

Guide to Regional Benefit Sharing

How to create legacy outcomes for regions that host multiple renewable energy projects





About Community Power Agency

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

About us

Community Power Agency is a not-for-profit organisation with a mission to put community benefit at the heart of Australia's renewable energy transition. Through collaboration, research, capacity-building and advocacy, we share knowledge and encourage community participation in energy policy and project development.


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Executive summary

Regional benefit sharing offers an unprecedented opportunity to harness the benefits of the energy transformation in regional, rural and remote Australia. As Australia accelerates its investment in clean energy, several regions have become host to multiple renewable energy projects, with many more in the planning pipeline. In the past, an area may have been host to a single energy project, with a single accompanying benefit sharing program. With the increasing number of energy projects being developed, the number of benefit sharing programs has grown accordingly.

Regional benefit sharing – which is defined as **“the strategic aggregation of community benefit sharing programs associated with energy projects that are located in a common geographic region”**¹ – offers a powerful mechanism for communities to equitably access the benefits of renewable energy development and ensure that those benefits endure over time.

Community Power Agency first published its ‘Regional Benefit Sharing Discussion Paper: Creating strategic impacts for regions that host multiple renewable energy projects’¹ in 2023. The discussion paper explored the need for regional benefit sharing and *why* a coordinated approach is important. This ‘Guide to Regional Benefit Sharing’ builds on concepts outlined in the discussion paper by focusing on *how* regional leaders and stakeholders can design and implement effective regional benefit sharing programs tailored to their unique contexts.

This Guide outlines the fundamental principles, scope, governance models, and community engagement strategies necessary to build successful regional benefit sharing programs. It emphasises the importance of early stakeholder conversations, collaborative co-design, and alignment with existing local and state government policies.

There is a clear need to support communities to identify legacy priorities that may be funded through a regional benefit sharing program. This presents an opportunity to reduce the risk of engagement fatigue and empower communities to proactively plan, prioritise and deliver legacy outcomes from renewable energy development.

The Guide presents case studies from across Australia, showcasing diverse leadership models – from community collaborations to government-led initiatives – that illustrate practical approaches to overcoming barriers and realising collective benefits. Throughout, the central tenet remains clear – meaningful community participation and trust building are vital for creating positive, enduring outcomes from Australia’s energy transition.

This Guide is intended to support community leaders, local government, First Nations groups and policy writers seeking to develop a coordinated approach to benefit sharing in regional Australia. This includes supporting First Nations self-determination, ensuring respectful engagement and recognising their unique rights and interests in the energy transition.

¹ Hicks J & Mallee K (2023) [*Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects*](#), Community Power Agency, Sydney, p. 4.



1. The challenge at hand

Regional and rural Australia is the key to the energy transition. Balancing the energy needs of the nation with the impacts on local communities, environments and economies is critical.

The Australian Government is encouraging rapid delivery of renewable energy infrastructure as part of a large-scale regional transformation to act on climate change and meet emission targets. State governments are facilitating the large-scale energy transition through Renewable Energy Zones (REZs) to displace the energy generation outputs of aging coal fired power stations and to meet their own emission reduction targets. The energy transformation that regional Australia is set to host can have positive and negative impacts on the local environment, economy and community. Strategic coordination that includes local insights will make an enormous difference to the balance of these impacts. This includes recognising the ongoing connection of First Nations peoples to Country and ensuring their interests are centred in regional planning.

A key way to shape renewable energy projects for regional Australia is through excellent community engagement practices and benefit sharing programs that empower communities.

Regional coordination of benefit sharing is important to avoid duplication across multiple 'project level' benefit sharing programs, to reduce engagement fatigue within communities hosting multiple projects, and to maximise legacy outcomes by pooling and leveraging resources for greater impact.² If designed effectively in collaboration with communities, regional benefit sharing can deliver outcomes that are more aligned with local priorities, build lasting community trust, and strengthen social licence for renewable energy development.

² Hicks J & Mallee K (2023) *Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects*, Community Power Agency, Sydney, p. 7-8.





2. Understanding benefit sharing

Community benefit sharing involves sharing the rewards of renewable energy developments with the communities that host them. It aims to integrate a project into the local community by contributing to the future vitality and success of the region. It is based on a desire to establish and maintain positive long-term connections to the area and to be a good neighbour.³

Generally, a renewable energy project will allocate funding towards a benefit program for distribution in the community. Often, this involves providing benefits to the immediate neighbours and neighbourhood hosting a project (i.e those living in close proximity to the project), as well as to the broader nearby towns and villages. Funds can be distributed in any number of ways, including through small grants, strategic longer term funding partnerships, scholarships or the creation of opportunities for community co-ownership or co-investment in the project.

It is important to note that community benefit sharing does not include local procurement, host landowner payments, council rates (or equivalent), biodiversity plantings or restoration required by regulation, or sponsorship. These are the costs of doing business and their value should not be included in the total community benefit sharing budget.

Community benefit sharing is not just about providing financial benefits or assets to communities. It is also about building relationships and trust between communities and renewable energy developers throughout the life of the project, and can also include non-financial benefits co-designed with communities.

Community benefit sharing is a well-established industry practice for many energy sectors in Australia, but is increasingly requiring coordination in regions experiencing the rapid development of multiple energy infrastructure projects. Regional benefit sharing is the strategic aggregation of community benefit sharing programs associated with energy projects that are located in a common geographic region.⁴ By coordinating benefit sharing programs at a regional level, communities have an opportunity to share the rewards of the energy transformation more equitably and in a way that stimulates strategic legacy outcomes with longer-lasting, positive impacts.

³ T Lane & J Hicks (2019) *A Guide to Benefit Sharing Options for Renewable Energy Projects Clean Energy Council*, p. 3.

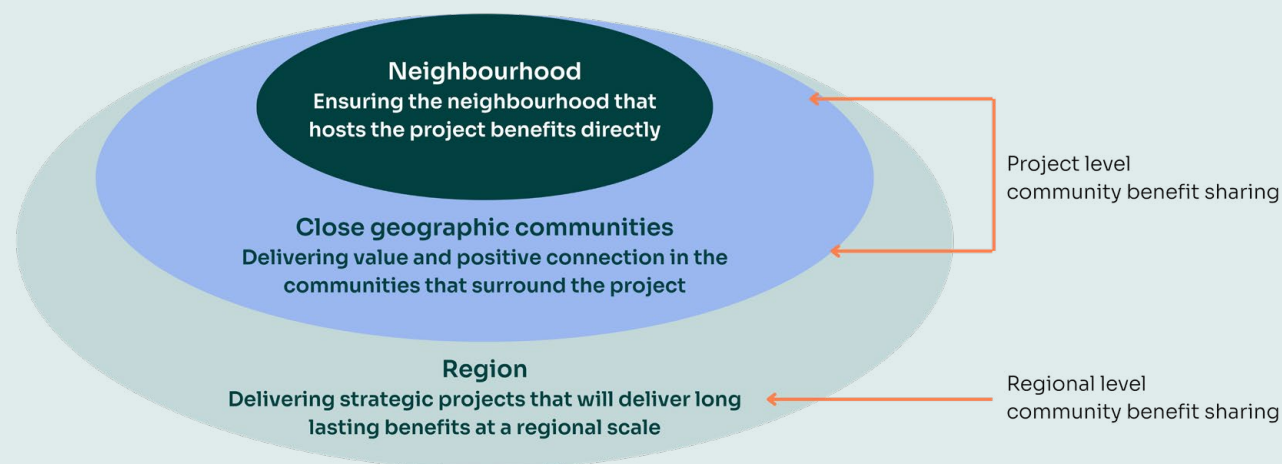
⁴ Hicks J & Mallee K (2023) *Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects*, Community Power Agency, Sydney.



Importantly, “regional benefit sharing is distinct from (and should not displace) benefit sharing required at an individual project level. Project level benefit sharing will still be important for the close neighbours and the neighbourhood of a project (the immediate surrounding community), and any others that experience a direct impact from the project.”⁵ *Figure 1* demonstrates the way in which community benefit sharing is managed at different levels, and the distinction between project level benefit sharing and regional benefit sharing.

For a more detailed introduction to what regional benefit sharing is and why it is needed, please refer to Community Power Agency’s 2023 [discussion paper](#).⁶

*Figure 1: Levels of Community Benefit Sharing*⁷



5 Hicks J & Mallee K (2023) [Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects](#), Community Power Agency, Sydney, p. 10.

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

7 Hicks J & Mallee K (2023) [Regional Benefit Sharing - Creating strategic impacts for regions that host multiple renewable energy projects](#), Community Power Agency, Sydney, p. 11; Graphic based on work by the Tasmanian Government (2022) [Renewable Energy Development in Tasmania](#)

3. Getting started

With so many stakeholder needs and timelines to consider, along with potentially very large sums of money, it's not surprising that regional leaders can feel overwhelmed at times by the concept of establishing a coordinated approach to benefit sharing. This Guide seeks to unpack these complexities and offer a process that can help regional leaders move through the conversations needed to design a regional benefit sharing program that is fit for purpose and context. Ideally, these conversations would start early in the project or REZ development phase, as it may take several weeks to work through the various aspects of the co-design process. Regardless of what stage a region is at in the development process, the first step for exploring a regional benefit sharing program is to open the space for conversation between stakeholders and prioritise listening to communities.

