



Australian Government

Australian Energy Infrastructure Commissioner

18 August 2025

PoweringWA
Locked Bag 100
East Perth WA 6892

via email: poweringwa@DEED.wa.gov.au

Dear Sir/Madam,

Re: Draft Guideline on Community Benefits for Renewable Energy Projects: Consultation Paper

Thank you for the opportunity to provide feedback on PoweringWA's *Draft Guideline on Community Benefits for Renewable Energy Projects: Consultation Paper*.

The Australian Energy Infrastructure Commissioner (AEIC) is an independent non-statutory role appointed by the Australian Government and supported by the Office of the AEIC.

We fulfill a national role and work collaboratively with all levels of government, industry, landholders, and community members to address local and systemic concerns, improve ongoing community engagement, and promote transparency and best practices throughout the life-cycle of renewable energy infrastructure and associated projects.

In simplest terms, the fundamental purpose of the AEIC is to help make the energy shift smoother and fairer.

As outlined in the Commissioner's Terms of Reference on our website (www.aeic.gov.au), our responsibilities include:

- Resolving enquiries and complaints from local community members regarding proposed and operational renewable energy projects (wind, solar and energy storage facilities), and new large-scale transmission projects.
- Promoting transparency and best practice engagement and information sharing about renewables, including for First Nations engagement.
- Leading and collaborating in implementing the recommendations of the Community Engagement Review (2023).

The AEIC welcomes the development of community benefit guidelines by PoweringWA. As identified in the Consultation Paper, this is an opportunity to provide more consistent guidelines for communities and developers in Western Australia. In turn, this will help set out clear expectations for community benefit sharing schemes and will be central to ensuring social licence and long-term project (and sector) success in the State.

We offer the following information and comments below for your consideration.

General comments

Community benefit schemes are commonly used in the renewable energy industry and are often key parts of the community engagement and consultation process. They are essential in ensuring the community is part of the process of planning, developing and operating energy infrastructure projects. They recognise that the energy infrastructure in question will have a wider impact on the community in which it is being built, and so that community should also see direct benefits from such investments. It is vital that these schemes are communicated comprehensively to try and reduce the real and perceived adverse impacts from such developments. While recognising the current landscape for specific state-based regulatory jurisdictions, it is our view that there should be some underlying (and nationally consistent) principles-based approach in relation to community benefit schemes.

The AEIC holds the firm view that the energy transition across Australia, including in Western Australia, must deliver significant benefits and opportunities for regional communities hosting this infrastructure. There is much talk about economic growth and investment, but it must be recognised that the transition brings with it uncertainty, disruption, delays, and impacts across the social, environmental and economic landscape.

Benefits are not always shared equitably, which causes extreme disruption and division in communities when it is done poorly. Unlike other projects which have high levels of employment and economic activity created throughout the life of the project, renewable energy projects are characterised by large disruption and employment in the beginning with much lower economic activity in the regions once the building has been completed.

Real community benefit sharing involves sharing the benefits of renewable energy development with local communities in a way that leaves a positive legacy in the community once the development and operation are completed. Community sharing and benefit distribution must aim to integrate a development in the local community by positively contributing to the future vitality and success of the people and the region, based on a shared objective of establishing and maintaining positive long-term connections to the area and to be partner and good community member.

In some cases, cynicism may be directed at the underlying motives of developers, with community benefit schemes seen as an attempt to ‘bribe’ or ‘buy’ the support of local communities and reduce any hurdles associated with the planning process. This can be associated with (real or perceived) levels of mistrust and lack of procedural fairness.

Several other factors can help improve a community benefit scheme's effectiveness, including:

- A scheme's implementation needs to be genuine and not simply be a box ticking exercise. The proponents must understand what the community wants (including by leveraging pre-existing community proposals and regional plans), and engage with empathy to understanding both the immediate and long-term benefits that are required from a community.
- Minimise self-interest: make sure benefits are emphasising the overall benefits for communities.
- Perceptions about the integrity of a project will be influenced by perceptions and experiences of the developer, other developers, and the industry and regulatory environment more broadly.

