



ENHANCING POSITIVE SOCIAL OUTCOMES FROM WIND FARM DEVELOPMENT

Evaluating community engagement and benefit-sharing in Australia

GUIDANCE FOR DEVELOPERS: IMPROVING BENEFIT-SHARING PRACTICES

> SHARING THE MONETARY AND NON-MONETARY BENEFITS FROM A WIND FARM WITH THE LOCAL COMMUNITY CAN INCREASE LOCAL SUPPORT.

> BENEFITS SHOULD BE CO-DEVELOPED AND TAILORED TO THE LOCAL COMMUNITY.

> IT IS ESSENTIAL THAT BENEFIT-SHARING IS ACCEPTED BY THE COMMUNITY AS BEING FAIR.

Drawing on the research report *Enhancing Positive Social Outcomes from Wind Farm Development*, this briefing paper summarises the key areas that can influence the effectiveness of different approaches to sharing the benefits of wind development.

WHAT IS BENEFIT-SHARING?

Benefit-sharing involves sharing the monetary and non-monetary benefits of the wind farm with the local community, and particularly with those closest to the development. The use of multiple and contextually appropriate approaches to benefit-sharing has been shown by many researchers to have a positive impact on people's support for nearby wind farms.

RECOMMENDATIONS TO IMPROVE BENEFIT-SHARING

Be generous, clear and transparent and base the funding amount on capacity.

Financial contributions should be considered in line with project capacity (i.e. \$ per MW), rather than turbine numbers, and be developed collaboratively with communities. There is no one-size-fits-all approach to benefit-sharing, it should be tailored to each specific context.

WORK WITH COMMUNITIES TO CO-CREATE BENEFIT-SHARING OPTIONS

Benefit-sharing works best when developers and communities co-create benefit-sharing mechanisms tailored to local context. There are many ways that community benefits can be designed and delivered. A range of benefit-sharing mechanisms have emerged in the Australian context:

- > payments to communities (e.g. community benefits funds, sponsorship)
- > payments to landowners (e.g. landowner lease payments)
- > neighbourhood benefit-sharing (e.g. proximity rent model, neighbourhood grant programs)
- > community co-investment or co-ownership of wind farms
- > non-cash benefits (e.g. local employment and procurement, undertaking landscaping and screening, energy efficiency programs, installing solar PV or hot-water, participating in education and training and local infrastructure upgrades and discounted electricity).

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ALIGN BENEFIT-SHARING WITH COMMUNITY ENGAGEMENT

It is essential to ensure that benefit-sharing is aligned with and occurs alongside quality community engagement in order for it to be seen as fair and genuine. The research found three important aspects of fairness:

1. that local benefits are proportionate and commensurate to the nature of change
2. that benefits are distributed amongst local people in a way that is understood to be fair among hosts, neighbours, council and the broader local community
3. that benefit-sharing is matched with a fair process to avoid being viewed as tokenism, compensation or bribery.

Three things were found to undermine generating positive social outcomes from benefit-sharing:

1. requiring 'gag clauses' or other conditions of agreements
2. negotiating benefit-sharing privately with specific community members
3. offering benefit-sharing initiatives without community consultation.

ALIGN BENEFIT-SHARING WITH BROADER, LONGER-TERM LOCAL DEVELOPMENT AGENDAS

Community benefits create a positive legacy in the community "which affect the long-term daily associations [that] residents have with the wind farm". Developing a meaningful long-term strategy with the local community will lead to better outcomes that have lasting local impact.

TIMING OF BENEFIT-SHARING

The research identified the importance of starting to share the benefits of a development before construction as this is when the project is likely to cause the most local disturbance and change. This is considered worthwhile despite being difficult (as the project is not yet generating income).

INCLUDE THE COMMUNITY IN DECISION-MAKING

Ideally, the local community will play a role in the governance of benefit-sharing (e.g. grant fund).

This research was conducted by Jarra Hicks, Nina Hall, Taryn Lane and Emily Wood and supported by the Clean Energy Council. It provides a snapshot of current community engagement and benefit-sharing practices in Australian wind farms, thus creating an evidence base for improving social outcomes.

To read the full report visit cleanenergycouncil.org.au/windreport.