Every Australian region is unique. This uniqueness is not only in the geographic or demographic qualities of a region, but also in the important factors contributing to community benefit sharing. These can be discerned by asking:

- What is the region's level of social and community development infrastructure, including the sophistication of regional networks for collaboration, governance structures, community development organisations and economic development systems?
- How many community benefit sharing programs already exist from energy project developments? How many are being designed for approved projects and how many are proposed for energy projects in the near future?
- To what level of detail, and how recently, has community strategic planning occurred? How well does the regional community identify with these plans if they exist? Are they of sufficient detail and scope to identify the legacy needs of the region?

Through our work across regional Australia, we have seen a variety of organisations lead efforts for coordinating regional benefit sharing. Whether the momentum for collaboration is being led by a council, an economic development organisation, an existing regional collaboration or a state



government agency, the place to start is with individual conversations with key local stakeholders – building trust and a shared understanding of the concept. As a starting point, these will likely include the energy projects (operators or developers), council and First Nations groups.

These initial conversations are important to gauge the interest in exploring the concept collaboratively and to give early reassurance to all stakeholders that an effort to design a regional benefit sharing approach:

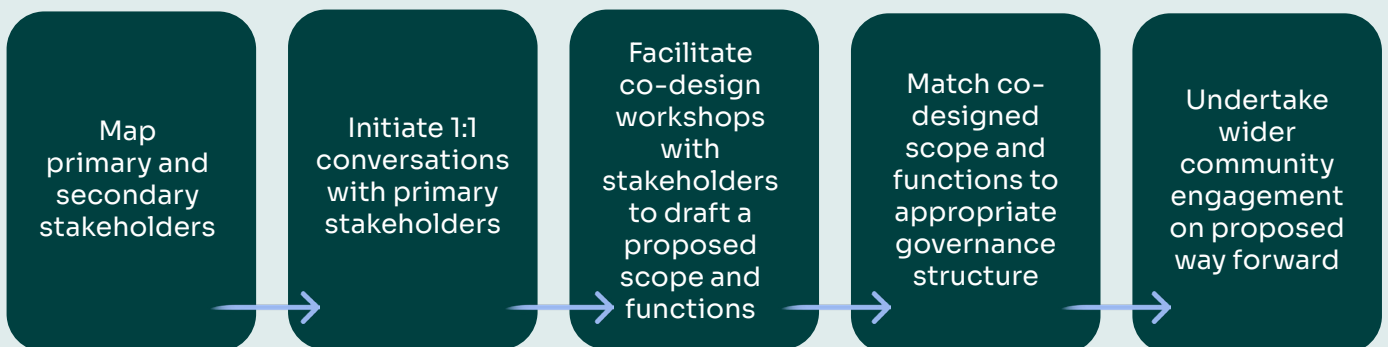
- will not undermine a project’s ability to undertake locally based community benefit sharing within their host area;
- is striving for coordination of initiatives across the region for legacy outcomes;
- is being designed to complement and strengthen state based or REZ policy programs (where applicable);
- recognises the importance of free, prior and informed consent in the energy transition for First Nations people and that community benefit sharing does not replace sovereignty or land rights; and
- where possible, supports First Nations-led approaches and governance in regional design processes.

Stakeholders can find the concept of coordinating benefit sharing at a regional level confronting when first exposed to the idea. This is understandable as the concept asks organisations to collaborate on a high-value activity that they would usually manage independently – all while federal and state governments are also developing policies to shape better practice benefit sharing.

Despite initial hesitations or divergent views on how regional benefit sharing is best executed, we have found overwhelming support from all stakeholder groups for the ambition of creating well considered legacy outcomes for regional communities. It is from this central value proposition that the collaborative co-design process can begin. Building on the initial one-on-one conversations, the co-design process can then move to stakeholder group workshops before a wider community engagement process is undertaken.

Due to the complex nature of designing a regional benefit sharing program, it is important to have some foundational design elements agreed upon by key stakeholders before engaging broadly with the wider community. The following sections explore these design elements in greater detail.

Figure 2: Preliminary Co-Design Process



Defining 'community'

When discussing Regional Benefit Sharing, 'community' refers to stakeholders within a certain geographic region. These stakeholders include First Nations groups (as rights holders), local businesses or chambers of commerce, local environment groups, farming and landholder groups, community service organisations, local emergency services, community housing providers, local health services, cultural groups, local education training providers and the general public.

Leaders from these types of community stakeholder groups will play an important role in shaping the design elements discussed in section 4 of this guide, before moving to wider public engagement.



4. Design elements of regional benefit sharing

Conceptually, it can be helpful to divide the design work into two main parts to reflect on what already exists in a region and what the current gaps are. The two broad questions that need to be answered are:

1. **How will benefit sharing be coordinated?** This will include governance elements such as geographic scope, funding source, principles, functions, terms of reference, decision making control and legal structure.
2. **What regional legacy priorities should be funded?** This will include how the community has input into identifying and prioritising actions that help achieve their ambitions towards a prosperous future.

A region may have some or none of the answers to these questions, but it is important to first consider what has been done locally to reduce duplication, build on existing local effort and reduce the risk of engagement fatigue. For a more detailed discussion on how community planning for regional benefit sharing can reduce engagement fatigue, see section 5.2.3 below.

4.1 How can benefit sharing be coordinated?

Regional coordination of benefit sharing can be achieved by either pooling a portion of benefit sharing budgets from energy projects into a central fund, or by coordinating efforts to collaboratively deliver legacy initiatives by jointly funding each initiative.

A range of features are explored below for a region to consider when designing a regionally coordinated benefit sharing program. Some design elements might be known immediately, while others will require deliberation between stakeholders. Consider these concepts when having initial one-on-one conversations with stakeholders to build an understanding of the needs for successful design in the local context.

4.1.1 Values and motivation

An ideal starting point for exploring regional benefit sharing is to build understanding and consensus on stakeholders' values and motivation for participating. It is important for stakeholders to consider why they are interested in pursuing a regional benefit sharing program, and how their motivation compares to that of other stakeholders and community groups in the region.

Agreeing on shared values that reflect stakeholder motivations will help to guide the co-design process, align stakeholders and maintain focus.

4.1.2 Scope

The geographic scope of regional benefit sharing is a fundamental consideration in the design process. Defining the boundary of where benefit sharing coordination or pooling of funds will occur should be guided by what makes sense locally. This will include considering how a regional community identifies itself and may be defined by council boundaries or groups of councils, catchments, bioregions or state based policy areas such as REZs. The number of projects operating and proposed in different regional locations will also influence what scale is logical for practical delivery. Importantly, the geographic scope of the program must foster a genuine sense of connection and belonging from communities. If the area is too large or dispersed, community members may struggle to relate to or see the benefit of outcomes occurring far from where they live.

4.1.3 Funding sources

Funds can be contributed from various renewable energy generation, storage or transmission infrastructure projects. A number of regions are also considering options to include contributions from other sectors over time, including gas, manufacturing, intensive agriculture or philanthropy. For simplicity and ease of establishment, it may be advantageous to limit the scope of funding sources in the design phase, with a view to incorporating other sectors once established.

4.1.4 Principles

Clear principles are essential to guide the design and delivery of a regional benefit sharing program and to create a foundation for transparency and accountability. It may be helpful to workshop a suite of principles with stakeholders involved in the co-design of the program. Such principles may inform the development of the program's governing documents (such as terms of reference) once the program is established. Examples of the types of principles that may emerge include:

- Coordinating industry benefits to simplify and maximise regional collaboration.
- Providing transparency on how benefit sharing funds are received, determined and distributed.
- Ensuring community participation in decision-making.
- Creating a legacy of long-term meaningful impacts.
- Leveraging funding to deliver more significant projects for the region.
- Sharing the benefits equitably to local and regional communities.

4.1.5 Functions

Identifying what functions are desired for a regional benefit sharing program will be essential to determine which legal and governance structure is most suitable. Some functions regions are currently exploring include:

- Granting of funds.
- Applying for grants to leverage matched funds for larger outcomes.
- Directly funding delivery of prioritised initiatives and programs through the coordinating entity.
- Making investments.
- Funding social enterprise and local economic development initiatives.
- Holding equity in energy projects (e.g. if shares are gifted from an energy project to the community).
- Developing or co-investing in community owned energy projects.
- Streamlining the administration and application process for communities applying for multiple grant programs.
- Creating a 'one-stop' source of information (e.g. website) for all projects in the region and their benefit sharing opportunities.

Not all desired functions will need to be enabled in the first instance. As the regional benefit sharing program matures, it will be possible to increase the types and number of functions delivered, including by exploring

additional governance structures that may sit adjacent to the structure established in the first instance. During the design, phase it may be helpful to decide which functions are essential and which functions are desirable, so that their delivery can be staged to increase the ease of implementation.

4.1.6 Value of contributions

Each renewable energy project will have different budgets available for community benefit sharing based on the technology type, energy resources and site constraints of a specific project. The benefit sharing budget needs to be shared between outcome delivery at a host community level, regional level benefit sharing level and any state policy based or REZ level commitments. Depending on state government policy requirements, local and regional level benefit sharing commitments may be able to be counted towards meeting state policy requirements, but this is not always the case.

