



HAY SHIRE COUNCIL

RENEWABLE ENERGY COMMUNITY

BENEFIT FRAMEWORK

Adopted 27 November 2025

Table of Contents

1 Framework Objective 3

2 Scope..... 3

3 Compliance Requirements..... 4

4 Community Benefit Mechanisms 5

5 Community Benefit Objectives 5

6 Community Benefit Funding Expectations 6

7 Negotiating a Planning Agreement..... 7

8 Contributions fund..... 9

9 General Principles for the planning agreement for renewable energy developments..... 9

10 Roles and Responsibilities 11

11 Fund Management and Reporting..... 12

 11.1 Public Notification Period 12

 11.2 Disclosure 13

 11.3 Reporting..... 13

 11.4 Review 13

 11.5 Governance 13

12 Conclusion..... 13

13 Definitions..... 14

1 Framework Objective

The objectives of this framework include:

- a) To outline a framework for the use of planning agreements in large scale renewable energy projects
- b) To provide a consistent approach to all large scale renewable energy projects proposing to locate within or impact Councils LGA, but also support flexibility to address the varying nature of renewable energy projects, and
- c) To facilitate transparency, fairness, accountability and efficiency in the planning agreement process.

This Framework is consistent with the NSW Department of Planning, Housing and Infrastructure, Benefit-Sharing Guideline (November 2024) (**Benefit Sharing Guideline**) and seeks to promote benefit sharing strategies that

- a) secure off site benefits for the community for renewable energy development to deliver a future sustainable net community benefit
- b) ensure that the wider community share in the benefits resulting from renewable energy development in the Hay LGA.
- c) ensure the costs and benefits of renewable energy development will be equitably distributed within the community and inter generationally.
- d) ensure that community benefit outcomes are determined and managed through appropriate Council governance process and
- e) ensure all contributions – whether made through Planning Agreements or other mechanisms - align with Councils Council’s strategic planning, community priorities, statutory obligations.

2 Scope

This Framework

- a) applies to the negotiation, preparation and implementation of planning agreements with Council for state significant renewable energy projects.
- b) does not limit or fetter Councils duty or discretion to properly determine development applications or planning proposals under the Act
- c) is not legally binding on Council and
- d) informs Council’s approach and position on Community Benefit Sharing associated with Renewable energy projects including solar, wind and battery energy storage systems.

Legislative and Regulatory Framework

Contributions made in connection with developments are governed in New South Wales by EP&A Act, the *Environmental Planning and Assessment Regulation 2021*, and, where relevant, the *Local Government Act 1993*.

Hay Shire Council will use the contributions provisions of the EP&A Act to deliver the objectives of this Framework, primarily through the use of planning agreements.

A planning agreement is an agreement between Council and a developer, who has made a renewable energy development application, under which the developer is required, as a Condition of Consent, to pay a monetary contribution or provide any other material benefit to be used for or applied towards a public purpose.

Other contribution mechanisms, such as Section 7.11 and 7.12 contributions under the EP&A Act, may also apply. It is recognised, however, that these mechanisms are not usually suitable on their own to ensure host communities receive sufficient benefit from renewable energy projects.

Part 9 of the *Environmental Planning and Assessment Regulation 2021* provides requirements relating to the imposition of infrastructure contributions, the preparation, amendment and revocation of Contributions Plans and Planning Agreements. These matters include giving public notice and other procedural requirements.

Renewable Energy Planning Agreements (REPAs), including for developments within the SW REZ, may be utilised to secure contributions for public benefits, including towards public amenities, services, infrastructure, or affordable housing. Planning agreements must be publicly notified to ensure transparency.

Community benefit contributions may also arise through Access Rights Fees paid under the *Electricity Infrastructure Investment Act 2020* and Regulations, coordinated by EnergyCo.

3 Compliance Requirements

The legal and procedural framework for planning agreements in the renewable energy context is set by:

- (a) Part 7, Division 7.1, Subdivision 2 of the Act;
- (b) Part 9, Division 1 of the Regulation; and
- (c) the Practice Note; and
- (d) the Benefit-Sharing Guideline.

The above should be read in conjunction with this Framework.

4 Community Benefit Mechanisms

A summary of common mechanisms by which community benefits can be provided in connection with renewable energy developments are set out in the table below.

