

Briefer:

Draft Guideline on Community Benefits for Renewable Energy Projects

This briefer was developed by the Better Climate team at the Conservation Council of WA in response to PoweringWA's release of the [Draft Guideline on Community Benefits for Renewable Energy Projects](#).

Summary

PoweringWA, the team within Energy Policy WA (which itself sits within DEMIRS) responsible for coordinating the delivery of the new electricity infrastructure needed to decarbonise the SWIS, released the Draft Guideline on Community Benefits for Renewable Energy Projects on Thurs 12th June 2025. The first set of guidelines of this kind in WA, this document:

- Sets non-binding expectations for developers of large-scale renewable energy projects to make financial or other contributions to the local communities hosting those projects
- Provides an overview of different types of benefit sharing arrangements and governance structures available
- Offers principles and guidelines for the development of benefit sharing arrangements
- Sets out an expected value range of \$500–\$1,500 per MW per annum for wind projects and \$150–\$800 per MW per annum for solar projects, along with a set of considerations for reference in negotiations about where in that range a given project's benefit sharing arrangements should sit
- Invites feedback and submissions by 4th August 2025

Importantly, these guidelines refer only to community benefits (as distinct from landholder or neighbour payments, or any payments to local governments), are primarily for the SWIS, are explicitly not about transmission infrastructure ("social performance for transmission infrastructure is also important and will be considered separately"), and make no reference to offshore wind projects.

Background

Community benefits or benefit-sharing arrangements are understood as standard practice in large-scale renewable energy development, and involve developers making financial or other contributions to host communities to compensate for any negative impacts and to enable communities to share in the financial rewards of the infrastructure they're hosting in their place. When done well, they're an important aspect of securing social license and enabling a fast, fair, and nature-friendly energy transition – but it's important that benefits are consistent, transparent, long-term, equitable, and aligned with community needs and aspirations.

Our first response

The release of these draft guidelines is a positive step for the climate and environment movement, and is directly aligned with the asks in Better Climate's policy platform. Community benefit arrangements support the social license of large-scale renewable energy projects, reducing one of the key blockers (community opposition) that are slowing down WA's energy transition. WA hasn't had a set of guidelines in place for community benefits, leading to opaque and inconsistent practice across the state which can feed community distrust and resentment. Having a set of guidelines in place to standardise practice across the state is an important positive step, and several aspects of these guidelines align with what Better Climate has been calling for.

However, the Better Climate team also has several concerns about the content, scope, and implementation of these guidelines. The aspects of the guidelines we were pleased to see, and our concerns, are outlined below along with our planned approach for engaging with the consultation process for this policy.

We're pleased to see:

- Acknowledgement that host communities should share in benefits, and that to date “benefits are not always experienced in proportion to the impact these projects have on hosting communities”.
- A deliberate effort to better inform developers, communities, and local governments, to enable more consistent development of benefit-sharing arrangements
- “Innovative financing and co-ownership” included as an option for benefit-sharing
- A set of principles for the development of benefit-sharing arrangements (appropriate, provide opportunity, equitable and inclusive, legacy building, bespoke, and transparent) that largely aligns with Better Climate’s policy platform
- A specific value range being suggested to set a ‘floor’ and a ‘ceiling’ for community benefits and ensure equity while allowing for tailored local approaches
- Acknowledgement that strong community engagement should be part of developing benefit-sharing arrangements, including ensuring that “engagement is diverse, equitable and inclusive, through ensuring members of the community have an ability to have a direct say or direct participation in the design of benefits arrangements”.
- Encouragement for coordination of and/or collaboration on benefit sharing arrangements between projects and within regions

Our concerns:

- **Outdated and insufficient value ranges:** The value ranges outlined in this document are almost identical to the ranges in [this 2019 report](#) from the Clean Energy Council, which [developers in WA have been referring to](#) in the absence of state-specific guidelines. Values should be updated to reflect today’s economic realities, and should be indexed over time to ensure they remain fair.
- **Suggestions over expectations:** The guidelines are non-binding and offer no accountability mechanism for non-compliance outside of the indication that “consistency with this guideline will support a project’s progression through the planning, regulatory and connection processes, as well as eligibility for Commonwealth Government support, such as the Capacity Investment Scheme”. Without clearly communicated expectations and appropriate accountability mechanisms in place, negotiations will be dominated by the best-resourced stakeholders (developers), and there is a high risk of bad actors eroding social license.
- **Limited scope of the guidelines:** These guidelines limit themselves to community benefits (as distinct from landholder or neighbour payments, or any payments to local governments), and exclude any discussion of community engagement, planning and siting, or transmission infrastructure – all of which are important topics for developers, communities, and local governments. These guidelines are welcome but they leave a lot of questions unanswered about what best practice looks like in the broader process of getting renewable energy projects off the ground in regional WA.
- **Lack of detail and examples:** These guidelines lack the kind of detail that would support developers and communities to develop best practice benefit-sharing arrangements, especially when it comes to directing funds towards long-term, ‘legacy’ benefits; appropriate governance structures; and practices for coordinating benefits across projects and within regions. More detail, along with examples and case studies, have been promised in the final version of these guidelines.
- **Lack of emphasis on community leadership:** Community benefit funds should be directed towards the needs and aspirations of host communities, as defined by those communities. The call in these guidelines for “local involvement and collaboration whenever possible” is insufficient; a clear expectation needs to be set that communities should be supported to set the priorities (on an ongoing basis) for the arrangements that are intended to benefit them. Further emphasis should also be placed on encouraging direct community participation through co-ownership of projects, especially for First Nations communities.
- **Capacity and capability for impact assessment:** The guidelines rightly note the importance of ongoing impact assessment to ensure benefit-sharing arrangements can be adapted over time to better serve communities. High-quality impact assessment, however, is complex and resource-intensive, and developers, local governments, and community groups are all constrained in their capacity and capability to conduct that work. This recommendation needs further attention and might require resourcing and other support from the state government.

Planned next steps

The Better Climate team plans to:

- Develop and share this briefer and other content to raise awareness of this issue and policy
- Run an online workshop for allies and our supporters sharing an overview of community benefits, giving an outline of the policy and the content of this briefing, and seeking input on what stakeholders want to see in a policy like this
- Use input from the above workshop to develop a Better Climate submission to the consultation process
- Encourage and enable allies and supporters to sign on to our submission or make their own submission

Please get in touch at matthew.berry@ccwa.org.au if you’d like to speak about this issue with us.