Whilst we recommend having minimum benefit sharing budgets measured in \$/MW capacity across industries (such as those outlined by the Clean Energy Council's 2019 'Guide to Benefit Sharing Options For Renewable Energy Projects' - noting that these are now 6 years old and many projects are out-performing these amounts), it is important important for projects to have



flexibility to co-design with their host communities how much of the budget is directed towards local initiatives and how much is assigned to regional benefit initiatives over time.

Where communities are host to their first energy project, there can be a greater need for funding local community initiatives, but over time as those initiatives are completed or more energy projects are developed nearby, the desire may grow to contribute to more regional and longer lasting outcomes.

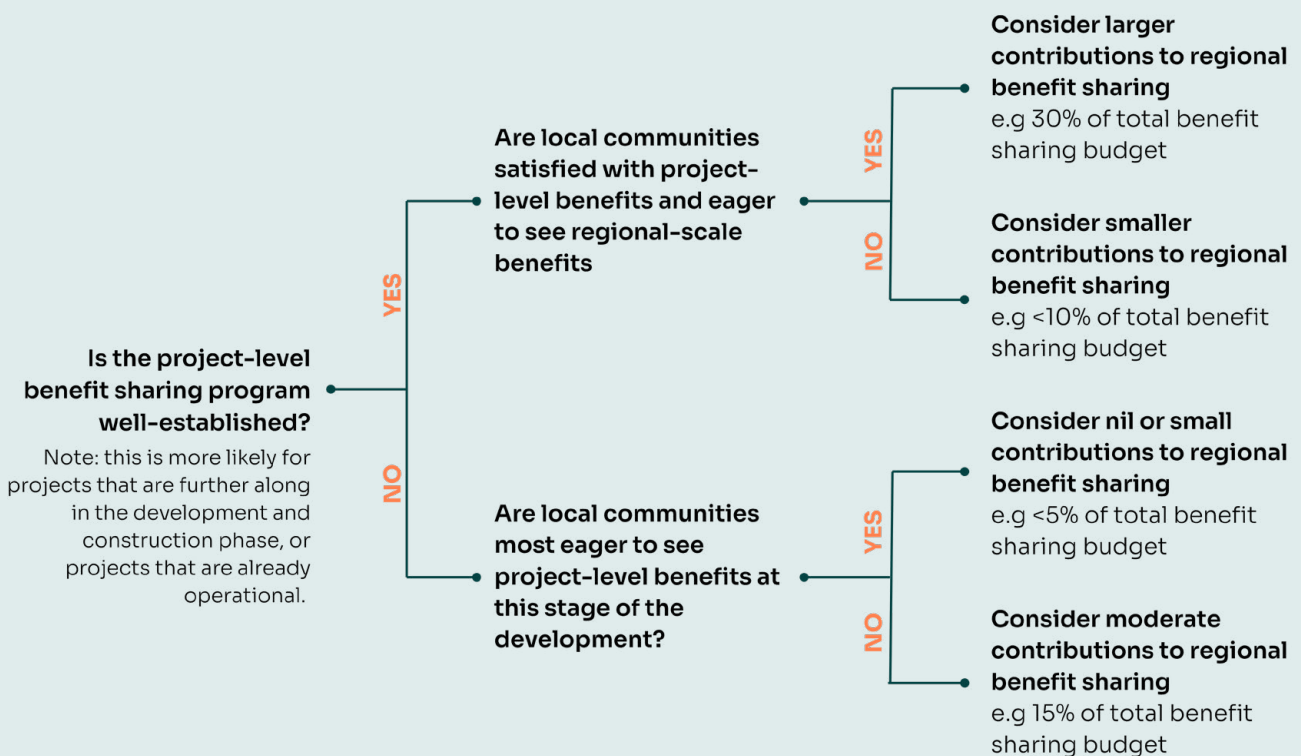
If the value of contributions is decided externally to the host community, it can inadvertently erode community cohesion and social licence for the energy transition, where local communities hosting the infrastructure feel that they are losing out.

Importantly, engagement with host communities is not a 'one off' exercise

– it needs to occur on an ongoing basis, as community needs, expectations and experiences evolve over time. It is critical for projects to build a relationship with the host community, fostering a sense of familiarity and trust. When project developers contribute funds to a pooled or regionally coordinated program without public acknowledgement by the government or council, nor adequate allocation of funds directed to their host community, they may miss the opportunity to build direct relationships with the host community. This can limit community awareness of the developer's role in delivering local benefits, which may further reduce trust or long-term social licence.

Figure 3 below demonstrates an example decision making process that could be used to determine what proportion of funds should be contributed by each project towards regional benefit sharing.

Figure 3: Determining the proportion of total benefit sharing funds contributed toward regional initiatives



4.1.7 Legal and governance structure

There are various legal and governance structures that may be used to establish a regional benefit sharing program. Below is a high level summary of available options. A more detailed analysis of the features of each legal structure is provided in the appendix of this Guide.

Please note: this information is general in nature and does not constitute legal advice. Organisations should seek independent legal or professional advice tailored to their specific circumstances.

(i) Without a central entity

It is possible to establish a regional benefit sharing program without the use of a dedicated formal legal entity as the coordinating body to pool funds. This approach has a much lower governance and establishment burden, and can be administered through simple instruments such as a joint Memorandum of Understanding (MOU) or partnership agreement (with accompanying terms of reference) between project owners and other stakeholders (such as council). This agreement may signal an annual amount of budgeted funds that each project will contribute, and a commitment to working through a list of priority initiatives that the community has identified as necessary to meet their desired needs for a prosperous region.

This approach requires an allocation of staff time and administrative capacity from contributing energy projects and stakeholders. A small portion of funds would likely need to be contributed by the projects to enable management of the collaboration itself and the preparation of costed project plans for delivering each initiative. It may also be advantageous to set out terms of reference in the MOU that encourage all projects to proportionally contribute to every initiative, to avoid projects opting in or out of initiatives based on their corporate priorities (rather than the priorities as defined by the community).

This option would also benefit greatly by having a small (e.g 4-5 person) community reference board that meets with the collaborative working group of proponents and council to progress the delivery of the initiatives and improve community connection to the program. Agendas, minutes, terms of reference, and financial summaries of how funds are distributed should be published online to improve transparency and public trust in the program.

The level of risk associated with this approach rests in the quality of relationships between stakeholders involved in the collaboration, the transparency and fairness of delivery mechanisms, and whether the collaboration is formed on a voluntary basis or under a legally binding agreement.

A potential downside of this approach is the inability to pool benefit sharing funds together to invest and grow the total pool of funds over time.

(ii) Using an existing entity

Some regions may desire benefit sharing contributions to be pooled into a central fund or managed by an existing organisation to enable regional coordination and delivery of community priorities. A logical starting point for this ambition is to consider if there are any trusted organisations with appropriately developed financial and governance systems able to perform this role locally. Suitable organisations may include a council, local not-for-profit, or foundation, provided that the scope of the chosen organisation's work is aligned with the desired scope of the regional benefit sharing program.

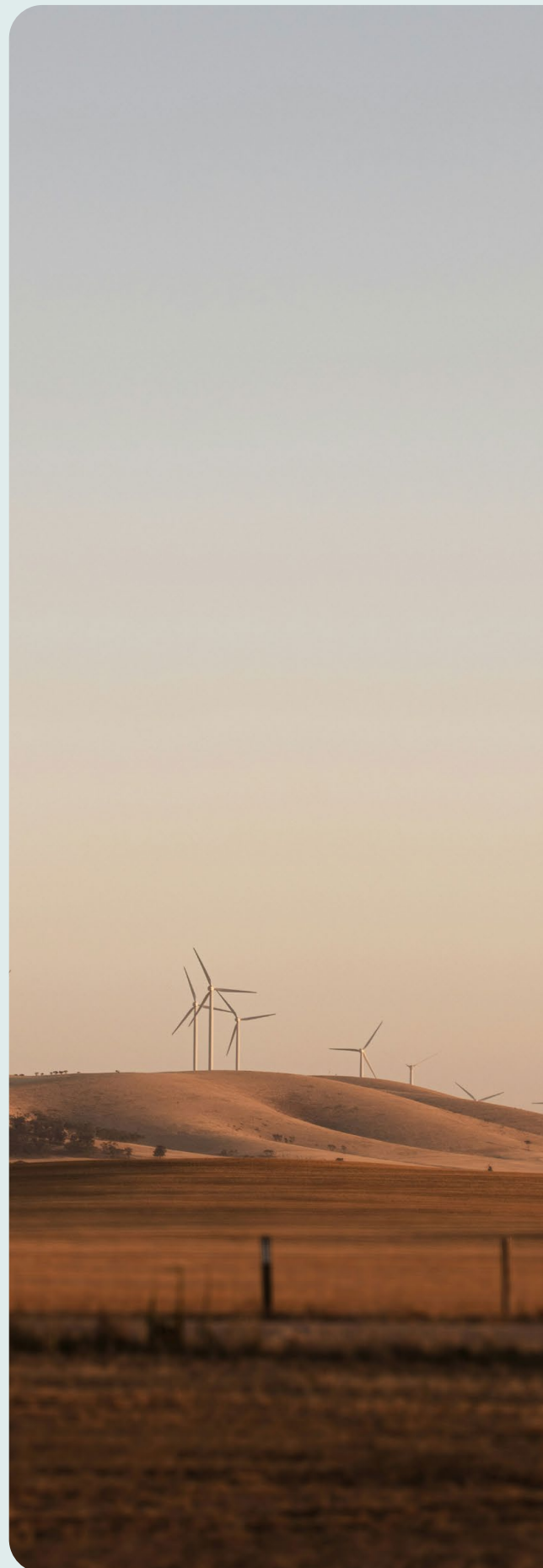
A number of councils are currently investigating how to coordinate regional benefit sharing. In jurisdictions where council is required to negotiate a community benefit agreement with renewable energy developers, it may still be preferable for an entity separate to council to hold the funds negotiated under that agreement. However, in cases where it is most appropriate for council to administer the pooling of funds, options include having a council dedicated fund, setting up a council-owned entity or having council auspice another local group.