Mechanism	Type	Governed By	Administered By
Renewable Energy Planning Agreements (REPA)	Council-Managed	EP&A Act 1979; Regulation Practice Note, Benefit Sharing Guideline; Council Policy, this framework	Hay Shire Council
Developer-Managed Benefit Funds	Direct to community	Benefit Sharing Guideline	Renewable Energy Developers
Neighbour and Landholder Payments	Private Agreements	Market-based; Not publicly reported	Project developers
REZ Access Fee Allocations	State-Coordinated (pooled)	Electricity Infrastructure Investment Act 2020	NSW Government (EnergyCo)
REZ Access Rights Tender Commitments	Developer Managed	Electricity Infrastructure Investment Act 2020 (NSW)	NSW Government (EnergyCo)

Pursuant to the Benefit Sharing Guideline as a general guide, the Council expects to administer no less than 85% of the relevant portion of the total benefit-sharing value provided by a developer in connection with a renewable energy development which will be located within, or affect the Council's, LGA via a REPA.

This is consistent with the Benefit Sharing Guideline as it relates to Renewable Energy Developments. This will enable funds to be consolidated from multiple renewable energy projects, allowing the Council to deliver more valuable public benefits.

5 Community Benefit Objectives

Maximising community benefits from renewable energy projects is important because it fosters a more equitable and sustainable energy transition. By sharing the financial and

social gains of projects with the host communities, renewable energy developments can support regional growth and address inequalities.

Planning agreements, made in connection with renewable energy developments, should generally align with Council's Position Statements, The Fundamental Principles of Successful Renewable Energy Development in Hay, the Economic Transition Roadmap (once complete) and the Community Strategic Plan to support outcomes that are:

- (a) Enduring – delivering long-term legacies for future generations.
- (b) Strategic – aligned with the community's shared priorities.
- (c) Coordinated – complementary across multiple projects, where possible, and
- (d) Inclusive – geographically and socioeconomically equitable.

Following community consultation, priority public benefits for Hay include:

- (a) Legacy Housing
- (b) Skills & Education
- (c) Health & Childcare
- (d) Climate Resilience & Circular Economy
- (e) Support for the Primary Production Economy
- (f) First Nations Partnerships
- (g) Local Infrastructure
- (h) Economic development and investment, attraction opportunities and initiatives,
and
- (i) Visitor Economy & Liveability

6 Community Benefit Funding Expectations

The Council expects planning agreement contributions for large-scale renewable energy projects to be made in accordance with or greater than the rates set out in the Benefit Sharing Guideline.

Contributions provided via a planning agreement should not include any contribution or expenditure which is required to mitigate adverse impacts of a development including (but not limited to), access fees payable under the *Electricity Infrastructure Act 2020*, transport corridors (local and state), host and adjoining landowner payments and similar.

The minimum expected contribution rates for contributions which are to be provided under a planning agreement are those set out in the Benefit Sharing Guideline which, as at the date of this policy, are as follows;

Project Type	Contribution Level
Solar	\$850 per megawatt per annum (indexed to CPI)
Wind	\$1050 per megawatt per annum (indexed to CPI)
BESS	\$150 per megawatt hour per annum (indexed to CPI) stand-alone battery energy storage systems (BESS) located in a rural zone (i.e. RU1 Primary Production, RU2 Rural Landscape, RU3 Forestry, RU4 Primary Production Small Lots)

Projects that do not offer to make contributions equal to or better than the above rates are unlikely to be considered to be in the public interest and are unlikely to be supported by Council.

The rates above must be adjusted for the change in CPI between the date of the guidelines, being November 2024 and the date that the contributions are paid to the Council.

7 Negotiating a Planning Agreement

Planning agreements are voluntary for all parties. A developer is not required to make an offer, and a planning authority, including Council, is not required to accept an offer.

Generally, when considering planning agreements, Council shall be guided by the following principles:

- (a) planning decisions should not be bought or sold through planning agreements. Council should always consider a development proposal on its merits, not on the basis of a planning agreement;
- (b) planning agreements should provide for public benefits that have some relationship to the development;
- (c) planning agreement should not be used as a means of general revenue raising or to overcome revenue shortfalls; and
- (d) value capture should be the primary purpose of a planning agreement.

Ideally, planning agreements should be negotiated before the related development application is determined or the local environmental plan giving effect to the planning proposal is made.

