

Community Engagement and Benefit Sharing in Renewable Energy Development in Victoria

A guide for renewable
energy developers

Updated July 2021



This guide is a reference document for the Second Victorian Renewable Energy Target Auction (VRET2).

This guide is endorsed by:



A message from the Australian Energy Infrastructure Commissioner:

Effective, genuine community engagement is essential for all major infrastructure projects – and energy infrastructure projects are no exception.

A proponent's ability to engage the community throughout the development and operational cycles of a major project can be the difference between success or mortal failure.

The affected community, which includes landholders, neighbours to the project and the broader community at large, will have material concerns that must be addressed, whether they are real or perceived. Community members also have tremendous skills and capabilities that can readily assist the project, be they via a community consultative committee or directly supporting project activities. These community-based resources can therefore also play a vital role in a project's acceptance and success through effective engagement.

The Victorian Government is to be commended for its leadership and commitment to promoting and motivating effective community engagement. Through the valuable insights and information contained in this publication, to the significant emphasis on community engagement in programs and policies such as the Victorian Renewable Energy Target (VRET), the Victorian Government is clearly articulating its community engagement expectations and requirements for energy projects to gain community acceptance.

I am sure you will find this publication of immense value, particularly if you consider and implement the well-considered collection of best practices contained within.

Andrew Dyer
Australian Energy Infrastructure Commissioner

Reference

The content of this guide draws extensively on previous research and writing included in *Community Engagement and Benefit Sharing in Renewable Energy Development: A Guide for Developers to the Victorian Renewable Energy Target Auction* (2017) by Lane, T. and J. Hicks (2017). Department of Environment, Land, Water and Planning (DELWP), Victorian Government, Melbourne.

The content on Social Impact Assessment (SIA) in this guide draws on *International Association for Impact Assessment* by Vanclay, F., Esteves, A. M., Aucamp, I., & Franks, D. (2015) and *Social Impact Assessment: Guidance for assessing and managing the social impacts of projects* by Fargo ND: International Association for Impact Assessment.

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Minister's Foreword





The Hon Lily D'Ambrosio MP

Minister for Energy, Environment
and Climate Change

Minister for Solar Homes
State Government of Victoria

I am pleased to release this updated Community Engagement and Benefit Sharing in Renewable Energy Development in Victoria guide. Ensuring host communities benefit from the renewable energy transition underway in Victoria is fair, just and critical to our transition success.

Our Government has set ambitious interim targets as a key step to achieving our legislated net zero emissions target in 2050. These include emissions reduction targets of 28 to 33 per cent below 2005 levels in 2025 and 45 to 50 per cent below 2005 levels in 2030. We have legislated Victorian Renewable Energy Targets (VRET) of 40 per cent by 2025 and 50 per cent by 2030 and continue to deliver world-leading initiatives including the Second Victorian Renewable Energy Target Auction (VRET2), the Renewable Energy Zones Development Plan, the establishment of VicGrid, the Solar Homes Program and the Victorian Big Battery.

This guide outlines leading practice community engagement and benefit sharing, and provides practical advice on how to achieve them. It was informed by feedback through a market sounding process, engagement with local councils and organisations, and the experience of the first VRET auction (VRET1). The guide provides important information to proponents who wish to participate in VRET2.

This guide will help proponents of new renewable energy developments deliver lasting, beneficial outcomes for communities and leading practice community engagement initiatives, helping them earn social licence for their projects. Respectful and considered engagement, as well as delivering long-term 'legacy' benefits, will be key to proponent and development success.

VRET2 will support a minimum of 600 MW of new renewable energy capacity in Victoria, contributing to our VRET targets. VRET2 will also contribute to our Government's ambition to match its operations, including schools, hospitals and metropolitan trains, with 100 per cent clean energy.

I hope renewable energy developers find this guide useful and I look forward to working together to promote the rollout of renewable energy projects in our great State.

Introduction



Victoria – leading the way towards a clean energy future

Victoria is leading the way nationally, decarbonising at the most rapid rate of any major jurisdiction in Australia. Our emissions reduction targets of 28 to 33 per cent below 2005 levels in 2025 and 45 to 50 per cent below 2005 levels in 2030 are central to achieving our legislated net zero emissions target in 2050.

Our State's legislated Victorian Renewable Energy Targets (VRET) of 40 per cent by 2025 and 50 per cent by 2030 will help us achieve our transition to a clean, modern energy future. Our clear targets will ensure this transition is carefully planned and managed, with a focus on creating jobs and building skills and capabilities across the sector.

In 2020, Victoria achieved our first VRET target of 25 per cent renewable generation by 2020, with renewable sources providing 26.6 per cent of Victoria's electricity generation for the year.

The first VRET auction (VRET1) in 2017 and the second VRET auction (VRET2) will continue to deliver vital new renewable capacity to help the State achieve its targets. VRET2 will also support our economic recovery from coronavirus with renewable, reliable and affordable energy development supporting thousands of Victorian jobs.

Social licence to operate (SLO) was a critical component of VRET1 and continues to be so for VRET2. One of VRET2's overarching objectives is to boost social licence for the renewable energy industry and increase benefit outcomes for communities. Proponents' community engagement to date and their approach to deliver SLO commitments will be an important part of the evaluation process for VRET2.

The Victorian Government's clear policies and commitments to a renewable energy future provide investment certainty for developers. The State Government's 2020/21 budget included an unprecedented investment of \$1.6 billion to create renewable energy hubs across Victoria, improve grid infrastructure, decarbonise the State's energy system, drive down emissions and support more solar homes. Of this budget allocation, \$540 million will be invested in building a modern, more resilient statewide grid. This is the largest investment in clean energy in any Australian state, ever, and will support businesses, jobs and towns in many local and regional communities.

The Victorian Government has a clear plan to work with all stakeholders across the energy supply chain to modernise the State's energy infrastructure and ensure it is fit for purpose.

An effective, just transition to an energy system with a high share of renewables will be critical as Victoria's ageing generators retire.

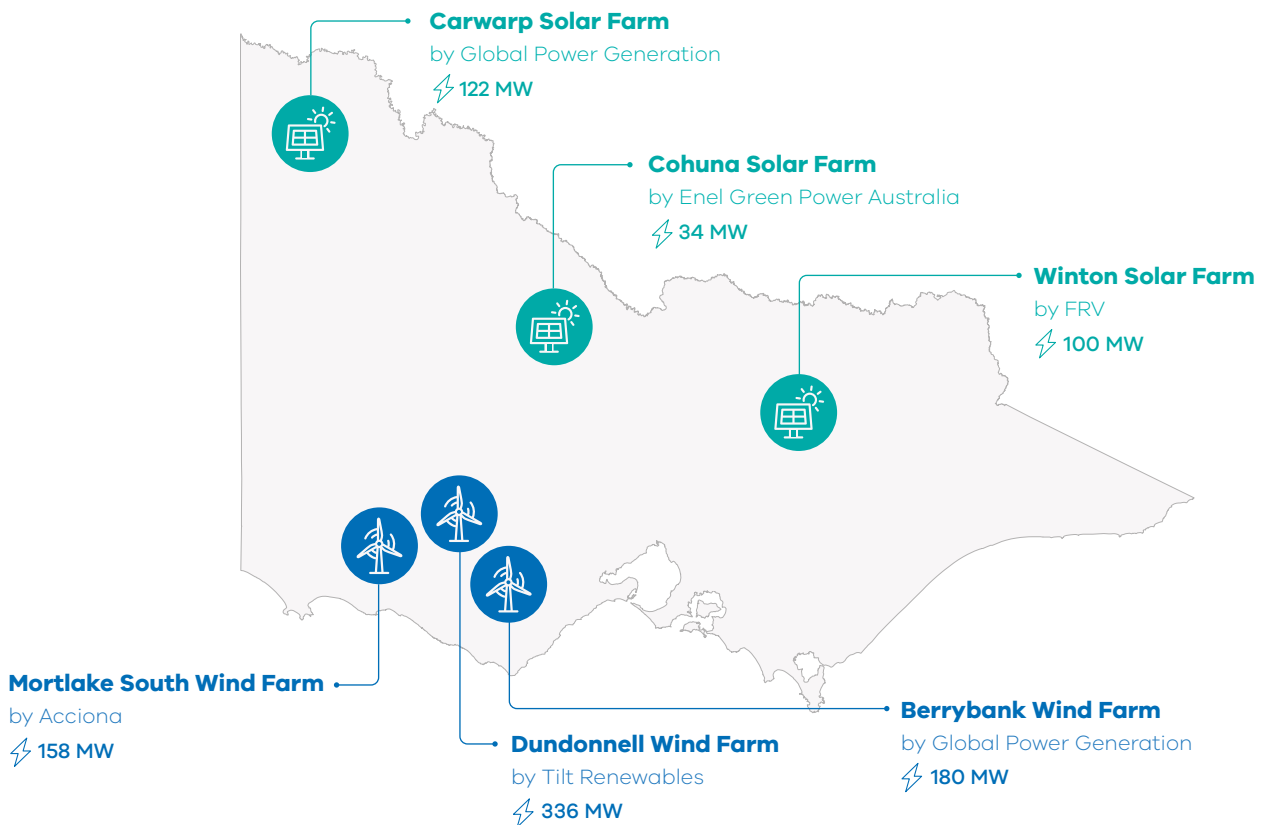
The VRET policy and large-scale renewable energy auctions have and will continue to deliver investment certainty and employment within our State, ensuring a clean energy future and a sustainable economy for generations to come.

Much has already been achieved since Victoria's first guide to community engagement and benefit sharing was published in 2017.

The first VRET auction exceeded its ambitious target of more than 650 MW of new renewable energy generation installed capacity across Victoria (see map page 6).

Successful VRET1 projects are also delivering a range of benefits, through developers' own initiatives, and via their support of programs important to the communities in which they operate. For example, Mortlake South Wind Farm's Neighbourhood Benefit Program provides annual payments to eligible site neighbours via a pre-loaded EFTPOS card. The card can be used at local participating businesses, which incentivises local investment and supports local business owners registered in the program. Winton Solar Farm's Regent Honey Eater Project (see page 15) will result in the site developer planting approximately 11 hectares of priority habitat for the endangered Regent Honey Eater, supporting local biodiversity values and also providing visual screening of the solar farm for neighbouring properties. Dundonnell Wind Farm's Safe Housing Program provides safe accommodation for women and children who have been subjected to domestic violence and feel vulnerable in their usual place of residence.