In any case, consideration needs to be given to the following design aspects:

- **How will the community have input into decision making?** As outlined earlier, effective benefit sharing will create positive outcomes while building long-lasting relationships between energy projects and the community. For a regional benefit sharing program to succeed, the community needs to have connection points for influence and knowledge sharing.
- **How will community priorities be identified?** Have existing council strategic plans sufficiently engaged with the community to a breadth and level of detail required to prioritise initiatives for legacy outcomes that the community will support, or is further community engagement required? At what intervals should this be updated?
- **How will initiatives that fall outside typical local government jurisdiction be prioritised?** For example, the most pressing legacy initiatives for a region may be in sectors such as health, education or arts and culture, which may be outside the local council's current service offerings. Consideration may need to be given as to how to include regional leaders from other sectors to ensure that a holistic regional approach is achieved, and whether the chosen legal structure will allow initiatives that are beyond local government jurisdiction to be funded.

Other existing entities, such as local not-for-profits, local foundations and national foundations including the Foundation for Regional and Rural Renewal (FRRR) or Australian Communities Foundation (ACF), may also be appropriate hosts or partners for regional benefit sharing programs. It may be appropriate for this arrangement to function as a bridging option for community groups, which may develop the capacity to administer the regional benefit sharing program independently over time. Similarly to the case with council, careful consideration must be given to the process by which local communities will participate in decision making, and whether the scope and purpose of the host or partner entity is appropriately matched to the desired regional benefit sharing program principles and functions.

For example, there may be limitations on the scope of these existing entities to invest in initiatives that do not meet the legal definition of ‘charitable purposes’. Where communities wish to see regional benefit sharing funds contributed toward activities that may be beyond the legal scope of ‘charitable purposes’, including some sporting activities, economic development initiatives or support for social enterprise, careful consideration must be given to the ability of existing entities to facilitate that outcome. Despite these restrictions, there are income tax exemption benefits that make such vehicles an attractive option for regions who are looking to pool large sums of money over the long term to invest and/or distribute to significant projects. This is discussed in more detail below under section 5.1.7(iv).



(iii) Creating a new entity

Establishing a new entity to govern and administer a regional benefit sharing program can allow for a more tailored reflection of locally-determined purposes, values and functions, in line with community needs and priorities. It can also provide greater scope for community input and final decision making on fund allocations.

Whilst new entities generally allow for more tailored governance arrangements to reflect community preferences, they also require greater resources to establish and maintain. This may include community representation on the board, community advisory panels and even community voting mechanisms.

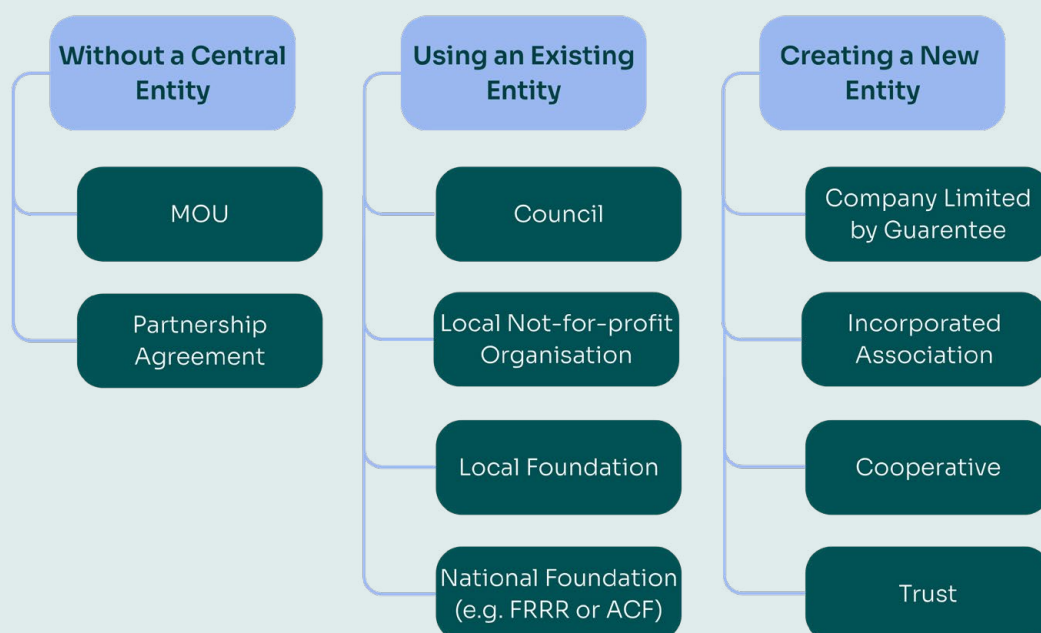
A new entity may take the form of a company limited by guarantee, incorporated association, non-distributing cooperative, or a trust. These legal structures are managed by a board of directors (or in the case of a trust, a board of trustees), and can pool contributions from projects, grant funding to other organisations to run programs, and run programs themselves directly in the community. An ancillary fund, which is a

specific type of trust, can pool and grant funding only.

A region will need to decide whether (and which type of) new entity will best serve the desired functions for their proposed regional benefit sharing program. For some regions, pooling and granting of funds is the extent of functions required, but for other regions there may be a need to enable more complex arrangements such as public-private partnerships, applying for matched grant funds, funding scholarships to individuals or having the new entity deliver regional initiatives itself.

Importantly, whichever structure is chosen for a new entity, a governance connection to the local council/s will be very important to ensure that there is strategic harmony in the delivery of legacy initiatives in line with council infrastructure plans and ability to fund and maintain any community assets that may be proposed. An example of a governance connection could be as simple as having two seats on the decision making board or committee - one for an elected council member and one for a council staff member.

Figure 4: Possible legal and governance structures



(iv) Registering as a charity or a deductible gift recipient (DGR)

To be registered as a charity, an organisation must have a charitable purpose (or purposes)⁸. The term ‘charitable purpose’ has a specific legal meaning, and for an organisation to retain its status as a registered charity, it must only operate in pursuit of those purposes as legally defined.

Registering as a charity not only demonstrates a commitment to public benefit, but also provides reputational advantages and access to a range of tax concessions, including income tax exemption, GST concessions, and, in some cases with further registrations, Deductible Gift Recipient (DGR) status. DGR status allows an organisation to receive tax-deductible donations, which can enhance fundraising efforts by providing an incentive for donors.⁹

Despite these advantages, registering as a charity and acquiring DGR status places a degree of limitation on the activities of an organisation, including for what purposes it can distribute funding. Careful consideration will need to be given to whether registering as a charity and acquiring DGR status is necessary and advantageous for the regional benefit sharing program.

Please note: this information is general in nature and does not constitute legal advice. Organisations should seek independent legal or professional advice tailored to their specific circumstances.

4.1.8 Community input into decision making

Regardless of the legal and governance structure chosen for the regional benefit sharing program, community input into decision making is crucial. This includes community input into decisions on *what* initiatives will be funded through the regional benefit sharing program, as well as decisions about *how* the funds are administered, invested and distributed.

The governance structure of the program may directly involve community members as directors, or provide for the establishment of a community reference group or advisory panel. Both approaches must provide clear and transparent processes for how community representatives are appointed (or elected), and the purpose of their appointment in representing holistic community needs.

Wider community input, such as through public engagement processes, is also necessary to ensure that the regional benefit sharing program remains fit for purpose over time. This may include, for example, a bi-annual community engagement process reflecting on the program’s funding priorities, governance performance, and responsiveness to emerging regional needs.

⁸ Australian Charities and Not-for-profits Commission (ACNC), Charitable purpose (webpage, available [here](#)).

⁹ Australian Taxation Office (ATO), Gifts and donations (webpage, available [here](#)).

How can regional benefit sharing work in harmony with state government energy policy?

State governments around Australia are actively trying to address the coordination benefit sharing in the energy transition. The New South Wales Government has implemented a model for pooling benefit sharing funds at a REZ scale through collecting REZ access fees for connection into new transmission lines and distributing to the REZ communities via a [REZ Community Employment Benefit Program](#). Similarly, the Victorian Government has proposed a model to collect REZ access fees and distribute via [REZ Community Energy Funds](#). The Queensland Government has recently adopted planning amendments that require energy projects to have a [Community Benefit Agreement](#) with local government/s which could help to enable coordination of benefit sharing at a local government scale. Other states are in the process of developing guidance on benefit sharing.