The negotiation process shall be commenced by a developer making an offer to Council to enter into a planning agreement (**Offer**), with the Offer containing:

- (a) a description of the applicable land;
- (b) a description of the applicable development application or planning proposal;
- (c) the nature, extent and timing of development contributions to be made;
- (d) whether the application of section 7.11 or section 7.12 or Division 7.1, Subdivision 4 will be excluded, wholly or in part;
- (e) if the application of section 7.11 is not to be excluded, whether benefits under the planning agreement are or are not to be taken into consideration in determining development contributions under section 7.11;
- (f) whether the application of Division 7.1, Subdivision 4 will be excluded;
- (g) how the agreement will be enforced, including what type and level of security is proposed and when; and
- (h) any other key terms and conditions proposed for the planning agreement to allow proper consideration by Council.
- (i) The Offer must be in writing, addressed to Council and signed by the developer (**Letter of Offer**).

Council shall promptly consider the Letter of Offer having regard to:

- (a) the Practice Note, and principally, the Acceptability Test in the Practice Note; and
- (b) this Framework; and
- (c) the Benefit-Sharing Guideline.

Developers should note Council's default position with respect to core terms of planning agreements is as stated in section 9 of this Framework, although Council acknowledges that some flexibility with respect to these terms may be warranted on a case-by-case basis having regard to the nature of planning agreements and any unique characteristics and circumstances of specific developments and planning proposals.

Council will promptly respond to the Letter of Offer in writing, either:

- (a) accepting the Offer; or

- (b) rejecting the Offer; or
- (c) proposing changes to the Offer.

Council’s response shall be unfettered and at its absolute discretion.

It is Council’s preference that all negotiations concerning a planning agreement are communicated in writing.

8 Contributions fund

The Council intends to create an internal reserve to receive and hold development contributions. This will enable the pooling and accumulation of contributions received from multiple projects, and the delivery of more significant and enduring public benefits.

The Council will receive and consider recommendations from an advisory committee on what projects should be funded by the contributions before deciding how to spend contributions. More detail regarding the role and nature of the Committee is available in **Renewable Energy Benefit Fund Committee Terms of Reference**

The fund may also be used for administration costs incurred in connection with planning agreements, such as costs of the committee.

9 General Principles for the planning agreement for renewable energy developments

The planning agreement between Council and a developer shall generally include terms reflecting the core matters below:

Proposed Contribution	Benefit-Sharing Guideline to be applied Calculations to reference the installed name plate capacity and projected duration of the development
Upfront Payment	50% of total developer contribution as full security, or combination of upfront payment and security to equal no less than 50%.
Initial Payment Timing (Upfront Payment)	Prior to Commencement of any Construction

Subsequent Payment Timing	Equal annual amounts for remaining payments paid upon anniversary of the initial payment.
Security	Includes security in the form of a rolling 5 year bank guarantee from a reputable institution approved by the Council. In addition, where the proponent owns land on which the development or part of the development will take place, the Council expects the planning agreement to be registered on the title of that land.
Legal Costs for PA development and negotiation	Proponent to pay legal costs associated with advice, negotiation and planning agreement preparation.
CPI Adjusted	CPI adjusted from November 2024 (Benefit-Sharing Guideline release date)
Benefit Sharing between LGA's that share footprint of a project.	Equal share between Councils.

Note:

- (a) A planning agreement is to commence on signing. Contribution obligations will not arise unless and until consent is granted and/or financial close is achieved.
- (b) Is between the Council and the Applicant for development consent, with the agreement to be novated to the beneficiary of the consent if that entity changes. The Council may require additional security to be provided if a proponent proposes that the contracting party be a trustee or that the planning agreement be novated to a trustee. The Council's consent will be required for any proposed novation.
- (c) The Council will prepare the draft agreement. The developer is expected to cover the costs incurred by the Council in relation to the planning agreement, including its preparation, negotiation, registration and enforcement.
- (d) Where the above requirements are met, the Council will agree to exclude s. 7.11 and s.7.12 contributions under the EPA Act. A planning agreement cannot exclude the

application of section 7.24 unless the Minister is a party to the agreement: s 7.4(3A) of the EPA Act.

- (e) The above monetary contributions are additional to any agreed community benefit sharing arrangement at the “neighbourhood level” such as a community enhancement fund.
- (f) Council may consider variations to the terms above to take into account the specific circumstances of a proposal including (but not limited to) the type, scale, impact and the location of the proposed development. Variations may include (but not be limited to) means of calculating the value of payments, the amount required to be paid upfront and security.
- (g) Each proposed planning agreement will be reported to Council before any formal agreement is entered into to align with governance practices. Planning agreements that Council is a party to are reported in the Council Annual Report including the account balance, the amount received in the year and expenditure details. Council will provide an annual report on its use of planning agreements, including the public benefits provided under each agreement through the Integrated Planning and Reporting (IP&R) process and requirements under Act and Regulation.
- (h) All planning agreements will include review mechanisms to renegotiate terms if there are material changes to the Benefit-Sharing Guidelines or if the final installed capacity of a largescale renewable energy project differs from the initial agreement.
- (i) All planning agreements will be publicly exhibited for a minimum of 28 days, with explanatory notes as required by the Act and Regulation.
- (j) Council will disclose all planning agreements entered into with developers on its website and they can be found in Council’s Planning Agreement Register.