The principles outlined in the draft guidelines for developers provide a good foundation for meaningful and effective community engagement and to address these concerns of poor and inconsistent community benefit sharing arrangements.

Renewable energy can create new opportunities in regions and community benefits must be about making sure the regions that power Western Australia's clean energy future share not only in the immediate and ongoing jobs and investment, but also the delivery of long-term benefits for the entire region.

Cumulative impacts and the possibility of aggregated benefit sharing

As coal-fired power stations are retired and the shift to renewable energy continues, renewable energy infrastructure is becoming more common in rural and regional areas of Australia. An increasingly prevalent concern raised by community members and landholders in these regions is the issue of cumulative impacts arising from the high concentration of multiple renewable projects. These cumulative impacts have been experienced particularly strongly along the east coast, most notably in the identified Renewable Energy Zones.

We would like to take this opportunity to reiterate some of the key concerns and messages we are hearing from communities regarding cumulative impacts. This is a prudent time to do so in Western Australia as the state navigates the relatively early stages of its transition pathway towards its 2050 net zero target. It is encouraging that the draft guidelines recognise the potential for cumulative impacts and suggest that this should be taken into consideration when assessing the community benefit values. The AEIC is of the view that cumulative impacts form an integral part of the impact assessment and must be fully considered to ensure community concerns and impacts are understood.

Cumulative impacts can be experienced by communities during the feasibility, planning, construction, and operation phases of renewable generation and transmission projects. Feedback our Office receives from community stakeholders suggests that cumulative impacts are not sufficiently accounted for by developers or relevant planning and regulatory

authorities. These impacts need to be adequately and effectively anticipated, assessed, and managed to ensure the renewable energy industry has a social licence to operate in these communities. Furthermore, there must be a recognition of the limitations of undertaking ‘project level’ cumulative impact assessments, recognising the potential for conflicts of interest that could arise when undertaken by individual proponents. In our view, independent assessments are essential, and impacts must be understood (and proactively coordinated) at a regional level.

The delivery of multiple renewable energy projects in a concentrated area also presents an opportunity to aggregate community benefit sharing arrangements, potentially scaling these to the *regional* level. It is promising that this possibility is recognised in the draft guidelines. Regional or aggregated benefits could have the advantage of reducing unnecessary duplication and minimising consultation fatigue. Early and coordinated engagement can also help deliver more collaborative and strategic benefits for a region in a way that (smaller scale) project-level community benefits cannot achieve.

Regional benefits should not be viewed as an *alternative* to more localised benefit arrangements for host neighbourhoods and communities; rather, where appropriate, both project-level and regional-level benefit schemes could be coordinated. Regional coordination on community engagement and project construction can also help identify opportunities for non-financial cooperation (e.g. during the construction phase), including with any other local infrastructure projects in-development.

As this is a rapidly evolving better practice landscape, in developing this guidance, PoweringWA may also want to review and draw on (where relevant) other recent and previously published material, such as:

- Community Power Agency’s [Guide to Regional Benefit Sharing](#) (2025)
- The Energy Charter’s [Regional Energy Collaboration Framework](#)
- RE-Alliance’s [Community Benefits Handbook](#) (2021), [Building Stronger Communities](#) (2023) and [Striking a New Deal for Renewables in Regions](#) (2025) reports.

Although these documents are largely focused on examples from eastern Australia, we believe this can help to ensure we work towards a more nationally consistent approach to benefit sharing arrangements and best practice, recognising there will be State-specific circumstances and legislative frameworks to account for.

Community benefit sharing arrangements should take into account the cumulative impact for the community and be tailored to that community’s needs and provide benefit throughout the renewable energy infrastructure’s life.