Regional communities that have invested time into strategically planning for legacy initiatives from benefit sharing will be in a far better position to represent their views to state government agencies and feed into the design or distribution of REZ scale benefit sharing funds. This may occur through REZ stakeholder reference groups that feed into the design of REZ policy, or potentially through the administration of REZ benefit funds via a community led regional benefit sharing program. Furthermore, information on funding opportunities should be clearly communicated and accessible to communities, and regional benefit sharing programs can play a role in fulfilling this function to enhance the effectiveness of REZ level benefit schemes.

In the Queensland context, the regulatory requirement for a community benefit agreement offers a unique opportunity between renewable energy developers and council to layer in commitments to a regional benefit sharing program in the planning and approval process. It is important to note that the requirement to have community benefit agreement with council may not necessarily mean that all benefit sharing funds need to be held by council. Benefit sharing budgets could be attributed to local level benefit sharing programs close to the project and to a regional benefit sharing entity as defined by the community co-design process described in section 4.1.7 of this Guide.

For communities and councils that exist outside REZs or in states that are yet to implement coordinated benefit sharing policies, regional benefit sharing offers a collaborative way forward to maximise long lasting positive outcomes from the energy transition happening right now.



4.2 What regional legacy priorities should be funded?

Initial conversations about regional benefit sharing have a tendency to quickly steer towards which regional legacy priorities should be funded. This is understandable as people try to imagine the possibilities and opportunities for regional renewal or how to address ongoing challenges their communities face. Whilst it can be tempting for governing groups to determine what initiatives should be funded to create legacy outcomes, it is critical that this step is co-designed with the regional community to create understanding, connection and ownership of the outcomes. Providing the opportunity for the regional community to shape funding priorities strengthens their positive experience of the energy transition as a whole and connects the energy projects beyond their host communities to the wider region.

4.2.1 Community planning

Taking the time to co-design a community plan for regional legacy initiatives has a number of strategic benefits. Firstly, the plan itself can form a foundational aspect of the governance framework established for the regional benefit sharing program, guiding decisions on how to prioritise funding allocations and balance needs across the region. Additionally, if the plan has a commitment to be revised periodically with the community, it can be referenced in MOU's, procedures, agreements or local government policies to ensure long lasting and up to date connection to the region's aspirations.

Another (sometimes hidden) benefit of preparing community plans is the capacity

building that occurs within the community through their participation in a co-design process. As community members and regional leaders come together to shape community benefit sharing strategies, they deepen their understanding of the complexities of the energy transition and strengthen the networks needed for ongoing collaboration and action. Increasingly, we're seeing cross-pollination between initiatives, for example, where planning for regional benefit sharing informs housing strategies, workforce preparedness programs, and vice versa.

4.2.2 Scope of initiatives

Regional benefit sharing offers a once in a generation opportunity for regional renewal, if done well. The scope of legacy initiatives should not be limited to energy related activities, nor should they be limited to the jurisdiction of local government. Whilst local government's expertise in community engagement and strategic planning are crucial in the design of regional benefit sharing, careful consideration should be given to ensuring that the prioritisation of legacy initiatives reflects the community's aspirations. These aspirations may extend beyond local government influence or control.

Developing community plans to guide legacy initiatives is a balancing act – plans must have enough detail to clearly identify initiatives for implementation, while also maintaining a degree of flexibility and scope to fairly represent the region's demographic and geographic diversity.

4.2.3 Addressing engagement fatigue

For regions that are host to several energy projects, community engagement processes can become burdensome and repetitive. Community members who are asked to provide input into the design of benefit sharing programs for renewable energy projects are increasingly experiencing ‘engagement fatigue’, where repeated consultations by multiple developers and government agencies lead to frustration, reduced participation, and a decline in the quality of community input. This fatigue can undermine trust in the engagement process or limit opportunities for meaningful co-design.

Some communities have already undertaken a robust community planning process, generating a clear vision for long-term prosperity with wide community support for an identified suite of funding priorities. For these communities, regional benefit sharing offers an opportunity to bring this vision to life, without the need for further engagement processes that would duplicate work that has already been done.

In other communities, the process of place-based planning has yet to be undertaken. Establishing a regional benefit sharing program in these contexts requires this

foundational engagement step to be completed to ensure that the distribution of pooled funds aligns with local needs and aspirations. Importantly, this does not mean starting from scratch. Existing planning instruments – such as council strategic and economic development plans – can serve as valuable inputs to guide the development of community plans. However, these should be seen as starting points rather than end points, as community priorities can often extend beyond the scope of council jurisdictions and planning frameworks.

In some cases, individual towns or hamlets may develop their own community plans which feed into and shape regional level plans. This process generally requires funding and in some regions has already taken place with funding from other sectors. If communities see value in this approach, there may be scope to use benefit sharing funding to resource the planning process as a precursor to funding the priority initiatives outlined in the resulting plans. This can help reduce the engagement burden by undertaking a thorough process in the first instance and then using it to inform multiple energy projects or government agency requests for information.



5. Leading the design of a regional benefit sharing program

As the basis for designing a regional benefit sharing program is collaboration, it is helpful to have at least one lead organisation that initiates the discussions and facilitates the coming together of stakeholders and ideas. Around Australia, a variety of lead organisations are paving the way forward in an effort to develop strategic and coordinated responses to benefit sharing from the energy transition. These include:

- Community led regional collaborations (e.g. Western Downs Futures, Community Foundations Tumut Region)
- Regional economic development organisations (e.g. Wimmera Southern Mallee Development, and Central Western Queensland Remote Area Planning and Development Board)
- State Government (e.g. ReCFIT in Tasmania, EnergyCo in NSW and VicGrid in Victoria),
- Groups of councils (e.g. Cradle Coast Authority); and
- Individual councils (e.g. Uralla Shire Council and Banana Shire Council).

The most appropriate and resourced lead organisation will be different in each region. In some regions, a community led approach will be well placed to lead with government support and industry buy-in, whereas in other regions, it may be more appropriate for government or industry to lead.

It is also important to remember that the lead organisation that facilitates the design and establishment of a regional benefit sharing program may not be the ultimate fund holder or governance lead for the program.

As mentioned above in section 5.1.7(ii), in jurisdictions where council is required to negotiate a community benefit agreement with renewable energy developers, it may still be preferable for an entity separate to council to hold the funds negotiated under that agreement. Likewise, depending on council capacity and the unique community context at hand, it may be preferable for an organisation separate to council to lead the co-design process for the regional benefit sharing program.

5.1 Case study: Wimmera Southern Mallee, Victoria

Source: Chris Souness, CEO - Wimmera Southern Mallee Development

A systems-first approach to regional energy benefit sharing

The Wimmera Southern Mallee (WSM) region in Western Victoria is one of Australia's most active renewable energy corridors. With large-scale wind, solar, transmission and battery projects proposed or underway, the region is central to Victoria's energy future — but also carries the weight of change. Farming communities already under pressure from housing shortages, workforce gaps and service strain are now being asked to host long-life infrastructure with generational implications.

Regional energy collaboration built from the ground up

In 2024, Wimmera Southern Mallee Development (WSMD) convened the WSM Regional Energy Collaboration (REC). The Energy Charter played a vital role in ensuring that the collaboration could bring industry players to the table, and to design an approach to facilitation that worked for both industry and community. This allowed a co-design effort involving councils, developers, community intermediaries and state energy bodies to emerge and flourish. Rather than focus on one-off consultations, the REC aims to build enduring systems of coordination, delivery and trust between proponents, government and communities.

Making promises visible: the WSM Commitments Register

A key outcome of the collaboration is the WSM Commitments Register — a publicly available, independently managed tool that records, tracks and updates what companies and agencies have committed to deliver. This includes actions across local housing, workforce, roads, skills and broader community benefit. The Register helps councils and communities stay aligned, reduces consultation fatigue, and sets a higher bar for transparency and follow-through.

Integrating with regional delivery: WSM-IMPACT

The REC's work now feeds directly into WSM-IMPACT — the region's coordinated investment and delivery platform for housing, workforce and business readiness. This ensures that energy transition benefits aren't siloed but instead contribute to long-term regional resilience. Rather than invent new systems for each project, WSM is building shared foundations that can support multiple investments and multiple futures.

A model for other regions

The WSM approach is less about managing conflict, and more about designing coherence. It offers a practical model for how regions can shape energy development — with shared tools, aligned delivery and consistent expectations — rather than just respond to it.

5.2 Case study: Western Downs, Queensland

The Western Downs Region is undergoing an immense energy transformation to renewables, following a decade-long development process for coal seam gas extraction, alongside existing coal fired energy systems. With at least 17 renewable energy projects currently either operational, under construction or approved in the Western Downs region, the need for coordination and strategic community engagement is urgent. The discussion of regional benefit sharing in Western Downs has evolved over several months of planning and engagement, informed by multiple co-design workshops with targeted stakeholders from community, industry and government.