10 Roles and Responsibilities

The following table sets out the roles and responsibilities of the key REPA stakeholders:

The roles

Entity	Role
Hay Shire Council	Prepare, negotiate, exhibit, execute, register and report on all PAs, including complying with all obligations.

	<p>Convene the Renewable Energy Benefit Fund Committee, identify public purposes for funding, undertake EOI processes to identify suitable projects for funding, consider the recommendations of and reports provided by the Committee.</p> <p>Determine and oversee the expenditure of contributions made by developers in accordance with PAs and the Community Benefit Objectives, including consolidating funds from multiple renewable energy projects where appropriate.</p> <p>Report on PAs in accordance with the Council’s obligations and monitor compliance with agreements.</p> <p>Strategic planning.</p>
Renewable Energy Benefit Fund Committee	Advises and reports to Council on recommended management and allocation of funds and alignment with community priorities and the Community Benefit Objectives.
Developers	Have regard to local expectations and requirements in making PA offers, participate in negotiations in good faith, fund community benefits; comply with PA terms.
Community	Participate in planning processes; identify priorities.

Responsibilities

The General Manager and Executive Manager Economic Development and Tourism will be responsible for undertaking the discussions and negotiations with renewable energy developers to achieve the objectives and intent of this Framework.

11 Fund Management and Reporting

In accordance with obligations under the Act and Regulation, Council shall:

11.1 Public Notification Period

Publicly exhibit all planning agreements, with explanatory notes, for a minimum of 28 days.

11.2 Disclosure

Disclose all planning agreements entered into with developers on its website and all planning agreements can be found in Councils planning agreement register.

11.3 Reporting

Provide an annual report on its use of REPAs, including the public benefits provided under each agreement through the Integrated Planning and Reporting (IP&R) process and requirements under the EP&A Act.

11.4 Review

This framework will be reviewed at least annually to ensure that it remains relevant and effective in conveying Council's expectations and achieving its objectives. Council reserves the right to review, vary or revoke this Framework.

11.5 Governance

The Renewable Energy Benefit Fund Committee (to be established) will review, priorities, monitor and report regarding Council managed funding proposals.

12 Conclusion

This Framework supports a unified, transparent and strategic approach to benefit sharing of funds for public purpose in Councils Local Government Area. All renewable energy developers are expected to engage with Council early, to align with the community benefit objectives, and make contributions to enable projects that enable enduring, equitable, and regionally significant outcomes.

13 Definitions

In this Policy, a term in bold below has the following meaning:

Act means the *Environmental Planning and Assessment Act 1979 (NSW)*.

Benefit-Sharing Guideline means the *Benefit-Sharing Guideline (November 2024): Guidance for large scale renewable energy projects* published by the NSW Government's Department of Planning, Housing and Infrastructure.

Council means Hay Shire Council.

Developer, in relation to a planning agreement, has the same meaning as in section 7.4 of the Act.

Development application has the same meaning as in the Act.

Environmental planning instrument has the same meaning as in the Act.

Framework means this document,

Large-scale renewable energy project has the same meaning as in the Benefit-Sharing Guideline.

LGA means local government area.

Planning agreement has the meaning under section 7.1 of the Act.

Planning authority has the meaning under section 7.1 of the Act.

Planning proposal has the meaning under section 3.33 of the Act.

Public purpose has the meaning under section 7.4(2) of the Act.

Practice note means the Planning Agreements Practice Note issued by the Planning Secretary for the purposes of section 203(7) of the Regulation and published on the NSW Government's Department of Planning, Housing and Infrastructure website <https://www.planningportal.nsw.gov.au/local-infrastructure-contributions/planning-agreements-practice-note>

Regulation means the *Environmental Planning and Assessment Regulation 2001 (NSW)*.

Section 7.11 means section 7.11 of the Act.

Section 7.12 means section 7.12 of the Act.

Division 7.1, Subdivision 4 means Division 7.1, Subdivision 4 of the Act