Grant fund initiatives and sponsorship should be the base level community sharing initiatives. It is the AEIC view that community benefits need to move more towards community and regional infrastructure for the use of the community, such as housing used as worker accommodation during construction of the development, health care, child care and aged care investment is the type of community benefit sharing that will make a significant lasting impact

resulting from the energy transition. Further to that there should be active consideration of innovative financing and co-ownership structures that demonstrate a true partnership for local communities to become financially involved in local projects. This type of approach could give the community ownership, greater opportunities for engagement, and demonstrate a genuine commitment to delivering a lasting economic legacy.

Benefit sharing arrangements for First Nations people

Our Office is committed to ensuring that First Nations engagement and information needs are promoted and addressed throughout the entire lifecycle of renewable energy and associated infrastructure projects. It is encouraging to see the inclusion of considerations for First Nations people in the draft guidelines. The Western Australian Government's endorsement of the First Nations Clean Energy Strategy provides a valuable foundation and framework of guiding principles to ensure First Nations people and communities derive social and economic benefits from renewable energy projects in Western Australia.

We agree with the position of the draft guidelines that the inclusion of First Nations perspectives should be part of all community consultations and considerations around benefit sharing arrangements, recognising the diversity in communities and geography across Western Australia.

Genuine community engagement and well directed community benefit sharing can help deliver lasting benefits that are tailored to the specific priorities and needs of regional areas, including for First Nations people. Examples could include initiatives to help alleviate energy poverty and improve electricity affordability, efficiency and reliability in remote areas; funding of public infrastructure projects, housing, health and education programs; or the establishment of training and apprenticeship programs.

Stakeholder feedback from the 2023 Community Engagement Review highlighted that it is essential for developers and governments to appoint the personnel with appropriate skills and experience in key roles to be able to proactively and respectfully engage with First Nations communities in the early stages of a project. This will help to establish long-lasting and meaningful relationships throughout the entire lifespan of the project.

We also note that whilst it is intended that the guideline can be applied to communities hosting renewable energy projects across Western Australia, many of the suggested benefits values are most relevant to projects intending to connect to the South West Interconnected System (SWIS) and that the guidelines are not intended to apply to embedded renewable generation projects (such as those directly supplying mining operations).

There are some strong emerging examples of community benefits in remote areas, with co-ownership and energy cost reductions. Whilst these may be outside the scope of the guideline, inclusion of a case study in the final guideline could provide beneficial ideas about how a strong community benefits program can deliver tangible outcomes to communities aligned to their needs.

Benefit sharing arrangements for transmission infrastructure

The current focus on the draft guidelines is utility-scale renewable generation (wind, solar energy) and battery storage technologies, with transmission at present being considered separately. As noted in the Consultation Paper, a significant share of new renewable energy projects in Western Australia will be located in regional areas, requiring extensions and upgrades to transmission infrastructure in the SWIS.

The deployment of transmission infrastructure to connect new renewable energy along the east coast has at times been met with strong community opposition. Instances of ineffective or insufficient community engagement and poorly implemented benefit sharing schemes have played a role in this opposition.

We also recognise that the principles for effective community engagement outlined in the draft guidelines draw on the National Guidelines for Community Engagement and Benefits for Transmission Projects, meaning many of these principles will also be applicable for transmission projects

The AEIC encourages PoweringWA to further develop these guidelines to include information on transmission infrastructure recognising that this will become an increasingly important part of Western Australia's electricity sector development.

Further information

Thank you again for the opportunity to make a submission on PoweringWA's *Draft Guideline on Community Benefits for Renewable Energy Projects*. The AEIC supports any initiatives that seek to strengthen transparency and community engagement practices throughout the industry to help build social licence in communities hosting new electricity infrastructure.

If you have any further questions or wish to discuss this submission, please do not hesitate to contact us via email at aeic@aeic.gov.au or on 1800 656 395.

Sincerely,

TONY MAHAR
AUSTRALIAN ENERGY INFRASTRUCTURE COMMISSIONER