In February 2024, 21 community and industry representatives participated in a pilot program facilitated by the Australian Rural Leadership Foundation and Queensland Conservation Council, called “Shape Your Energy Future” (SYEF). The pilot was centrally focused on building the capacity of regional leaders to guide their communities through the energy transition. Emerging from this leadership program was a small group of dedicated locals interested in exploring a coordinated approach to benefit sharing in the Western Downs region established a project team.

Over several months, the project team (in partnership with Community Power Agency) developed a plan for designing a regional benefit sharing program with Western Downs stakeholders. This included:

- A co-design workshop with SYEF participants and the Western Downs Futures’ Interim Steering Committee (including local government representatives) and other key regional leaders.
- An industry roundtable with representatives of renewable energy developers operating (or proposing to operate) in the Western Downs region, including state government-owned enterprises.

The same set of critical questions were posed to both groups of stakeholders, covering the following core matters:

- Values and motivations for pursuing a regional benefit sharing program.
- Preferred scope (including geographic boundary, contributions and sources of funding, and the balance of local and regional needs).
- Possible governance mechanisms (including legal and financial structures)
- Process of further stakeholder and community engagement.

Both workshops heralded key insights around community and industry preferences for the regional benefit sharing program. However, the project team also recognised the need for deeper research and discussion of governance mechanisms, including the kinds of legal and financial structures possible in the Queensland context.

To address this gap, a further two workshops were held:

- A governance ‘deep dive’ workshop, facilitated by Community Power Agency for the members of the project team. This involved reviewing the feedback received during the two prior workshops, and identifying a suite of governance priorities based on this feedback and the knowledge and experience of the project team.
- A follow-up workshop for the SYEF group to provide further feedback and prioritisation of governance options based on the collective desired functions.

Taking the feedback received in each of these workshops, the project team developed a detailed options paper, outlining the range of possible models for implementing a regional benefit sharing pilot program in the Western Downs region. This includes a recommendation of preferred options, based on the priorities and feedback outlined in the engagement workshops.

5.3 Case study: Central Western Queensland Remote Area Planning and Development Board (RAPAD)

Source: [RAPAD Power Grid Community Benefit Royalty Agreement Oct 2024](#)

The seven councils of Central Western Queensland have developed an Australian-first benefits agreement; creating a unique framework for how their local communities will benefit from the proposed Remote Area Planning and Development Board (RAPAD) Power Grid and other energy developments.

The purpose of the [RAPAD Power Grid Community Benefit Royalty Agreement](#) is to provide communities and investors with a clear framework that defines the calculation of cash payments that will be paid directly to those communities.

The RAPAD Power Grid Community Benefit Royalty Agreement aims to deliver significant long-term cash payments that will support social and economic infrastructure investment determined by the community.

The Central Western Queensland RAPAD and VisIR Pty Ltd (VisIR) have entered into an agreement as collaboration partners to support VisIR's development of the RAPAD Power Grid. The proposed RAPAD Power Grid will span a vast area of western Queensland from Hughenden in the State's northwest to Biloela and Gladstone on the Central Queensland coast.

The RAPAD Power Grid economic development strategy comprises three objectives:

1. Deliver approximately \$183 million in royalty-style annual cash flows direct to the community over 25-years.
2. Increase livestock production, capacity and efficiency through improved agricultural infrastructure (including water and transport/logistics) developed in coordination with energy infrastructure.
3. Improve social infrastructure and liveability through skills development opportunities, environmental management capacity, and positively contributing to Australia's economy

The purpose of the RAPAD Power Grid Community Benefit Royalty Agreement is to implement a unique economic development and revenue framework to provide investment, employment and other opportunities, and revenue streams to local communities over the long-term, so that those host communities see significant and direct long term economic benefit from the RAPAD Power Grid.

A framework of target payments has been developed which includes:

- **Transmission** - \$10,000 per megawatt (MW) of installed transmission capacity paid over 25 years.
- **Renewable generation** - \$750 per MW per annum of the installed capacity of wind generation and \$500 per MW per annum of the installed capacity of solar generation over 25 years, indexed to regional inflation (CPI)

It is intended that community representatives, Councils and RAPAD will determine the allocation of funds through a robust and transparent governance framework developed in parallel with the RAPAD Power Grid project.

5.4 Case note: Banana Shire, Queensland

Banana Shire Council is working with the Queensland State Government and Acclimate Partners to support economic transformation and diversification in response to the energy transition and related challenges. This includes the design of a community legacy fund and engagement program to maximise the long term community benefits of renewable energy infrastructure development in the region.

6. What we have heard

Community Power Agency has facilitated multiple stakeholder workshops to explore the potential for regional benefit sharing programs. Through this, we have observed distinct priorities and concerns across different stakeholder groups which have shaped the guidance presented throughout this document.

Community leaders consistently highlighted the need for a more coordinated and strategic approach – one that is place-based, participatory, and grounded in community needs. Striking a balance between local and regional priorities, while promoting best-practice standards, was seen as essential to designing a program that can attract funding and deliver long-term, intergenerational benefits. Importantly, contributions to a regional benefit sharing program should complement (not replace) local benefit sharing with host communities and neighbours directly impacted by renewable energy projects. Likewise, benefit sharing must be additional to developers' legal obligations to mitigate environmental and social impacts, and the costs of land access and project development.

Industry stakeholders expressed strong support for principles of community empowerment, fairness in benefit distribution, and generating larger, longer-term outcomes. Industry motivations included reducing engagement fatigue, simplifying funding processes, improving administrative efficiency, and achieving clearer alignment with community

expectations. There was broad agreement that a coordinated, community-led and government-enabled model is critical to success. Industry representatives also differentiated between local (project-specific) benefit sharing, led by individual projects, and broader, regional initiatives that require strategic collaboration. Many supported voluntary contributions to a pilot regional program, allowing flexibility for newer projects to prioritise local investments, while more mature projects may wish to channel greater resources into regional initiatives.

Government stakeholders stressed the importance of aligning benefit sharing efforts with the pace of renewable energy development, which is often progressing ahead of formal REZ planning and declarations. They pointed to the need for integration with REZ frameworks, including community engagement timelines, grant programs, and geographic boundary decisions. Questions were also raised about how to sustain collaboration between REZ delivery bodies and those leading or administering regional benefit sharing initiatives, and how to mitigate engagement fatigue across affected communities.

These trends are summarised below in Table 1 (note: the stakeholder feedback outlined in Table 1 is not representative of all community, industry and government views, but provides a broad overview of common sentiments among these groups of stakeholders).

Table 1: Stakeholder Feedback on the Design of Regional Benefit Sharing Programs

| Community | Industry | Government |
|---|--|--|
| <ul style="list-style-type: none"> - A place-based, participatory approach should be utilised to centre community needs. - The program must not replace or detract from local community benefit sharing with neighbours and communities hosting and/or immediately surrounding a project. - Project contributions should be separate from and in addition to the mandatory requirements (under planning laws) for developers to mitigate the negative environmental and social impacts of their projects and the cost of doing business (such as landholder land access fees). - The right balance must be struck between local and regional needs - The program should enable positive 'legacy' impacts for the next generation. - The program should promote industry leading practice and ensure that project proponents are meeting community. - Respect for First Nations self-determination and inclusion of cultural and economic priorities. - The program should formulate a coordinated, strategic approach to benefit sharing that targets the key intervention points for positive community development. | <ul style="list-style-type: none"> - The program should promote community empowerment and self-determination. - Where possible, the program should enable community-leadership supported by government. - The program should maximise the opportunity to build collaboration and strategic coordination within the renewable energy industry. - Building efficiency and simplifying the administration of benefit sharing funds is key. - Consideration should be given to reduce engagement fatigue and the burden on communities to engage in multiple consultation processes. - The program should enable leveraging of more significant amounts of funding for greater social impact. - Equity and fairness in the distribution of benefits is vital. - Voluntary contributions are preferred to preserve flexibility in balancing host-community benefit sharing and regional benefit sharing priorities. | <ul style="list-style-type: none"> - The program should be aligned with the pace of renewable energy development in a region, which may be substantially underway despite delays in REZ planning or declaration. - Consideration must be given to interactions with REZ policy and programs, including REZ boundaries, community engagement timelines, and REZ scale grant programs. - The need to mitigate the risk of engagement fatigue is vital, especially in communities that will also be engaged in REZ planning and policy consultations. - Building ongoing collaboration with REZ delivery bodies and regional benefit sharing program leads and administrators is key. |

7. Risk mitigation

Regional benefit sharing is an emerging concept at the leading edge of Australian energy policy and planning. Efforts to implement new ways of working collaboratively are not without risk. Consideration will need to be given to risk management strategies as organisations move further into setting up governance structures, terms of references and procedures for regional benefit sharing.

Some of the risks identified with regional stakeholders include:

- What happens if a legacy-funded project fails or has unforeseen negative impacts?
- What happens if negative community sentiment about one energy project influences the collective regional benefit sharing program?
- What happens if decisions and funding distribution is delayed, and how does this reflect on the program or energy projects contributing?
- What if there is a real or perceived lack of transparency into how decisions for funds distribution are made which creates community discord?