Figure 1: Successful projects from VRET1



Changing community expectations

Community expectations regarding the level of engagement from developers, and the type of benefit sharing that works for communities, have changed noticeably in recent years.

The rise of community-based renewable energy groups, and the level of experience they and their industry partners bring to local communities, has resulted in a more informed Victorian population. Now, more than ever, people understand the importance of renewables as a clean, reliable source of energy for their communities. They are engaged in conversations about where their energy is generated, how it is stored, its reliability, what it costs and how their specific communities can benefit from both small-scale and large-scale developments. Solar and wind farms, microgrids and battery storage are common topics of discussion at local council meetings and within community groups across our State, as citizens realise the power to change the future of how we generate and store energy is very much in their hands.

Strengthening guidance for renewable energy developers to gain social licence to operate (SLO)

The 2017 version of this guide published for VRET1 helped proponents deliver substantial benefits within the local communities in which they operate and this 2021 version builds on it. It includes detailed information for renewable energy developers in Victoria and can be used to inform project bids for VRET2.

This 2021 guide notes many options for sharing benefits with the community — including co-investment, co-ownership, energy contracts and local supply initiatives — but no single approach is mandated, and innovation is encouraged.

This guide incorporates many of the learnings from VRET1 and was developed following a thorough market sounding and consultation process conducted late in 2020 to inform VRET2 and understand what worked, and what could be improved, from 2017.

This guide also benefits from other, significant pieces of work on leading practice benefit sharing that have been published since 2017, including the Clean Energy Council's (CEC) *"A guide to benefit sharing options for renewable energy projects"*¹.

In Australia and internationally, active community engagement and participation are key to realising local benefits from, and support for, renewable energy developments.

This guide sets the Victorian Government's expectations for leading practice community engagement and benefit sharing across all renewable energy technologies. Sections 1 and 2 provide renewable energy developers with detailed information about community engagement and benefit sharing and explain why both are important to secure a strong SLO. Renewable energy developers are encouraged to draw on local expertise and knowledge to inform their plans, including the experience of Traditional Owner groups and Aboriginal Victorians.

This guide also provides tools which renewable energy developers can use to engage with their communities and build and deliver their benefit sharing programs. Section 3 gives detail on Social Impact Assessments (SIAs) and presents tools, frameworks and other resources. An important change in this 2021 guide is the inclusion of SIAs, replacing the 2017 guide's Social Risk Analysis (SRA). Other important updates include increased emphasis on legacy benefits, diverse approaches to engagement and the Victorian Government's commitment to Aboriginal self-determination.

Renewable energy developers are encouraged to consider the cumulative community impacts of proposed developments in some regions, and look for opportunities which may exist for strategic co-ordination with other developers and/or industry participants.

Documentation for developers to participate in VRET2

Renewable energy developers intending to participate in VRET2 are expected to be transparent about their community engagement and benefit sharing plans and provide their local communities with detail on community benefit sharing initiatives, budgets, timing and status.

Consistent and clear communication, measurement and reporting are part of community and Government expectations for all proponents seeking to participate in VRET2.

As part of their bids, VRET2 project proponents are required to provide the Department of Environment, Land, Water and Planning (DELWP) with a set of documents which demonstrate their understanding of the project's community context and impacts, and set out the project's proposed community engagement and benefit sharing plans.

Community engagement and benefit sharing documentation for VRET2 includes:

1. Social impact assessment (SIA).
2. Community engagement strategy.
3. Benefit sharing program.
4. Monitoring, evaluation and reporting (MER) plan.

VRET2 project proponents are encouraged to provide evidence of their community engagement to date, and local support for their approach. Examples of this evidence can include monitoring and evaluation processes undertaken so far, local submissions during the development application and community survey results. Project proponents may also choose to include letters of support from diverse community stakeholders, but these are optional.

Renewable energy developers who participate in VRET2 will not only contribute to the important work of delivering a clean energy future for Victoria. They will also prioritise meaningful engagement with local communities and develop a good understanding of local priorities and needs, enabling them to build and leave a legacy they can be proud of.

In the process, VRET2 projects and proponents will boost local economies and community outcomes and represent their industry as leaders in SLO. Successful proponents of VRET2 will share and help address local challenges and priorities, becoming a valued part of the communities in which they operate.

¹ Clean Energy Council (2019). A guide to benefit sharing options for renewable energy projects. <https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/community-engagement/guide-to-benefit-sharing-options-for-renewable-energy-projects.pdf>

Section 1

Understanding Community Engagement



1.1 What is community engagement?

Community engagement is the process by which a developer interacts with the community to guide the development of a renewable energy project. It is a general term used to refer to many activities including communication, consultation, participation and co-development.

1.2 Why is community engagement important?

Effective, considered community engagement is fundamental to generating community support for renewable energy development projects. These projects have proceeded rapidly and at significant scale across Australia in recent times, and in some parts of Victoria this has led to localised issues which, when not addressed properly, risk eroding confidence in the renewable energy development sector. Early and ongoing transparent engagement, and a clear benefit sharing plan which is delivered on time and on budget (see Section 2), are the minimum communities expect from renewable energy project developers. For a developer's SLO to remain strong, benefit sharing must be commensurate with the scale of the project and the level of change or disturbance experienced by local people². The cumulative impacts of multiple developments in any one region also need to be factored in by developers.

1.3 Adaptable, flexible engagement plans

As developers' understanding of the local context grows, they should adapt their engagement plans to better reach the community and facilitate more substantial engagement.

Developers also need to consider strategies to respond to emerging issues that may affect community willingness to travel or participate in person at meetings. Due to COVID-19 public health restrictions, projects underway in 2020 are likely to have adapted face-to-face community engagement to online alternatives. Some community members' concern for their health is likely to continue to constrain them from face-to-face engagement.

1.4 What is social licence to operate (SLO) and why is it important?

SLO describes a "level of acceptance or approval continually granted to an organisation's operations or project by the local community"³. The concept has been in common use for at least 20 years, and a lack of SLO, or one that diminishes over time, can have significant impacts on key milestones in a project's development, such as permit approvals.

Across Victoria we continue to see positive examples of developers working closely with their communities to ensure a strong SLO exists. There have been positive trends regarding SLO for wind farms, demonstrated by the low and declining number of complaints to the Australian Energy Infrastructure Commissioner (previously the National Wind Farm Commissioner⁴). Unfortunately, there are also developments which, through poor practices, communication, or outcomes, have damaged their SLO, tarnishing the renewable energy industry's reputation in the process.

1.5 What is community?

As the places we grow up and live, communities shape our sense of identity and values system. For the purposes of this guide, community refers to all the people who live within and identify with the geographic area surrounding the proposed development site. How wide this geographic area extends will depend on local people's identification with significant settlements and towns as well as relative population densities.

Community engagement should occur at the individual and group level via communication methods which are credible and trusted with those people, in that community. Engagement and benefit sharing outcomes should be tailored to the diverse needs and aspirations existing within any community and provide solutions that create shared value.

To increase understanding of the community in which they operate, renewable energy developers could classify community segments (hosts, neighbours, broader community) according to the specifics of the project's location, the community segment's relationship to the proposed development, and each segment's special needs and interests.

² Clean Energy Council (2019). A guide to benefit sharing options for renewable energy projects. <https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/community-engagement/guide-to-benefit-sharing-options-for-renewable-energy-projects.pdf>

³ Boutilier, R. G., and Thomson, I. (2011). Modelling and measuring the social license to operate: fruits of a dialogue between theory and practice. In *Social Licence* (p. 10). Queensland, Australia.

⁴ 2019 Annual Report of the National Wind Farm Commissioner, Commonwealth of Australia 2020.

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1.6 What does leading practice community engagement look like?

A study commissioned by the Australian Renewable Energy Agency (ARENA) describes leading practice community engagement as including an approach tailored to the community's specific needs, that is planned well and early, is flexible and demonstrates the developer's genuine commitment to engagement⁵.

The Clean Energy Council (CEC) says successful community engagement plans for wind farms include⁶:

- Clear goals.
- A description of the community and the relevant issues for the proposed wind farm development.
- A choice of suitable tools for communicating with and interacting with the community.
- Clearly defined roles and responsibilities for company personnel in relation to delivering engagement.
- A timetable of proposed actions and events.
- Identification of the resources that will be needed to implement the plan.

While there is no single best way to engage with relevant communities, a consistent, committed and transparent approach to engagement about, and implementation of, community-endorsed initiatives is critical.

The Victorian Government supports a flexible approach to community engagement, across different projects and technologies, as long as engagement methods and benefit sharing throughout the project's lifecycle and beyond are tailored to local needs, priorities and aspirations.

The factors below consistently contribute to positive social outcomes and community support:

- Engaging early is critical, even before development or planning permit applications are submitted. This was a key factor identified as important to communities as part of feedback gathered from VRET1.
- Integrating the development with local landscape values and local identity (tailoring to local context).

- Completing a social feasibility analysis (e.g. using a social impact assessment to inform benefit sharing programs — see Section 3).
- Ensuring community (especially local) participation in decision-making and design (fair process).
- Sharing the benefits from the development in an equitable way (fair outcomes).
- Building trust and relationships with stakeholders.
- Providing diverse and ongoing opportunities for engagement.
- Delivering regular engagement, preferably face-to-face, but also through other channels such as web, social media and traditional media.
- Prioritising an accessible complaints management process and responding quickly and clearly to feedback.
- Tailoring and adapting engagement for local history, context, priorities and needs.

Leading practice community engagement moves beyond compliance and fosters constructive relationships, trust, respect, and a sense of collaboration. Developers should facilitate meaningful opportunities emerging from effective engagement with local communities, for example to participate in project design and development.

While face-to-face engagement remains an essential pillar of leading practice community engagement, it will be important to consider the implications of public health emergencies such as COVID-19 (or any other issues which may emerge) on project engagement practices.

