining landowner agreements and payments required to obtain development consent or prescribed by legislation.

The financial value of community benefit will vary from project to project, however, the minimum community benefit rates for Inverell Shire Council are:

- \$850 per megawatt per annum for solar energy development for the life of the development (including future modified or re-commissioned projects);
- \$1050 per megawatt per annum for wind energy development for the life of the development (including future modified or re-commissioned projects); and
- 1.5% of Capital Investment Value or \$150 per megawatt hour per annum (or whichever is greater) for stand-alone battery energy storage systems (including pumped-hydro) located in a rural zone.

Note: Amounts above are in 2024 dollars and will be adjusted annually to the Consumer Price Index (CPI).

Projects that do not deliver community benefits equal to or better than the above rates are likely to be considered not in the public interest and not supported by Council.

Developers who demonstrate involvement with and for the community will be encouraged against those who show no such initiatives. Council requires developers to be responsible members of the community e.g. the support of an ongoing workforce and disincentives for FIFO practices incorporated into projects.

4.4 Voluntary Planning Agreements

Inverell Shire Council will use the planning agreement provisions of the *Environmental Planning and Assessment Act 1979* to deliver the objectives of the **Framework**.

A planning agreement is a voluntary agreement between Council and a developer, who has made a development application, under which the developer is required to dedicate land fee of cost; pay a monetary contribution; provide any other material benefit to be used for or applied towards public purpose.

4.5 General Principles for Planning Agreements

- The proponents enter into a Voluntary Planning Agreement (**VPA**) with Council consisting of a minimum rate as above (adjusted annually for **CPI**), 50% of which is to be paid to Council on commencement of construction and the remainder to be paid on an annual basis for the projected life of the development;
- This payment is additional to any agreed community benefit sharing arrangement at the “neighbourhood level” such as a community enhancement fund;
- Council may consider variations to the principles above to take into account the specific circumstances of a proposal including (but not limited to) the type, scale, impact and the location of the proposed development. Variations may include (but not be limited to) means of calculating the value of payments and the amount required to be paid up-front;
- As a matter of standard governance each proposed **VPA** will be reported to Council before any formal agreement is entered into. The **VPA's** that Council is a party to are reported in the Council Annual Report including the account balance, the amount received in the year and expenditure details; and
- All **VPA's** will include review mechanisms to renegotiate terms if there are material changes to the benefit-sharing guidelines or if the final installed capacity of a large-scale renewable energy project differs from the initial agreement.

5. ROLES AND RESPONSIBILITIES

The General Manager and/ or Director Environmental Services will be responsible for undertaking the discussions and negotiations with renewable energy developers to achieve the objectives and intent of the Policy.

6. RELATIONSHIPS TO COMMUNITY STRATEGIC PLAN

This policy supports Council's Delivery Program Strategy Destination, Leadership:

1.1 ‘Partner, engage and communicate with our community to make informed decisions and deliver services, projects and initiatives’.

7. DOCUMENT HISTORY

Version	Date	Brief Description of Amendments	Approved By	RES No.
#1	27.11.24	New Policy	Council	2024/221