Consideration should be given as to how to mitigate these risks in the unique local context.



8. Conclusion

Regional benefit sharing offers an unprecedented opportunity to harness the benefits of Australia's energy transformation in a way that is equitable, transparent, and responsive to community needs. By moving beyond individual project based benefit sharing to coordinated regional programs, we can reduce duplication and engagement fatigue and empower communities to achieve more strategic and lasting legacies.

The complexity of designing regional benefit sharing programs demands collaborative leadership, genuine community engagement, and flexible governance arrangements that reflect local values and aspirations. While each region's approach will be unique, shared principles of transparency, inclusivity, and coordination provide a strong foundation.

Successful regional benefit sharing programs will not only support the immediate impacts of renewable energy development but also contribute to broader regional renewal, spanning social, economic, environmental, and cultural dimensions. In doing so, they can strengthen social licence for the energy transition and foster resilient, thriving communities.

This Guide serves as a practical resource to support regional leaders, industry, and government in navigating the challenges and opportunities of regional benefit sharing. By embracing collaboration and centring community voices, including First Nations voices, regions across Australia can shape an energy future that delivers meaningful benefits for generations to come.

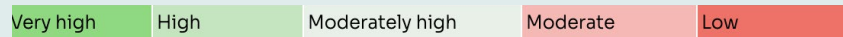
Appendix A

Table 1 – Possible Not-for-Profit (NFP) Legal Structures

Please note: This information is general in nature and does not constitute legal advice. Organisations should seek independent legal or professional advice tailored to their specific circumstances.

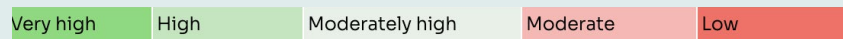
| Structure | Legal Form and Description | Ease of setup and administration | Broad community influence over decision-making | Flexibility in receiving funding | Flexibility in distributing funding | Investment Options | Ability to run programs |
|-----------|---|--|--|---|--|--|--|
| No entity | <p>Memorandum of Understanding (MOU) Between Contributing Organisations</p> <p>A collaborative partnership between various organisations to coordinate efforts and activities.</p> | Very easy to establish, but requires an allocation of staff time and administrative capacity from contributing organisations. Also requires a coordinator to organise the collaboration. | Decision making power rests with contributing organisations. No direct community input unless an informal community reference group or panel was set up to advise the partnership. Contributing organisations would be under no formal obligation to act on this advice. | Contributors would either directly give to community initiatives. | Contributors would distribute funding directly to community initiatives as per the terms and objectives of the agreed MOU. | Contributing organisations may make investments in local or regional enterprises, or general investments to grow funds over time. No ability to hold shares in local renewable energy projects, unless contributing organisations were willing to hold shares on behalf of the community and retain dividends for community benefit. | Individual organisations within the partnership could engage in program operation and service delivery, and do so collaboratively under the MoU, as well as granting to other organisations to engage in program operation and service delivery. |

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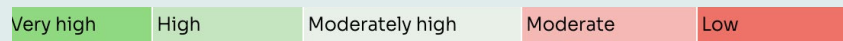
| Structure | Legal Form and Description | Ease of setup and administration | Broad community influence over decision-making | Flexibility in receiving funding | Flexibility in distributing funding | Investment Options | Ability to run programs |
|--------------------------|---|---|--|---|---|---|---|
| New Purpose-Built Entity | <p>Company Limited by Guarantee</p> <p>A membership-based legal entity, established under federal legislation, where members liability is limited to a set amount they agree to contribute if the company is wound up.</p> <p>Members may be individuals or organisations.</p> | Moderate to high cost to establish and maintain, including compliance with ongoing legal and reporting obligations | <p>Decision making power rests with the board of directors. Members (whether individuals or organisations) may have voting rights to elect directors and/or on particular types of decisions.</p> <p>Membership requirements can be set under the company's constitution, and can include classes of non-voting members, as well as flexibility to tailor voting rights for certain types of decisions.</p> | Can accept donations from the public (including corporate donations), and can exclude donors that do not align with the company's values. | Can distribute funding in accordance with the company's constitution. | <p>Funds may be invested in local or regional enterprises (provided that proper due diligence is undertaken to ensure that the investment risk is acceptable), or in general investment instruments to grow the funds over time.</p> <p>Can hold shares in local renewable energy projects and receive dividends.</p> | The company can deliver programs itself, fund other orgs to deliver programs, or deliver programs collaboratively with other orgs. |
| | <p>Incorporated Association</p> <p>A membership-based legal entity (with flexibility to tailor voting rights), established under state legislation, where members generally have no personal liability (beyond any membership fees) if the association is wound up.</p> | <p>Moderate cost to establish and maintain, including compliance with ongoing legal and reporting obligations.</p> <p>Note that the cost to establish and maintain may be considered moderate to high if the incorporated association is registered as a charity.</p> | <p>Decision-making power rests with the board of directors. Members (whether individuals or organisations) may have voting rights to elect directors or make decisions on particular types of issues. Membership requirements can be set under the association's constitution, and can include classes of non-voting members, as well as flexibility to tailor voting rights for certain types of decisions.</p> | <p>Can accept donations from the public (including corporate donations), and can exclude donors that do not align with association's values.</p> <p>Note that, once an incorporated association's income and/or assets exceed a certain amount (e.g. \$5 million in NSW), it may be directed to transition to a company limited by guarantee.</p> | Can distribute funding in accordance with the association's constitution, | <p>Funds may be invested in local or regional enterprises (provided that proper due diligence is undertaken to ensure that the investment risk is acceptable), or in general investment instruments to grow the funds over time.</p> <p>Can hold shares in local renewable energy projects and receive dividends.</p> | The association can deliver programs itself, fund other orgs to deliver programs, or deliver programs collaboratively with other orgs |

Favourability



| Structure | Legal Form and Description | Ease of setup and administration | Broad community influence over decision-making | Flexibility in receiving funding | Flexibility in distributing funding | Investment Options | Ability to run programs |
|--------------------------|--|--|--|---|---|--|---|
| New Purpose-Built Entity | <p>Non-Distributive Co-operative</p> <p>A member-owned and democratically-governed (i.e. one-member one-vote) legal entity that operates on a not-for-profit basis, established under the Co-operatives National Law, where members generally have no personal liability (beyond any membership fees) if the cooperative is wound up.</p> | <p>Moderate cost to establish and maintain.</p> <p>Moderate ongoing legal and reporting obligations, but will generally require more member engagement and participation than other forms (such as incorporated associations).</p> | <p>Members have democratic voting rights on major decisions, including election of the board of directors and other decisions that are required to be exercised in a general meeting of the co-op.</p> <p>The board of directors has the power to exercise all other powers of the co-op, such as day to day business and operational decisions. Membership requirements can be set under the co-op's constitution, but generally cannot include classes of non-voting members (due to the principle of 'one member, one vote').</p> | <p>Can accept donations from the public (including corporate donations), and can exclude donors that do not align with co-op's values.</p> <p>Co-ops also have a unique ability to issue 'Co-operative Capital Units' (CCUs) to raise capital (as opposed to receiving donations) from members and non-members, providing a return to those CCU-purchasers (note: that the scope of CCU usage for non-distributing cooperatives is still emerging).²</p> | <p>Can distribute funding in accordance with the co-op's constitution (NB: a 'non-distributive' cooperative must not distribute profit to members for private gain, but is still able to distribute funds in furtherance of the purposes of the cooperative).</p> | <p>Funds could be invested in local or regional enterprises (provided that proper due diligence is undertaken to ensure that the investment risk is acceptable), or in general investment instruments to grow the funds over time.</p> <p>Can hold shares in local renewable energy projects and receive dividends.</p> | <p>The co-op can deliver programs itself, fund other orgs to deliver programs, or deliver programs collaboratively with other orgs.</p> |
| | <p>Discretionary Trust</p> <p>An entity established by trust instrument, where trustees have the power to decide how and when to distribute income and capital to beneficiaries.</p> | <p>Moderate to high cost to establish and maintain, and may require the appointment of a corporate trustee.</p> | <p>Decision-making power rests with the board of trustees, who must act in accordance with their fiduciary legal duties, in line with the purposes of the fund.</p> <p>The purposes of the fund may be drafted to reflect community priorities and to receive community input or advice.</p> | <p>Can accept donations from the public (including corporate donations), and can exclude donors that do not align with the trust's values.</p> | <p>Can distribute funding in accordance with the fund's trust deed.</p> | <p>Funds could be invested in local and regional enterprises (provided that proper due diligence was undertaken to ensure that the investment risk is acceptable), or in general investment instruments to grow the funds over time. Trustees can hold shares in local renewable energy projects and receive dividends that are held on trust for the community.</p> | <p>The trust can deliver programs itself, fund other orgs to deliver programs, or deliver programs collaboratively with other orgs.</p> |

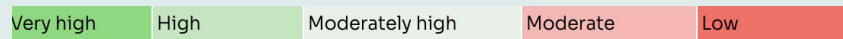
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2 See e.g. Limnios, E. M. et. al., 'Co-operative Capital Units in a Non-Distributing Co-op Model' Cooperative Enterprise Research Group (Report, 22 May 2017, University of Western Australia).