1.7 Internationally benchmarked participation spectrum

The International Association for Public Participation's (IAP2's) Spectrum of Public Participation positions community engagement approaches along a spectrum from 'informing' through to 'empowering' as described in Table A.

The Victorian Government expects that successful proponents in any VRET auction process will view the 'involve' level as the minimum for eligibility, and proponents are strongly encouraged to move beyond this and demonstrate community 'collaboration' and 'empowerment'.

5 IPSOS (2015). Establishing the social licence to operate large-scale solar facilities in Australia: Insights from social research for industry.

6 Clean Energy Council (2018). Community Engagement Guidelines: For the Australian Wind Industry.

Table A: Approaches to Community Engagement⁷

	Inform	Consult	Involve	Collaborate	Empower
Community engagement objective	Provide balanced and objective information. Assist the community in understanding all aspects of the project, including possible problems/issues.	Obtain feedback from the community on plans, options and/or decisions.	Work directly with the community throughout all stages of the project. Ensure community concerns and aspirations are consistently understood and considered.	Partner with the community in each aspect of planning, development and decision-making, including the development of alternatives and the identification of the preferred solution.	Place decision-making in the hands of the community, so the community leads the development of the renewable energy project.
Promise to community	Keep the community informed through all stages of development, including issues and delays.	Keep the community informed, listen and acknowledge suggestions and concerns. Provide feedback on how input influenced the decision.	Work with the community to ensure concerns and aspirations are directly reflected in the alternatives developed. Provide feedback on how input influenced the decision.	Look to the community for direct advice and innovation in formulating solutions. Incorporate advice and recommendations into decisions to the maximum extent possible.	Implement what the community decides.



Note: Stronger levels of engagement are encouraged and will be assessed favourably.

1.8 Who to engage with?

Stakeholder mapping usually involves creating a visual representation of the community members relevant to the development. It is an exercise that should be undertaken with community input and feedback.

While several examples of stakeholder groups are covered in more detail below, proponents will need to undertake their own stakeholder mapping and ensure they have a clear understanding of stakeholders relevant to their development proposal.

Host landowners, local community energy groups, councils, DELWP regional offices and Traditional Owner groups and Aboriginal Victorians are just some examples of important stakeholders requiring considered engagement as part of regional development projects.

1.8.1 Host landowner engagement – proponent responsibilities

The Victorian Government expects proponents to exhibit leading practice engagement with landowners and ensure commercial agreements for hosting renewable energy projects are fair and reasonable.

For guidance on this, proponents are encouraged to review the discussion and recommendations regarding landowners outlined in the Australian Energy Infrastructure Commissioner's (previously the National Wind Farm Commissioner) 2019 Annual Report.

⁷ International Association for Public Participation (2014). Public Participation Spectrum. Sydney: International Association for Public Participation.

Some key recommendations for proponents include:

- Undertake a transparent negotiation process that involves all potential hosts.
- Manage host expectations on key project features (such as the number and scale of turbines or the area and scale of a solar farm) and be transparent about the risk of changes to the project's scope and layout.
- Ensure any preliminary licence agreements do not bind the landowner beyond the intent and purpose of the agreement. Also ensure agreements are clear and fair regarding renewal or extension terms and include the provision for the landowner to terminate the agreement for cause and at the end of term.
- Consider appropriate compensation to hosts in the event of a reduction in agreed payments (e.g. if the project's layout or scope changes, resulting in a landowner hosting fewer turbines or solar arrays than expected).
- Provide clarity on responsibilities for the costs of increased outgoings as a result of the wind or solar farm, such as insurance, rates, levies, land taxes, duties and other potential costs arising from hosting the project.
- Host landowner agreements to host the project, which are essentially a commercial lease, should be fair, reasonable and written in plain English.
- Proponents should pay reasonable costs landowners incur so landowners can consult appropriately skilled legal, financial, tax and insurance advice before entering into any agreement.
- Landowners should be consulted extensively during the project's design and construction plan development and be provided with key contacts at the developer and/or its contractor to raise and escalate issues that may arise during the project's development, construction and operational stages.
- Agreements should clearly articulate decommissioning responsibilities for the project's infrastructure that is on the land. This includes detail on who is responsible for the "make good" activity and who pays for the costs and the arrangements to ensure that decommissioning funding is set aside and secured so the funds will be available when required.
- Leading practice approaches to negotiations and engagement should also apply to other landowner agreements (such as agreements for transmission line easements, easement access or road access).

1.8.2 Traditional Owners and other Aboriginal Victorians

The culture of Australia's Aboriginal people is one of the oldest in the world, dating back more than 60,000 years. Traditional Owner groups are Aboriginal people who have ongoing traditional and cultural connections to Country. There are also many other Aboriginal people and Aboriginal organisations in regional Victoria with a role to play in self-determination and justice for Aboriginal people.

The Victorian Government is committed to the self-determination of Traditional Owner groups and Aboriginal communities by genuinely partnering with them to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

To this end, DELWP has developed 'Pupangarli Marnmarnepu' (this is Wadi Wadi and Mutti Mutti language for 'Owning Our Future'). It is a roadmap to 2025, to build a better future with Traditional Owner groups and Aboriginal Victorians through systemic and structural change that fully supports Aboriginal decision-making, evaluation and talent-building to inform policy and processes. This roadmap is in line with the Victorian Government's commitment within the Victorian Aboriginal Affairs Framework 2018-2023 and Self Determination Reform Framework.

Developers intending to participate in VRET2 will need to demonstrate they have made meaningful efforts to engage with relevant Traditional Owners and other Aboriginal organisations. Some recommendations to facilitate this engagement include:

- Visiting the Aboriginal Heritage Council website to find out who the Registered Aboriginal Party⁸ (RAP) is for the development location and other information www.aboriginalheritagecouncil.vic.gov.au.
- Contacting the regional DELWP office for guidance on which Traditional Owner groups and other Aboriginal organisations developers may need to work with and how best to engage them.
- Thinking about ways the development could provide social and economic opportunities for Aboriginal people before meeting with them, so there are some clear opportunities for them to consider. This could include designating jobs or apprenticeships as Aboriginal positions and/or contracts for pest and weed management, revegetation, roads and fencing.

⁸ Registered Aboriginal Parties (RAPs) are Traditional Owner groups legally recognised under the Victorian Aboriginal Heritage Act 2006 as the primary source of advice for the Minister for Planning on matters relating to Aboriginal places and objects in their region. This process is usually administered via a Cultural Heritage Management Plan (CHMP).

CASE STUDY

TRADITIONAL OWNER RENEWABLE ENERGY PROGRAM

The \$1.1 million Traditional Owner Renewable Energy Program was launched on 30 November 2020 to support Victoria's 11 Registered Aboriginal Parties (Traditional Owner Corporations) with grant opportunities to articulate their renewable energy aspirations and plans. Each of the State's 11 Registered Aboriginal Parties (RAPs) is eligible for up to \$100,000 of funding.

The program signals the Victorian Government's focus on acknowledging the importance of Traditional Owner representation within the renewable energy sector and encourages participation in the renewable energy transition. The grants will support empowerment and self-determination of Victorian Traditional Owner Corporations and respond to [*Pupangarli Marnmarnepu 'Owning Our Future' Aboriginal Self-Determination Reform Strategy 2020-2025*](#).

Artwork: 'Mirring' by Tom Day



- Appointing a cultural heritage adviser and empowering them to have conversations beyond tangible cultural heritage management. Include senior management in those conversations so they gain a deep understanding of place from a Traditional Owner perspective.
- Working with the Traditional Owner groups to understand the impacts the development might have on culturally significant native plants and animals and intangible cultural heritage, including stories and songlines.
- Recognising the relationship with Traditional Owner groups and other Aboriginal organisations is long-term and decision-making will take place at their pace.
- Understanding that Traditional Owner groups often experience significant requests for engagement, to the point where some groups have experienced engagement fatigue.

Developers should take the time to understand how Traditional Owner groups and other Aboriginal organisations would prefer to be engaged, to ensure they don't contribute to engagement fatigue.

1.8.3 Local government

Local governments play an important role within their jurisdictions to potentially shape development proposals so they better achieve broad-ranging community benefits and mitigate foreseeable negative impacts for developers and the community.

Councils are in touch with their communities and understand historical experiences, the current environment, issues and opportunities. They are often the first place community members go to learn more about a proposed development or express concerns.

Local councils understand the needs and aspirations of their community and have often already given strategic thought about how to achieve them. Their input is particularly valuable when developing long-term community benefit initiatives given the context they can provide as elected officials who are integrated within their communities, and passionate about them.

Local governments also manage programs in Victoria where renewable energy generation projects are required to make an annual payment in lieu of rates (PiLoR). The amount paid is based on a pre-specified formula or reached by negotiation. More information is available on the Victorian Government's website www.energy.vic.gov.au.

1.8.4 Community energy groups

The proliferation of informed, innovative and organised community energy groups across Victoria has been driven by the increasing decentralisation of the energy sector and rising engagement by communities in climate change impacts. Consumers want more control of where and how their energy is generated, its reliability, accessibility and equity, and what it costs them.

Consumer energy groups are well-networked and informed, they have clear aspirations and targets, and many enjoy significant local support. They want to contribute to the bigger picture of addressing climate change and building a sustainable, equitable and self-reliant future. This makes local community energy groups a significant stakeholder in any proposed development, particularly as part of building and implementing community engagement and benefit sharing plans.

1.9 Engagement approach

1.9.1 Social feasibility

There are many social factors that need to be considered throughout a project's development cycle. Social feasibility is about understanding, minimising and offsetting the risk of negative social impacts across a project's lifecycle.

The Victorian Government recommends that renewable energy developers approach social feasibility with the same attention and diligence given to technical and economic feasibility. Leading practice renewable energy development requires that SLO, and analysis tools such as the SIA, are integrated in key proposed development considerations and investigations, alongside requirements for technical and economic analysis.

1.9.2 Fairness in the process

Fairness in the development process requires making sure local people have meaningful opportunities to influence the design and outcomes of a development.

This level of involvement includes ensuring opportunities exist for locals to participate, with access to balanced information and having their ideas considered. A fair process requires that decisions be "responsive to information and correctable in the face of new information"⁹.

Early engagement is key, and a fair process is supported by opportunities for group discussion and a clear, transparent feedback process.

For key decisions to be perceived as fair, they need to contain genuine community input, gathered from considered engagement, via two-way consultation. Given this, it is useful for developers to consider what decisions are genuinely available for community input and to communicate these early to the community.

Community involvement in a renewable energy project's design phase can be an important way to engage and can involve seeking ideas and suggestions on matters important to the community.

Establishing a community reference group (CRG) is one way to help ensure effective community input and demonstrate fairness in the process. CRGs can bring together a range of representatives from the community to provide ongoing dialogue, input and feedback between the community and the developer.

To be effective, CRGs must have clear terms of reference, clear representative roles and membership criteria, and a transparent appointment and communication process. CRGs should supplement, but not replace, engagement with the broader local community.

1.9.3 Fairness in the outcomes

Benefit sharing within communities needs to be flexible, relevant to the local community's priorities and aligned with the project's scale.

There is also an important link between fair process and fair outcomes. A fair process will increase people's acceptance of the outcomes, even if the outcomes are not strictly what they would have preferred. Conversely, and particularly for benefit sharing, if the outcomes are at odds with people's expectations and experience of the process, it can reduce acceptance.

Perceptions of fairness relate to how the benefits (financial and otherwise) are distributed relative to the potential impact of the project on the local community. In particular, perceptions of 'haves' and 'have-nots', equity and scale of benefit sharing all influence how benefits are received by the community.

⁹ Gross, C. (2007). Community Perspectives of Wind Energy in Australia. The application of a justice and community fairness framework to increase social acceptance. *Energy Policy*, 35(5), 2727-2736.

CASE STUDY

ADAPTING STAKEHOLDER ENGAGEMENT IN A CHANGING WORLD

FRV's 100 MW Winton Solar Farm project near Benalla in Victoria will provide clean energy to over 52,000 homes when completed. In 2020, the project's stakeholder and community engagement plans faced significant challenges with COVID-19 restrictions limiting options for face-to-face meetings with individuals and groups. State border closures within Australia also meant FRV had to look for alternative ways it could engage effectively, but also remotely.

Navigating the implications of Australia's COVID-19 restrictions, while continuing to build relationships with its key community members, was an important objective for FRV, and it required flexibility and a modified approach. The company turned to online meetings and virtual community outreach initiatives. FRV commissioned a photographer to take regular site images in a COVID-19 safe environment and shared these with their stakeholders via monthly construction updates. FRV also engaged an artist to produce a visual render of the site to create a better understanding of what the completed project would look like.

FRV also worked with existing, trusted community groups to use their social media and web channels to post jobs notifications, project updates and respond to questions. FRV's choice to use existing online channels – and not develop its own digital presence – followed research into specific socio-cultural characteristics within the local community.

This research identified the community's preferred information channels and online connectivity rates. It also helped shape FRV's chosen social benefit and community partnerships and confirmed the value of FRV's efforts to make a genuine, positive difference at a local level.

FRV also looked for opportunities to get involved with local projects which were of high importance to the community. FRV worked with the Regent Honeyeater Project to help create habitat corridors for endangered species via tree planting and focusing on how nearby flora and fauna was managed. This also gave FRV the chance to access the Honeyeater Project's impressive local and regional knowledge to inform its own project needs – such as suitable species for solar farm buffer plantings. The collaborative approach taken ensured feedback and information of FRV's development activities was continually shared with the Honeyeater Project's membership base, many of whom are local to the area.

A clear understanding of local community groups and priorities, and a focus on two-way communication, relationships and network building, meant that despite the challenges presented by COVID-19, FRV's SLO was not compromised.

Photo credit: FRV



1.9.4 Trust and relationships

Trust is an important factor to build and maintain strong community support and SLO. If a developer and the project are seen as legitimate, there can be acceptance of the project. If a developer and the project are seen as both legitimate and credible, then they can experience approval¹⁰. If people trust the developer and the project, this can lead them to identify positively with the project and integrate it within their sense of “community and place”¹¹. At this point, a developer and project can experience strong community support and potential advocacy for the project, which can dramatically reduce the project’s social and political risk.

Community trust in a developer is further enhanced if an accessible, effective complaints management process is prioritised as part of the developer’s community engagement strategy. It is common for communities not to know who to contact with concerns or complaints, and this can significantly impact a project’s SLO and the level of trust between communities and developers.

1.9.5 Local-facing project staff

Local-facing project staff and a regular presence in the community are key determinants of positive social outcomes and can increase a project’s social acceptance. The most effective way to engage locally will vary according to the type of technology, scale and stage of the project, and its context within the local community.

Face-to-face engagement, while preferred, is not always an option, and this has been evident during the COVID-19 pandemic when social distancing and lockdown restrictions are in effect in Victoria. Developers who could adapt successfully to these unique circumstances have been able to continue with their important community engagement work. The Winton Solar Farm case study is a good example of this type of adaptation.

1.9.6 Reinitiating community engagement on inactive projects

Inactive projects are those that acquired development approval and are essentially “shovel ready” but have been dormant for some time, usually while financing arrangements are finalised. Proponents undertaking this type of project should

reflect on what community engagement has been actioned to date and ensure (through deliberate research, engagement and analysis) that SLO and trust are re-built and maintained when the project continues.

Reinitiating a dormant project will most likely require the developer to update or prepare a new community engagement strategy that reflects current community context and consultation preferences. The developer will also need to review and potentially scale-up community engagement and social performance activities (such as social impact management and benefit sharing) to support the project’s reinitiation.

1.9.7 Considering cumulative impacts

It is important that developers consider the cumulative nature of community impacts within a region when undertaking a renewable energy project. These impacts can include visual amenity, noise, traffic and the cost and availability of regional accommodation, goods and other services (like local construction costs).

When cumulative impacts occur, social acceptance is impacted and proponents must take a sensitive, considered “whole of development” approach. This includes initiating and maintaining constructive dialogue with relevant councils, local community members, traders and service providers, other renewable energy developers, network service providers, regulators and energy retailers who operate and trade in the region.

The impact of large-scale renewable energy developments on regional towns can be significant and long-lasting. Proponents should engage constructively and effectively with local providers of goods and services to support the local economy and, where possible, avoid short or long-term cost impacts. A robust local procurement policy is an important way for developers to put the local economy first, and support its ongoing sustainability.

Proponents seeking to engage with communities in areas which have or will be impacted by cumulative development need to understand this, and look for opportunities to boost community benefit, and minimise negative impacts. There is also an opportunity for developers to work with each other to strategically co-ordinate community benefit sharing and maximise positive impacts.

¹⁰ Credibility refers to the “(perceived) quality, validity and scientific adequacy”; legitimacy refers to the “(perceived) fairness and balance of the community engagement processes, including inclusiveness of other stakeholders, transparency, fairness in handling of diverging values, beliefs and interests” from Sarkki, S., Niemelä, J., Tinch, R., van den Hove, S., Watt, A. and Young, J. (2014). ‘Balancing Credibility, Relevance and Legitimacy: A Critical Assessment of Trade-Offs in Science-policy Interfaces’. *Science and Public Policy* 41 (2): 194–206.

¹¹ Referred to as “psychological identification” from Boutilier, R. G., and Thomson, I. (2011). Modelling and measuring the social license to operate: fruits of a dialogue between theory and practice. In *Social Licence* (p. 10). Queensland, Australia.



CASE STUDY

CO-ORDINATION OF COMMUNITY FUNDS PILOT ACROSS REZs

The purposeful development of renewable energy zones (REZs) across Victoria will be key to the State's energy generation shift from traditional generation sources, such as coal, to renewables. The Australian Energy Market Operator (AEMO) has identified six areas in the State (REZs) which contain an abundance of quality renewable energy resources (such as solar and wind) and existing or potential system strength given their proximity and ready access to electricity transmission assets. Apart from enabling Victoria to achieve its reduction in emissions targets, the strategically planned development of renewable energy generation in these REZs will result in furthering regional economic development goals, and significant benefit to communities via increased community benefit sharing.

A more co-ordinated, strategic approach to community benefit sharing, where money is "pooled" to fund more substantial, regional projects within the REZ, is an idea that has a great deal of potential, says the National Director of RE-Alliance, Andrew Bray.

If not managed properly, REZ development could result in significant cumulative impacts for local communities, including noise, visual amenity, traffic, road infrastructure, impact on local services and accommodation, and environmental impacts.

Following meetings with stakeholders in several REZs across the country, RE-Alliance saw an opportunity to help communities in REZs, by acting as a co-ordination point for a more strategic approach to benefit sharing.

Andrew explains, "We work to ensure the renewable energy industry engages effectively with communities and delivers significant community benefits."

The establishment of a co-ordinated fund model came out of this work. The idea is pretty simple at its heart – when multiple renewable projects and impacted communities work together, they can fund more strategic and ambitious community projects and services.

"The model we are developing aims to strategically identify and deliver projects that will maximise community outcomes. A combined funding vehicle that sees individual community benefit funds pooled together would allow renewable projects to continue attending to local needs while also opening up significant regional initiatives across the life of these renewable energy projects, and beyond. These are 25-30 year assets, so there is a lot of potential to make a real difference in regional areas with appropriate governance, co-ordination, planning and use of community benefit funding. For example, pooled funds can give community groups significant 'starter capital' they can leverage to access larger government grant programs for significant, community-based projects," says Andrew.

RE-Alliance is an environmental not-for-profit, partly funded by wind industry donations but with an arm's length relationship to the industry. RE-Alliance promotes renewable energy technologies with the objective of thinking and acting creatively, and working with communities to ensure there is a strong social licence for renewable energy developments.

While RE-Alliance's work is at an early stage, there is opportunity to apply it across the various renewable energy technologies and REZs around Australia and find new ways to ensure communities benefit from the commitment of responsible, ethical renewable energy generation development.

Section 2

Understanding Community Benefit Sharing



2.1 What is community benefit sharing?

Australia's Clean Energy Council (CEC) defines community benefit sharing as "sharing the rewards of renewable energy development with local communities. It aims to integrate a development in 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"¹².