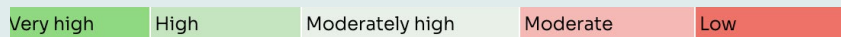
| Structure | Legal Form and Description | Ease of setup and administration | Broad community influence over decision-making | Flexibility in receiving funding | Flexibility in distributing funding | Investment Options | Ability to run programs |
|--------------------------|---|---|--|---|---|---|---|
| New Purpose-Built Entity | <p>Private Ancillary Funds (PAF)</p> <p>A specific type of trust that can receive donations from a specified group of private donors (but not the public).</p> | <p>Requires robust legal advice and experienced trustees to establish and maintain.</p> <p>High establishment costs.</p> <p>PAFs require an initial corpus of at least \$500k.</p> | <p>Decision making power rests with the board of trustees, who must act in accordance with their fiduciary legal duties, in line with the purposes of the fund.</p> <p>The purposes of the fund may be drafted to reflect community priorities and to receive community input or advice.</p> | <p>Cannot accept donations from the public - can only solicit private donations from particular groups.</p> <p>Can exclude donors that do not align with fund's values.</p> | <p>Can distribute funding in accordance with the fund's trust deed.</p> | <p>Funds could be invested in local and regional enterprises (provided that proper due diligence was undertaken to ensure that the investment risk is acceptable), or in general investment instruments to grow the funds over time.</p> <p>Trustees can hold shares in local renewable energy projects and receive dividends that are held on trust for the community.</p> | <p>The fund cannot directly deliver programs itself; it can only grant funding to other orgs to deliver programs.</p> |
| | <p>Public Ancillary Funds (PuAF)</p> <p>A specific type of trust that can (and must) receive donations from the public.</p> | <p>Requires robust legal advice and experienced trustees to establish and maintain.</p> <p>High establishment costs.</p> <p>PuAFs require an initial corpus of at least \$500k.</p> | <p>Decision making power rests with the board of trustees, who must act in accordance with their legal fiduciary duties, in line with the purposes of the fund.</p> <p>The purposes of the fund may be drafted to reflect community priorities and to receive community input or advice.</p> | <p>Must invite public donations; cannot exclude particular groups from donating.</p> | <p>Can distribute funding in accordance with the fund's trust deed.</p> | <p>Funds could be invested in local or regional enterprises (provided that proper due diligence was undertaken to ensure that the investment risk is acceptable), or in general investment instruments to grow the funds over time.</p> <p>Trustees can hold shares in local renewable energy projects and receive dividends that are held on trust for the community.</p> | <p>The fund cannot directly deliver programs itself; it can only fund other orgs to deliver programs.</p> |

Favourability



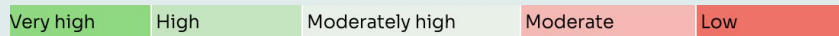
| Structure | Legal Form and Description | Ease of setup and administration | Broad community influence over decision-making | Flexibility in receiving funding | Flexibility in distributing funding | Investment Options | Ability to run programs |
|--|---|---|--|--|---|---|--|
| Existing Entity hosting a sub-fund, foundation or entity | <p>Dedicated (sub) fund account in partnership with FRRR</p> <p>An account that can receive (tax- deductible) donations from public and private donors, set up by a NFP organisation or via a partnership with FRRR, but owned and managed by FRRR (on the advice of the NFP org).</p> | Easy to establish and administer with FRRR, with account management fees scaled to reflect resourcing required. . | Formal decision making power rests with FRRR, but in practice, the advice and requests of the account holder are typically heeded, provided they are in alignment with FRRR's charitable purposes. | Can accept donations from the public (including corporate donations), and can exclude donors that do not align with the fund's values. | All contributions to the fund are tax-deductible, and can be distributed to non-DGR organisations, but only for activities in line with FRRR's broad charitable purposes. | <p>If funds are greater than \$100k, FRRR will credit interest on the account.</p> <p>There may be options to explore investing funds for periods of time to reflect community aspirations, including in local and regional enterprises.</p> <p>FRRR may be able to hold shares in local renewable energy projects and receive dividends into the (sub) fund.</p> | If a NFP org establishes the fund, it can deliver programs itself, as well as fund other orgs to deliver programs. |
| | <p>Dedicated (sub) fund account in partnership with ACF</p> <p>An account or 'sub-fund' that sits within ACF's main trust fund, that can receive (tax- deductible) donations from public and private donors. Funds are managed by ACF as the trustee (on the advice of the account/fund holder).</p> | Easy to establish with ACF, but fees of ~2.5% taken by ACF and requires at least \$10k initial corpus. | Formal decision making power rests with ACF as the trustee, who in practice, the advice or requests of the account holder are typically heeded, provided they are in line with ACF's legal duties as trustee and/ or the charitable purposes of ACF. | Can accept donations from the public (including corporate donations), and can exclude donors that do not align with the fund's values. | <p>If tax deductible contributions are made to the fund, these can only be distributed to organisations with DGR-1 status (due to ACF's DGR-2 status).</p> <p>However, if non-tax -deductible contributions are made to ACF's extension fund, they can be distributed to non-DGR organisations, but only for activities in line with ACF's charitable purposes (i.e. still limited to ACF's charitable purposes, despite being non-tax deductible).</p> | <p>Account/fund holder can elect to have the funds invested through ACF's professionally managed ethical investment vehicle to grow the funds over time, but tailored investments in local and regional enterprises are not generally possible.</p> <p>ACF may be able to hold shares in local renewable energy projects and receive dividends into the (sub) fund.</p> | The (sub)fund cannot deliver programs itself; it can only fund other orgs to deliver programs |

Favourability



| Structure | Legal Form and Description | Ease of setup and administration | Broad community influence over decision-making | Flexibility in receiving funding | Flexibility in distributing funding | Investment Options | Ability to run programs |
|--|---|---|--|--|--|--|---|
| Existing Entity hosting a sub-fund, foundation or entity | Local government dedicated fund A line item 'fund' established within local government accounts, which may be managed by a Community Advisory Committee of council. | Relatively easy to establish and administer if the local government authority is willing. | Decision making power rests with council. An advisory committee could be established to provide advice and recommendations, but ultimately, a dedicated fund would still be controlled by council. | Ability to accept public donations is dependent on the structure of the fund set up by council. Receiving contributions from industry where council has authority over planning and development may be perceived as a conflict of interest. | Funding distribution would not necessarily need to align with council's corporate plan, but could be written into a council Policy for the fund. Fund distribution may be limited to the jurisdiction of council. | Council may need to obtain Ministerial Approval to invest in certain types of managed funds. Strict requirements exist on council's investing their own funds, but unclear about investing contributed funds. Council may be able to hold shares in local renewable energy projects that provide dividends into the fund. | The fund cannot deliver programs itself; it can only fund other orgs to deliver programs. |
| | Local government established entity An entity established by a local government for a particular purpose, with its own governance arrangements. | Requires additional resourcing from council to establish and administer, and may be subject to Ministerial approval, with restrictions on the scope of the entity's work. | Decision-making power depends on the entity's legal structure and constitution, which could be tailored to include community participation. However, as council is the establisher of the entity, it is likely that council will have strong influence in the formal governance structure of the entity. | Ability to accept public donations is dependent on the structure of the entity established by council. While the entity would have its own governance arrangements, receiving contributions from industry where council has authority over planning and development may be perceived as a conflict of interest. | Funding distribution would not necessarily need to align with council's corporate plan, but could be written into a council Policy for the fund. Fund distribution may be limited to the jurisdiction of council. | As the entity is established by council, Ministerial Approval may need to be obtained to invest in certain types of managed funds. Strict requirements exist on council's investing their own funds, but unclear about investing contributed funds. The entity could hold shares in local renewable energy projects that provide dividends to the entity. | Depending on the structure of the entity, it could deliver programs itself or fund other orgs to deliver programs, or deliver programs collaboratively with other orgs. |

Favourability



| Structure | Legal Form and Description | Ease of setup and administration | Broad community influence over decision-making | Flexibility in receiving funding | Flexibility in distributing funding | Investment Options | Ability to run programs |
|--|---|--|---|--|--|---|---|
| Existing Entity hosting a sub-fund, foundation or entity | <p>Independent entity auspiced by council</p> <p>An entity established independently of local government (such as an unincorporated association),, auspiced by local government to streamline administrative and financial obligations and increase flexibility.</p> | Relatively easy to establish (once an existing independent entity is set up) and administer if local gov authority is willing. | Decision-making power depends on the entity's legal structure and constitution, which could be tailored to include community participation. However, as the entity is auspiced by council, final decision making power on fund allocation rests with council. | Ability to accept public donations is dependent on the structure of the arrangement. | <p>Can distribute funding in accordance with the governing document.</p> <p>Fund distribution may be limited to the jurisdiction of council.</p> | <p>Ability to make investments depends on the structure of the arrangement, but as the entity is auspiced by council, Ministerial Approval may need to be obtained to invest in certain types of managed funds.</p> <p>Council, as the entity's auspice, could hold shares in local renewable energy projects that provide dividends to the entity.</p> | The entity can deliver programs itself or fund other orgs to deliver programs, or deliver programs collaboratively with other orgs. |

Favourability