2.1.1 General community benefits versus neighbour benefits

The CEC differentiates between general community benefits and neighbour benefits:

- General community benefits under a benefit sharing strategy might be based on Local Government Area (LGA) boundaries, postcodes or a geographic radius from the project.
- Neighbour benefits are usually offered according to proximity to the renewable energy infrastructure. They can include a blanket offer to anyone within a certain radius, or graduated benefits that decrease with the distance from project infrastructure. In the latter model, benefit sharing is based on concentric circles around project infrastructure.

Both neighbour benefits and general community benefits need to be tailored to those specific groups' needs and the development's impact. Tilt Renewables' mini-grid program at its Dundonnell Wind Farm, combined with its broader reaching community-based programs, provide an excellent example of neighbour and general community benefit sharing.

2.1.2 Direct and legacy benefits

Direct benefits are immediate, transactional, and straightforward, responding to what an impacted community wants and providing immediate wins for the proponent's reputation and SLO. These benefits are expected by regional communities, and are a minimum standard for renewable projects in Victoria.

Legacy benefits are described by the CEC as "delivered in partnership with local organisations and are larger and longer-term programs aimed at delivering strategic local benefits to a local community"¹².

2.2 Why is benefit sharing important?

Sharing the benefits of infrastructure development can enhance the social and economic outcomes for the local community and build community support.

Effective benefit sharing should create mutually beneficial outcomes for both the impacted community and developers. A fair process must accompany the design and delivery of a benefit sharing program for it to be well received.

A well-designed benefit sharing program that is tailored to the local context is good value for any project. Aside from increasing support for the project, it can lower complaints and the time and costs associated with handling them and minimise project approval delays.

¹² Clean Energy Council (2019). A guide to benefit sharing options for renewable energy projects.



Photo credit: Tilt Renewables

CASE STUDY

DUNDONNELL WIND FARM

Internationally and within Australia, the wind energy development sector has used a variety of contextually appropriate benefit sharing programs which have been shown to increase people's support for nearby wind farms¹³.

In March 2020, the 336 MW Dundonnell Wind Farm, located 70 kilometres north-east of Warrnambool in Victoria, became the first of the VRET1 projects to generate electricity. The Dundonnell Wind Farm also exemplifies the many positives resulting from considered and consistent community engagement and benefit sharing.

Site developers Tilt Renewables were the proud recipients of the Clean Energy Council's 2020 Community Engagement Award for their extensive benefit sharing plan for their Dundonnell Wind Farm, which was tailored to very specific short-term, medium-term and long-term community needs. The plan was deliberately agile and multifaceted, as Tilt Renewables Executive General Manager Clayton Delmarter explains:

"When we asked our neighbours in 2018 what they would like to see as direct benefits from the project, one of the more common responses was cheaper electricity prices – a request which made sense to us. Having a wind farm nearby, and not seeing any reduction in your power bills, is a frustration for many regional communities. Our mini-grid program was an opportunity to address this."

Tilt Renewables' mini-grid program entitled eligible property owners to a renewable energy generation installation at their property, consisting of a customer-designed solution based on their energy use, connection and available solar resource. System elements included solar PV, a suitably sized battery and a smart meter at a discounted price.

The company subsidised each system with a lump sum payment of up to \$15,000 per installation. The program was initially offered to 35 dwelling owners (those within five kilometres of the wind farm), with a plan to progressively extend it further out if any of the first round property owners declined to participate. Tilt Renewables also offered to fully fund a solar PV and battery system for the Dundonnell Country Fire Authority, however upon further consultation, a contribution of \$30,000 was made in lieu of inclusion in the program.

Aside from the mini-grid initiative, Tilt Renewables looked for other, meaningful ways to provide community benefit. The company is funding a dedicated staff member for 10 years as part of a regional suicide prevention program, and has contributed \$500,000 towards the construction of safe housing for local domestic violence victims and their families.

Additionally, as part of the benefit sharing plan, Tilt Renewables included a road safety fund to address local traffic issues, established a community fund and looked for local education opportunities to support further education and training for all ages.

During the wind farm's build, Tilt Renewables encouraged its construction partners to procure locally wherever possible. This supports the community, by using local labour, materials, transport, accommodation and food, but it also makes sense in terms of efficient project delivery. The company has focused on providing regional support before and during the wind farm's construction, creating a positive, lasting legacy into operational life.

¹³ Fast and Mabee 2015; Walter 2014; Gross 2007; Ashworth, and Shaw 2012; Ernst and Young 2015; Also: Aitken, M. (2010). Wind Power and Community Benefits: Challenges and opportunities. *Energy Policy*, 38(10), 6066–6075; Baxter, J., Morzaria, R., and Hirsch, R. (2013). A Case-control Study of Support/Opposition to Wind Turbines: Perceptions of health risk, economic benefits, and community conflict. *Energy Policy*, 61, 931–943; Bidwell, D. (2013). The Role of Values in Public Beliefs and Attitudes Towards Commercial Wind Energy. *Energy Policy*, 58, 189–199; Howard, T. (2015). Olivebranches and Idiot's Guides: Frameworks for community engagement in Australian wind farm development. *Energy Policy*, 78, 137–147.

2.3 What form can benefit sharing take?

Benefit sharing can take many forms, and the CEC's *"A guide to benefit sharing options for renewable energy projects"* (2019) is an excellent resource for proponents to understand more about what options are available. The guide is available at www.cleanenergycouncil.org.au.

Importantly, benefit sharing, including any direct payments, should not impact or replace the ability for community members to later raise complaints or request screening or noise monitoring. Any such clauses or agreements in relation to benefit sharing initiatives can negatively impact the ability for an agreement to be met, and reduce the level of trust between neighbours and the developer.

2.4 Benefit sharing goes beyond compliance

Importantly, compliance activities and impact mitigation are different from community benefit sharing. Ensuring a project is compliant is a core part of the planning, construction, operation and decommissioning project stages. It is expected that renewable energy developers document any compliance-related activities that are aimed at avoiding or minimising impacts on the community, for example via their SIA.

Impact mitigation and minimisation activities that go beyond compliance will be viewed favourably. DELWP recognises that compliance activity which goes beyond basic requirements can contribute significantly to a project's SLO. Accommodation plans and undergrounding of transmission lines are two examples of impact mitigation initiatives that are not benefit sharing, but are still likely to have a significant, positive impact.

The required level of any benefit sharing program will ultimately depend on community needs and aspirations, the type of technology, scale of project, and project location.

An informed approach to benefit sharing

Developing an effective benefit sharing program is closely related to a proponent's community engagement approach. Each subset of the impacted community — hosts, neighbours and the broader community — must be given the opportunity to influence how benefits will be shared, and the process and outcomes must be fair and transparent.

Benefit sharing should be:

- Framed as an offer by a responsible neighbour to a valued community, rather than as a form of compensation.
- Led by quality community engagement and offering benefits early in the development process with "no strings attached", so the benefits are not seen as a 'tack-on' at the end. Failure to do this risks the community perceiving the benefit sharing as buying support for the project.

CASE STUDY

COONOOER BRIDGE WIND FARM

Windlab's Coonooer Bridge Wind Farm is a 19.6 MW project located in Buloke Shire's farming district, about 90 km north-west of Bendigo in Victoria.

Drawing on research from the CSIRO and its own experience, Windlab identified Coonooer Bridge as an opportunity to pilot a new approach to community engagement for the wind industry.

The host landowners were consulted, and helped to develop a scheme under which landowners within three kilometres of the project were granted equity, as well as the opportunity to invest directly in the project. This approach was implemented alongside more traditional approaches, including a community grant scheme.

Windlab also provided ongoing face-to-face engagement via project development staff visiting the site regularly to convene group discussions with hosts and neighbours. The information gathered through this process contributed to the strengthening of local relationships and better social acceptance.

Working closely with local hosts and neighbours to deliver fairer outcomes contributed to timely progression of the project — much faster than the industry average. The significant community support also led to higher overall project value, minimal objections, and Coonooer Bridge Wind Farm being recognised through a community engagement award by the Clean Energy Council.

Photo credit: Windlab Pty Ltd.



2.5 Economic development and community benefit sharing

Local investment in large infrastructure for renewable energy developments provides significant regional opportunities for jobs and economic activity, directly through a project's operations, and indirectly through the sourcing of goods and services. These opportunities drive SLO and provide interlinked social and economic benefits.

However, it is important to recognise that from a community's perspective, a valuable benefit sharing program will be more than transactional. It will also understand and respond to a community's needs and aspirations, for example by upskilling the local workforce and creating opportunities for local disadvantaged groups through social procurement.

There are two sets of benefits which will be considered as part of VRET2 evaluation — economic development benefits and community benefits — and there is potential for overlap between these two. For example, local job-readiness activities can count towards social procurement expenditure and benefit sharing.

Proponents for VRET2 are encouraged to reflect local jobs, procurement and investment activities in both their local industry development plan and their community engagement and benefit sharing plan. The independent evaluation panel for VRET2 will have the flexibility to assess where a particular program best fits and consider its merit from both a community benefit perspective and an economic development perspective.

2.6 Approaches to benefit sharing

2.6.1 Local jobs and procurement

Local job creation and service delivery is of key importance to most host communities. It is critical for developers to work closely with local communities and ensure plans are transparent, and communities have significant lead time to understand and make the most of benefit sharing opportunities presented to them. Tips from high performing projects in VRET1 includes developers:

- Holding contractors to the same local procurement standards as they are committed to.
- Communicating early about opportunities that will be available at each stage of the development cycle and promoting these through multiple communication channels.
- Making sure communication channels are fit for purpose for the community.
- Ensuring transparency in the process, particularly when communicating budgets and realistic timelines.
- Providing briefings or training to support local suppliers' ability to be part of the development.
- Discussing with local providers how to develop education opportunities to encourage skill development.
- Training local people for ongoing employment in maintenance and operation of projects.

2.6.2 Sponsorship and community benefit funds

Sponsorship and community benefit funds, including grants and donations, can provide direct and legacy benefits and are often popular within local communities. The level of sponsorship can start early (for example at site selection stage), giving developers the opportunity to build brand awareness, and increase their commitment over time once a project is operational and embedded in the community.

The most effective way to set up a community benefit fund is to involve local community members in its management and governance. Innovation outside the typical grant or donation framework is welcome as part of VRET2.

2.6.3 In-kind contributions (employee volunteerism)

Examples of in-kind contributions include companies providing knowledge, labour and equipment free of charge to assist the local community with projects that might require their expertise.

This type of support can involve, for example, a developer directly assisting the local community to build a small-scale community energy project. The developer can use their existing skills and networks to fast-track development and support of the project.

Another approach is contractor engagement in other local projects during the renewable energy development project's construction phase. This can take the form of the proponent supplying expertise, knowledge, labour and materials to support the actual construction of an important local community project. It can also be via formal mentorship programs, education or upskill sessions or sharing industry or leadership insights via public speaking sessions at local schools or TAFEs.

There are many good, relatively simple ways a developer's employees can share their knowledge with and support their local community, and the VRET2 process encourages this type of benefit sharing.

2.6.4 Think innovation

Innovation can be at the heart of community benefit sharing. Some examples of benefit sharing where developers have thought outside the square include:

- Electricity retail offers for local individuals, businesses and community groups.
- Carbon offsets being made available via large-scale generation certificates, to help boost the green credentials of local businesses.
- Pursuing energy tourism where individuals and groups (such as school groups) can visit large-scale renewable energy projects, see how they operate and understand their history and contribution in the local community.
- Looking for innovative ways to raise capital, including co-investment and co-ownership with the local community. Co-investment or co-ownership can empower communities to participate in the renewable energy transition and create greater community wealth and assets. Research from the US and Germany has shown that community co-ownership increases the local economic benefits of wind energy projects by 3.5 to 8 times compared with projects that are absentee-owned¹⁴.

The Sapphire Wind Farm case study highlights the significant impact co-investment models can make. The success of the Sapphire Wind Farm has led several renewable energy developers to actively explore this innovative model.

¹⁴ Lantz, E and Tegen, S. (2009). Economic Development Impacts of Community Wind Projects. A Review and Empirical Evaluation. Conference paper. National Renewable Energy Laboratory.



CASE STUDY

SAPPHIRE WIND FARM

The 270 MW Sapphire Wind Farm in New South Wales is a joint venture between CWP Renewable and Grassroots Renewable Energy Trust. It is located on broad acre agricultural land along a series of hills to the north of Gwydir Highway in the New England region.

Their approach to community engagement and benefit sharing has focused on building long-term community support for the project, with a plan including:

- Opening the wind farm up to public community investment. The first of its kind for a large-scale, commercial wind farm, the investment model was co-developed with the community and was implemented through a partnership with DomaCom Australia, an online fractional investment platform. The project received \$7.5 million in local community pledges and officially opened for investment in 2019.
- Joining forces with the project's three principal contractors (Vestas, Zenvion and TransGrid) to collaborate, co-fund and co-deliver a range of community infrastructure projects during the construction period. The community was invited to submit applications for small-scale infrastructure projects that have long-lasting, sustainable benefits.
- Creating a \$3.75 million community benefit fund, with the money to be invested over 20 years and funds administered by a committee made up of community members and the Inverell Shire Council. The fund aims to enhance and enrich community initiatives through financial contributions such as equipment purchases, facility construction, renovation and rehabilitation projects and new programs, and special funding for initiatives or programs that will enhance the community's quality of life and wellbeing.

Section 3

Tools For Enhancing Social Licence To Operate (SLO) Outcomes



3.1 Introduction

This section provides renewable energy developers with a range of tools and directs them to other useful resources. It outlines documentation requirements for VRET2, but the tools within this section can be applied more broadly to enhance the ability of any renewable energy projects to deliver positive social outcomes.

3.2 Social Impact Assessment (SIA)

In the 2017 guide for VRET1, Social Risk Analysis (SRA) was included as a tool for proponents to identify and understand what was important to the community. This updated edition of the guide recommends proponents use a SIA to identify and evaluate development impacts on the host community. A project's SIA should inform the preparation of the community engagement strategy, benefit sharing program, and MER plan.

SIA is considered a more appropriate tool because of its broad industry application and the wealth of guidance material available. SIA is also more applicable because it captures both beneficial and negative impacts, as well as direct, indirect and cumulative impacts, under a consistent and internationally accepted framework.

For VRET2, the guidance for the SIA process outlined in this section has been tailored by DELWP. The guidance in this section draws on agreed principles and frameworks used by the International Association for Impact Assessment (IAIA)¹⁵.

Community engagement and benefit sharing plan documentation

A detailed community engagement and benefit sharing plan should include the following:

1. **Social impact assessment (SIA).**
2. **Community engagement strategy.**
3. **Benefit sharing program.**
4. **Monitoring, evaluation and reporting (MER) plan.**

3.3 What are social impacts?

Social impacts in the context of SIAs include all issues associated with a renewable energy project that affect local and regional communities, both directly and indirectly in a positive or negative way¹⁶. The impacts can be perceptual or physical and can be felt by individuals, families, social groups, workplaces and other segments of the community.

Social impacts are changes which occur to communities (as a result of the project) to one or more of their:

- Quality and way of life.
- Health, safety and wellbeing.
- Livelihoods or economic prospects.
- Access to cultural resources.
- Community services, infrastructure and social values.

Impacts may include those which occur as a direct or indirect result of the development process, but also result from cumulative impacts of the development in conjunction with other projects. Cumulative impacts (particularly in regional areas which attract multiple renewable development proposals because of their favourable location in terms of renewable energy resources) should inform any proponent's project plans, management plans and community benefit sharing programs.

¹⁵ Additional guidance and tools are available online at IAIA's Social Impact Assessment Guide. SIA guidelines from other Australian states can be referenced at New South Wales: <https://www.planningportal.nsw.gov.au/Social-Impact-Assessment> and Queensland: <https://www.statedevelopment.qld.gov.au/coordinator-general/strong-and-sustainable-resource-communities/social-impact-assessment>

¹⁶ Vanclay, F., Esteves, A. M., Aucamp, I., & Franks, D. (2015). Social Impact Assessment: Guidance for assessing and managing the social impacts of projects. Fargo ND: International Association for Impact Assessment. Page 2.

3.4 SIA documentation required for VRET2

In line with international and Australian SIA guidance, it is expected that renewable energy developers participating in VRET2 include the following as part of their SIA:

a. Community context and profile – describes the community and region's characteristics, informed by consultation and desktop research. Provides a baseline against which potential project impacts can be measured across the project's life. It can include a narrative description of the community, demographic and socio-economic statistics and data, a summary of the main issues raised by the community to date during development consultations, a summary of previous community experience of major projects, and notes on primary and secondary sources used.

b. Community map – map showing the project's locations, including information relating to which LGA(s) the project sits within, nearby towns or communities, and nearby sensitive receivers (such as private residences, community buildings, and community recreational areas that may be impacted by the project).

This information can be complemented by a series of maps to provide detail about key natural and built assets of value to the local community that will likely be impacted by the project. Examples include Aboriginal heritage sites, other historic heritage sites, environmental assets and natural resources, and public infrastructure.

c. Social impact stakeholder identification – identifies stakeholders who may be impacted by the project. Proponents should take the time and care to develop a comprehensive list of their regional stakeholders. Some ideas of the types of stakeholders to include are outlined below, but this list is not exhaustive, and proponents will need to understand their communities and develop a stakeholder list which is effective and relevant to their area.

- Local landholders and residents.
- Near neighbours and neighbourhoods.
- Local government representatives and State and Federal MPs.
- Traditional Owners and other Aboriginal groups.
- The Country Fire Authority and other volunteer, not-for-profit or for-profit community service groups.
- Schools, TAFEs and universities.
- Local businesses and service providers including the local tourism and hospitality industry.
- Community sustainability and energy groups.

d. Identifying impacts – an initial evaluation of likely direct and indirect social impacts (both positive and negative) from the project on communities and stakeholders. Community member participation in this part of the SIA is highly encouraged, and this section should cover at least potential impacts to:

- *Community quality and way of life (including community cohesion).*
 - For example, community cohesion could be negatively impacted through payments to landholders versus the rest of the community. A community's way of life may be positively impacted by benefit sharing opportunities provided by the project.
- *Local culture, heritage, and ability to access cultural resources.*
 - For example, this could include impacts to Aboriginal and non-Aboriginal heritage.
 - This would also include how the project may affect Traditional Owner groups' and Aboriginal stakeholders' connection to Country, which affects their identity and sense of place.
- *Community access to, and quality of, infrastructure, services and facilities.*
 - For example, construction impacts to roads, or workforce impacts to availability of local and affordable accommodation and/or on local medical and emergency services.
 - It could also include how the development could facilitate local critical infrastructure, for example through upgrades to the local grid.
- *Community safety, physical and mental health and wellbeing.*
 - For example, this could include increased road traffic during project construction reducing road safety, or any stress caused to landholders by project land access negotiations.
- *Livelihoods and economic prospects.*
 - For example, this could include how jobs, properties or businesses are affected. It could also include how the project may contribute to local and/or regional economic development through employment and supply opportunities.

- *Social values associated with natural and built assets.*

- For example, the project could impact natural and built assets valued by the local community, such as: groundwater and watercourses, biodiversity (flora, fauna, habitat), amenity (noise, visual), traffic and transport routes, agricultural areas, recreational areas and landscapes.
- The project could also create a positive impact by augmenting social values through its project benefit sharing strategy, for example, investment in a local wildlife program that facilitates biodiversity conservation.

- e. Evaluating impacts** – describes the extent, nature and duration of each of the identified project social impacts, as well as each impact's significance for the local community (insignificant, minor, medium, high or transformational/severe), and how likely the impact is to occur (likely, possible, unlikely)¹⁷.

The impacts are measured against the baseline in the community profile, and assessed using relevant, established qualitative and/or quantitative methods. It is important to also consider the severity and significance of any cumulative impacts on the community.

- f. Documenting measures to address/manage impacts** – details how the project will address the impacts identified. This can include changes to the project, incorporating relevant actions in management plans to avoid, minimise or manage potential negative social risks and impacts, and opportunities to maximise the beneficial impacts. Approaches generally fall under the categories of mitigate, minimise, monitor, or no further action, focusing on impacts that the proponent is able to address.

More information on SIAs can be found in the IAIA's Social Impact Assessment Guide. In Australia, the New South Wales and Queensland state governments have also developed SIA guides¹⁸.

3.5 Preparing a community engagement strategy

A community engagement strategy captures engagement throughout the project's development phases. It includes key principles, desired outcomes, engagement methods, plans for responding to complaints and feedback, and evaluation. The most effective community engagement strategies are those which are developed with members of the local community.

Community engagement strategies should identify key stakeholders — including anyone with a potential interest in the project — whether they are individuals, businesses, governments, or organisations. Stakeholder identification for the purpose of a community engagement strategy should include documentation of each stakeholder's anticipated interests in relation to the project, and the different ways and different times the stakeholder may want or need to be engaged.

The outline for a community engagement strategy is presented in Table B. Some key matters for proponents to consider with their community engagement strategy include:

- What is the desired level, role and purpose of engagement? Refer to Table A, Section 1.
- Who needs to be involved, why and how?
- Will the proponent form a CRG or advisory committee with representative stakeholders of the local community? The answer to this should be 'yes', unless there is a valid reason why a CRG or advisory committee would be inappropriate.
- Has the site development process been clearly communicated and has the community had input into the process?
- Are the project surveys and plans (e.g. cultural heritage, biodiversity, transport) robust enough to withstand community scrutiny? Are they of sufficient quality and do they demonstrate a comprehensive understanding of the local area?
- Is the community being engaged appropriately, with diverse methods, a focus on education, information, feedback and, where possible, direct or face-to-face engagement, such as site visits?

¹⁷ The NSW Social Impact Assessment Guide and Technical Supplement provides sample tables to record assessments of social impacts.

¹⁸ NSW's Social Impact Assessment Guide and Technical Supplement, and Queensland's Social Impact Assessment Guide.

- How will stakeholders be engaged through different project stages? Has the proponent prepared an engagement schedule that indicates the timing of consultation activities?
- How will community input and feedback feed into project design and decision-making? How can engagement be used to develop a more robust, appropriate and supported project?
- Who will be the community liaison? Are they appropriately trained? Are they locally based?
- Are communication materials clear and engaging? Do they cover topics and answer questions of interest to the community?
- Is there clear information about the types of services and jobs required for the project? Is there a pathway for local people to register their interest?
- Are the project's details transparently available on a website, including visual simulations, project timeline, planning documentation, and technical or environmental impacts, and an accessible complaints management system?
- How will proponents engage with the relevant Traditional Owner groups and Aboriginal Victorians?
- How will proponents connect with important, but marginalised or difficult to reach sections of the community?
- What one and two-way engagement methods are going to be most appropriate for the context? (See Table C)
- How will proponents develop key messages and build a project narrative that fits with the local context?
- How will proponents build strong and lasting relationships that can foster dialogue and mutual benefits?
- Are there local communication channels that can be tapped into?
- How can proponents measure success and demonstrate community support? How will they monitor and evaluate engagement effectiveness? (Please also ensure this is reflected accordingly in the MER plan.)
- How will the outcomes of engagement and changes to project plans be communicated back to the community?

The community engagement strategy should also include a summary of community engagement undertaken to date such as:

- Activities undertaken for completed stages of project development and community responses (positive and negative) including from surveys if completed.
- Summary of submissions made during the planning permit application. Were community groups represented and what were the key themes and tone?
- Screenshots of key website pages, such as complaints process, FAQs and/or business interests registers.
- Evidence of developer responsiveness including key issues raised, and/or complaints received to date and how they were resolved.

Table B: Required Content for a Community Engagement Strategy

1 Introduction
1.1 Objectives of the community engagement strategy
1.2 Description of key community considerations and interests in relation to the development
2 Stakeholder identification
3 Summary of stakeholder engagement completed to date
4 Communication and engagement protocols and tools
4.1 Communication tools, materials and channels
4.2 Key points of contact for the public
4.3 Complaints and grievance management
5 Stakeholder and community engagement activity schedule
6 Description of ongoing engagement activities

3.6 Engagement methods and tools

Table C shows a range of engagement and communication methods and channels grouped by their effectiveness, moving from basic through to leadership level. The table's content uses a wind farm development as an example.

Table C: Example Community Engagement Methods and Tools

Activity	Wind farm development phase						Community engagement tools and application
	Site Selection	Feasibility	Planning and Approval	Construction	Commissioning and Operations	Decommissioning	
Stakeholder research	✓	✓	✓			✓	■ Social baseline.
	✓	✓	✓	✓	✓	✓	■ Social baseline, stakeholder identification and mapping.
	✓	✓	✓	✓	✓	✓	■ Detailed site-specific social baseline, stakeholder identification and mapping, regular one-on-one stakeholder meetings to build relationships.
One-way communication			✓	✓	✓	✓	■ Project website, factsheets.
		✓	✓	✓	✓	✓	■ As above plus neighbourhood newsletter, press releases.
	✓	✓	✓	✓	✓	✓	■ As above plus information placement in local media.
Two-way communication	✓	✓	✓	✓	✓	✓	■ Phone, group or committee briefings, one-on-one briefings, virtual meetings, web, social media.
Community education			✓	✓		✓	■ Publicly displayed photomontage.
			✓	✓	✓	✓	■ As above, plus energy resource monitoring data and/or audio installations, field trips, open days, community market or event stalls, school education materials and sessions.
	✓	✓	✓	✓	✓	✓	■ As above but increase frequency and include other ideas such as film nights on relevant topics or dinners.
Community outreach	✓	✓	✓	✓	✓	✓	■ Neighbour meetings, low level media and public event to open the facility, drop-in information sessions, public launches at different stages of the project's development, tours and open days at appropriate development stages.
	✓	✓	✓	✓	✓	✓	■ As above but increase frequency of community access to site events and activities. In-kind volunteer programs within the community. Skill up staff to talk about and advocate for the project.
Decision-making/ feedback loops			✓	✓	✓	✓	■ Web forms, public comment, community information session or forum.
		✓	✓	✓	✓	✓	■ As above plus CRG, community representative on development board, workshops, community surveys, focus groups and polling, community planning process for key decisions; decisions and rationale reported back to community (for example, minutes from meetings made available).
	✓	✓	✓	✓	✓	✓	■ As above plus consensus building, community participates in decision-making, some decisions are delegated to community, developer decisions and rationale are reported back to community.

Engagement levels

■ Basic level engagement ■ Quality level engagement ■ Leadership approach

Activity	Wind farm development phase						Community engagement tools and application
	Site Selection	Feasibility	Planning and Approval	Construction	Commissioning and Operations	Decommissioning	
Working with local groups and representatives	✓	✓	✓	✓	✓	✓	■ Engagement with appropriate local, state and federal government representatives, local community organisations, environmental, advocacy and education groups, Traditional Owner groups and community energy groups.
	✓	✓	✓	✓	✓	✓	■ As above but moving to formal collaboration.
Local benefit sharing			✓	✓	✓	✓	■ Local sponsorship, community fund, site mitigation activities, neighbours and in-kind initiatives.
		✓	✓	✓	✓	✓	■ As above but more innovation and understanding of local community needs and priorities, for example subsidised electricity, micro-grids, investment opportunities in project, local purchasing policies, employee volunteerism.
	✓	✓	✓	✓	✓	✓	■ As above but more extensive and frequent.
Complaints management		✓		✓	✓	✓	■ Transparent and timely complaints management process is developed and reported on internally and externally.
			✓	✓	✓	✓	■ As above and includes dedicated phone line, key contact, web form, one-to-one meetings, process notifications, newsletter updates.
		✓	✓	✓	✓	✓	■ As above and includes process and resolution reporting, staff member training and immediate, comprehensive responses to complaints.
Community liaison/ engagement employee			✓	✓	✓	✓	■ Project developer is community engagement liaison, social feasibility is outsourced to contractor short-term.
		✓	✓	✓	✓	✓	■ Trained community engagement person works part-time on project, may not live locally but visits regularly, local employee hired for the construction phase — may also have a local shop front.
		✓	✓	✓	✓	✓	■ Local employee on the ground, preferably trained local resident dedicated to community engagement, with local shop front. Consideration given to making the role permanent and ongoing.
Monitoring and evaluation					✓	✓	■ Evaluation post-construction.
				✓	✓	✓	■ Reactive monitoring and evaluating after an issue occurs or when a new strategy is being developed, occasional community focus groups or survey, evaluation at key long-term milestones.
		✓	✓	✓	✓	✓	■ Established internal and local community evaluation processes. Use local community and/or external experts when appropriate.

Engagement levels

■ Basic level engagement ■ Quality level engagement ■ Leadership approach

3.7 Preparing a benefit sharing program

A benefit sharing program delivers added value to the local region over the project's lifecycle and potentially beyond. It should be tailored to local community needs and aspirations, prepared with local community input, and flexible enough to be adapted over time.

Key questions to consider when developing a benefit sharing program include:

- How will the benefit sharing program be developed, and will it be co-developed with directly impacted neighbours, other stakeholders, or the broader community (for example, via a CRG)?
- How has information on local needs and aspirations (e.g. local government plans, direct engagement) been sourced to guide the development of the benefit sharing program?
- What is the community's expectation around benefit sharing?
- How will the proponent inform and respond to expectations of different segments of the community regarding benefit sharing?
- Who will benefit from the different aspects of the program? Is the program equitable?
- What's the timeframe for each initiative or program? A balance between short-term, medium-term and longer-term benefits needs to be considered.
- What other initiatives already exist in the local area and how can these be complemented rather than duplicated?
- Are there opportunities for strategic partnerships, e.g. with the community bank, local government grants or local education facilities? What partnerships could amplify the benefits?
- What is the available funding for benefit sharing and will this fluctuate over time? Will it be linked to annual profit margin or be a static amount?
- What form will benefit sharing take in different stages of the project?
- Who will be responsible for delivering the program? How will effective governance and transparency be achieved?
- Are there prevalent community concerns that can be addressed via a benefit sharing program, such as a new sanctuary area for potentially impacted wildlife?
- Is there interest in community investment in the project or are there other local renewable energy generation project ideas that could be promoted?
- If developing a fund, what is leading practice regarding the amount contributed per MW per year for the given technology, management and governance?
- How will the proponent's staff and contract partners be involved in volunteerism in the local community? (If this is not possible, justification should be provided.)
- Is the scale of the benefit sharing program commensurate with the scale of the renewable energy project?
- Are there any at-risk portions of the local community who could be a focus of the program?
- Is there the potential to use some generation to create a locally promoted electricity retail or Renewable Energy Certificate product?
- How will the rationale and method for calculating community benefit be explained to the community?
- How will changes to the program be communicated to the community, especially where feedback from the community has influenced the change?

The benefit sharing program should also include a summary of engagement undertaken to date in relation to the program, such as:

- Any agreements that may have been signed. If/when appropriate, a description of any clauses included in benefit sharing contracts that may limit a signatory's ability to raise issues, speak publicly about the project, or seek future additional benefit/compensation.
- Who has been engaged in developing the benefit sharing program, what options were considered for benefit sharing and how the proposed program meets the needs and/or aspirations of the stakeholders.

3.7.1 Valuing benefit sharing programs

As a guide, the value of the contribution of benefit sharing programs in several wind projects in Australia is reported to be between \$500-\$1,500 per MW of installed capacity per annum (within the context of a bigger community engagement plan)¹⁹. The CEC suggests that for large-scale solar projects, the contribution range has been \$130-\$800 per MW (AC) per year over 10 to 25 years²⁰. These values are only a guide to help developers plan resourcing. The dollar value spent is indicative only and it is acknowledged that it should be proportionate to the project and community context. The most important consideration is delivering tailored benefit sharing programs that generate real outcomes for communities and respond to community needs and aspirations.

The value of benefit sharing programs is assessed holistically in terms of the efforts that renewable energy developers undertake and the benefit that communities would not have received otherwise. A range of measures can be used to discuss the importance of programs, including qualitative metrics to demonstrate how the benefit sharing program is tracking and anticipated outcomes for the community, and quantitative metrics such as money spent on the program.

There may be some overlap between what can be reported under the VRET2 community engagement and benefit sharing, and economic development criteria. Initiatives contributing to one or both these criteria are central to building and maintaining SLO for renewable energy projects.

VRET2 proponents are encouraged to report benefit sharing initiatives that may support both economic development and community engagement and benefit sharing objectives in the benefit sharing program so the total local social benefit can be considered. However, the dollar value of most initiatives will likely only be counted under one or the other.

To calculate the project's contribution associated with the benefit sharing program please include any in-kind, staff or contractor contribution and any discretionary cash contribution such as:

- Sponsorship and donations.
- Community benefit fund including grants.
- Neighbourhood payments.
- Cost of providing neighbourhood programs such as solar or energy efficiency programs.
- Cost of developing innovative products for community use.
- Cost of undertaking activities such as flora and fauna protection, that are beyond compliance-related project environmental and social impact management.
- Cost of creating opportunities for local jobs and contractors (e.g. training).
- The cost of establishing a co-investment or co-ownership opportunity.

The items above are different to the project expenditure that a renewable energy development would need to incur regardless, to receive approvals and run its operations. These commercial project items are relevant to a calculation of local economic impacts, for example:

- Payments to host landholders.
- PiLoR payments.
- Payments associated with permit requirements, for example, to minimise noise or visual impacts.
- The value of the local spend on jobs and contracting.
- Other commercial costs.

In addition, financial benefits from community benefit sharing, such as the value of expected future returns on investment and the value of savings generated from innovative products or neighbourhood programs, can be reported separately. In order to avoid/reduce double counting, project expenditure or earnings associated with local economic impacts do not need to be reported against the benefit sharing program, but can be included to provide context for it. This is particularly relevant for initiatives which create local jobs and social procurement.

¹⁹ Hicks, J., Lane, T., Wood, E. Hall, N., Webb, A. and Mey, F. (2018) Enhancing Social Outcomes from Wind Development in Australia: Evaluating Community Engagement and Benefit Sharing. Clean Energy Council, Melbourne.

²⁰ Clean Energy Council (2019). A guide to benefit sharing options for renewable energy projects.

3.8 Preparing a monitoring, evaluation and reporting (MER) plan

Monitoring and evaluating community engagement, benefit sharing and social impact management programs throughout the renewable energy development's lifecycle is important as it identifies areas for improvement and or modification. It also helps identify and celebrate successes and learn from past experiences.

Successful proponents of VRET2 must provide DELWP with progress reports via MER plans which summarise key findings of their monitoring program at pre-agreed intervals.

MER plans should be updated in line with adaptations to the community engagement strategy and benefit sharing program.

A suggested outline for the MER plan includes:

- Evaluation principles and objectives.
- Methods for monitoring and evaluation (for example SMART goals – specific, measurable, agreed upon, realistic, time-based).
- Monitoring metrics (key performance indicators) such as number of newsletters, website updates, community meetings, enquiries or complaints, response times, media coverage.
- Frequency and timing of monitoring, evaluation and reporting.
- Description of who is responsible for monitoring, evaluation and reporting.

The table below provides an example of line items in a MER plan covering community engagement objectives. A combination of qualitative and quantitative data should be included to provide an accurate depiction of the project's state.

Table D: Example of MER Plan Contents Relating to Community Engagement

Engagement objective	Indicator	Method	Frequency	Responsibility
Engagement proactively responds to anticipated and emerging stakeholder interests, concerns and issues.	<p>Number of records detailing community issues in stakeholder database.</p> <p>Project communication material content aligns with key issues captured in the project stakeholder contact database.</p> <p>Key metrics indicate stakeholders are engaged and providing positive feedback on communication quality and quantity.</p>	<p>Stakeholder database reports, surveys and feedback forms.</p>	<p>As required.</p> <p>In time for quarterly project audits during project development and construction and annual audit during operations.</p>	<p>Project's stakeholder engagement, communication and social performance reporting teams.</p>
Engagement recognises the inherent value of local views and perceptions, and actively harnesses these to improve project design, construction and operation.	<p>Number and types of stakeholder meetings.</p> <p>Number and type of project changes following stakeholder feedback.</p>	<p>Meeting minutes.</p> <p>Stakeholder database reports.</p> <p>Survey results.</p>	<p>As required.</p> <p>In time for quarterly project audits during project development and construction and annual audit during operations.</p>	<p>Project's stakeholder engagement, communication and social performance reporting teams.</p>

The Victorian Government recommends that renewable energy developers include community members in their evaluation process. They can consider a variety of evaluation mechanisms, such as an evaluation committee comprising an appropriate selection of internal and external representatives. Typically, developers will interview community members, undertake surveys and meet with their CRG to understand community perceptions.

Definitions

Benefit sharing	Sharing the benefit of renewable energy development with local communities. Effective benefit sharing helps integrate a renewable energy development within a local community by contributing to the current and 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 ²¹ .
Community	All the people who live within, and identify with, the geographic area surrounding the proposed site of the renewable energy project. How wide this geographic area extends will depend on local people's identification with significant settlements and towns as well as relative population densities. It will also vary according to the scale and impact (e.g. visual) of the project.
Community benefit fund	Established by the developer as part of a benefit sharing program. The fund's proceeds are distributed to support eligible community initiatives or individuals as grants.
Community co-investment	When a community investment vehicle buys rights to a portion of the earnings of the renewable energy project but has no decision-making power or control over the operation of the asset. The community investment vehicle could be a company, co-operative, association or trust. In this arrangement, the community has no formal ownership or responsibility over the project.
Community engagement	The processes through which a developer interacts with the community to guide the development of a renewable energy project. It is a general term used to refer to many activities including communication, consultation, participation, and co-development. Activities which are part of community engagement vary, depending on the context, history and priorities of each community.
Community reference group (CRG)	A group of community representatives (which can include local people from all walks of life, for example, citizens representing their neighbourhoods or people, community organisations and local government) formed to provide an ongoing means for dialogue, input and feedback between the community and the developer. To be effective, the CRG must have clear terms of reference, a clear role and good governance protocols and procedures, membership criteria to ensure appropriate representativeness and transparent processes for appointing members and communicating with the broader community. Also referred to as community consultative committees.
Cumulative impacts	The successive, incremental and combined impacts of an activity on society, the economy and the environment. Cumulative impacts may aggregate and interact in different ways, for example spatially or temporally, and may play out across the project's lifecycle. Cumulative impacts may be additive (i.e. individual impacts accumulate and cross a threshold) or have a multiplier effect (i.e. Individual impacts combine to create an effect which is greater than the anticipated sum of the individuals).
Design advice	Creating opportunities and means for local stakeholders and community members to provide input into the design of the renewable energy development, or aspects of it. Developers seeking design advice look to their stakeholders for input and ideas on particular points of project design, such as equipment and road placement, traffic management, community benefit program design and community engagement approach.
Developer	The entity (for example a company) initiating a renewable energy development.
Host	Property owners who are hosting equipment or supporting infrastructure associated with the renewable energy development.
Innovative financing	Sourcing project finance through unconventional means that may involve or be open to community stakeholders. Examples include public offerings for co-investment or co-ownership of a renewable energy development.
Neighbour	Refers to community members who reside within a certain proximity to the renewable energy infrastructure.
Social Impact Assessment (SIA)	SIAs are a process of identifying and managing the social issues of project development, and include the effective engagement of affected communities in participatory processes of identification, assessment and management of social impacts ²² .
Social Licence to Operate (SLO)	SLO describes a "level of acceptance or approval continually granted to an organisation's operations or project by the local community" ²³ .

²¹ Clean Energy Council (2019). A guide to benefit sharing options for renewable energy projects.

²² Vanclay, F., Esteves, A. M., Aucamp, I., & Franks, D. (2015). Social impact assessment: Guidance for assessing and managing the social impacts of projects and ask projects to assess social impacts.

²³ Boutilier, R. G., and Thomson, I. (2011). Modelling and measuring the social license to operate: fruits of a dialogue between theory and practice. In Social Licence (p. 10). Queensland, Australia.

Other useful resources and links

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