# SHIRE OF KOJONUP

# Community Benefit Fund – Renewable Energy

August 2025

# Shire of Kojonup

Kojonup is located approximately 250 km south east of Perth on the Albany Highway. It is situated within the Great Southern Region, which includes Albany (150 km south), Katanning (40km east) and Mount Barker (100 km south).

Kojonup is a junction town with a rich indigenous (Keneang Noongar) history. The naming of Kojonup comes from the traditional Noongar ‘kodj’, or stone axe that was used to hunt game in the area.

Attracted by the natural freshwater spring, Europeans settled in Kojonup since 1837. Over the next century, the town evolved into a contemporary farming community with many of the cultural and historical buildings still present.

The Shire has recently experienced the construction of one phase of a windfarm project with various implications. Kojonup has been involved in the development of stage one of a windfarm with circa 42 Turbines, 18 in the first phase and the remainder in phase 2.

Stage two is currently planning for construction. Kojonup is also expecting a third development application to be presented to a Development Assessment Panel process in the coming months. This project is expected to build circa 38 Turbines southwest of the Town of Kojonup.

The Shire is aware of other windfarm and solar battery farming interest in the pipeline.

Our lived experience and that of impacted community members gives us a unique perspective on what is community benefit versus compensation.

The Shire of Kojonup advocates for a regulated, structured approach to support renewable energy development.

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# Executive Summary

This submission from the Shire of Kojonup responds to Powering WA's request for feedback on creating a Community Benefit Fund (CBF). The Shire aims for the State Government to deliver fair outcomes for all stakeholders involved in large-scale renewable projects.

To further strengthen this submission, the Shire of Kojonup affirms its support for the local submission put forward by the Great Southern WALGA Zone (GSCZ). The Shire doesn't intend to duplicate information from the GSCZ submission but will emphasize key points it considers essential to this discussion.

The Shire of Kojonup respectfully presents the following key considerations for Powering WA's review and decision-making process. Our intention is that all stakeholders should be treated fairly in the development of these key projects:

1. The prioritisation of Community Benefit must be grounded in a clear, consistent approach to the planning, construction, operation, and eventual decommissioning of renewable energy projects.

2. Simply providing financial contributions to a community fund does not guarantee successful outcomes, as rural communities possess strong aspirations regarding amenity and social cohesion over development. These aspirations must be respected and integrated during the planning stages of any development, ensuring that community needs and values remain central to the process.

3. The creation of a Community Benefit Fund should recognise and address the contributions that rural and regional communities make to the renewable energy transition. This includes impacts such as the use of productive agricultural land and the loss of local amenity. The combined effect of these factors should be used to determine the required contribution to a Community Benefit Fund, with distinct regions across the state identified and supported accordingly.

4. There exists a significant imbalance of power between large, well-funded corporations responsible for developing renewable energy projects and Local Governments tasked with representing community interests. To address this disparity, it is essential that contributions to the Community Benefit Fund (CBF) are made mandatory for all such developments. Making this contribution compulsory will help ensure that the benefits of these projects are more equitably distributed and that the interests of local communities are adequately safeguarded throughout the development process.

5. Local Governments risk being marginalised in initial planning phases when the Significant Development Application Unit (SDAU) is utilised to implement planning policy and assess development applications. To ensure that community interests are prioritised, it is vital that Local Governments retain responsibility for administering the Community Benefit Fund (CBF).

6. As a part of the SDAU development application process Local Governments should retain some evolved role as the Responsible Authority, because the Local Governments are uniquely positioned to effectively plan, deliver, and sustain community assets, thereby ensuring that community needs are considered and that benefits reach all segments of the community.

7. The process for Local Governments to recover additional costs associated with infrastructure and administration, resulting from the upfront industrial construction of these renewable

energy projects, should be embedded in the planning framework. Importantly, this consideration must remain separate from any determinations concerning contributions to the Community Benefit Fund (CBF) or rating systems.

8. Neighbour agreements are commercial arrangements that allow for the accommodation of noise emissions on near neighbour land owned by non-stakeholders. It is important to clarify that these agreements should remain separate from decisions regarding the level of funding allocated to the Community Benefit Fund (CBF). The determination of CBF contributions must focus solely on broader community impacts, rather than being influenced by individual commercial arrangements between developers and neighbouring landowners.

9. Justification for differential rating of landowners developing unimproved land in rural and regional areas is warranted as a separate process to creating Community Benefit.

   The host landowners, in some cases the developer, receive a triple value proposition from these investments:

   - Material Income from the turbine and associated asset rents;
   - Material Value in the sale of the option on the Development Application to an operator and construction partner;
   - Being a community member they receive indirect value from any community benefit fund investments.

   A distinct rating classification should be established, enabling Local Government authorities (LGAs) to secure funding specifically for the maintenance of shire-owned and managed assets and infrastructure impacted by renewable energy developments.

   Notably, LGAs do not derive value from the Community Benefit Fund for core infrastructure requirements, such as roads and other essential assets.

# Community Benefit Fund

## Energy Transition Strategy and Legislative Framework

The prioritisation of Community Benefit must be grounded in a clear, consistent approach to the planning, construction, operation, and eventual decommissioning of renewable energy projects.

The State Government should prioritise, with greater urgency than the proposed 2-year timeframe, delivery of an Energy Transition Strategy, given effect via:

- legislated land use planning framework;
- rating classifications for developing unimproved land parcels;
- legislated Community Benefits Framework; and
- a clear strategy and supporting public investment in transmission infrastructure.

The urgency to set an established planning and benefits framework is more true now than it has ever been, however the standard for community benefits arrangements must be differentiated into several key layers.

The Shire believes that without a planning framework, communities experience unnecessary discord. Implementing a mandatory planning framework will promote unity in renewable initiatives.

The Shire asserts that local planning decisions should not be wholly removed from the jurisdiction of Local Government authorities (LGAs). Local Governments serve as representatives of their respective communities and possess a deeper understanding of local needs and priorities. Therefore, their involvement is crucial to the effective management of assets and infrastructure, especially when impacted by renewable energy developments.

To ensure that LGAs retain a meaningful role, the Responsible Authority status could be redefined. This evolution would allow LGAs to remain actively engaged throughout the State Development Assessment Unit (SDAU) process, thereby safeguarding the interests of local communities while supporting broader energy transition goals.

Simply providing financial contributions to a community fund does not guarantee successful outcomes, as rural communities possess strong aspirations regarding amenity and social cohesion over development. These aspirations must be respected and integrated during the planning stages of any development, ensuring that community needs and values remain central to the process.

A Community Benefit Fund can only deliver true value when it operates within a well-defined and effective planning framework that establishes the terms for transitioning to renewable energy developments.

Experience demonstrates that, in the absence of mandatory planning provisions, such projects risk diminishing community amenity, resulting in benefits accruing mainly to developers, landowners, and, potentially, the state government. Properly structured, the fund and its associated frameworks can ensure that community interests remain central throughout the energy transition process.

This isn't about NIMBYism; development at this scale and pace will have material and lasting impacts, significantly affecting communities for years to come, and must be fully considered.

## Community Benefit Value Methodology

### Differentiation of Benefits versus Neighbours Compensation

The creation of a Community Benefit Fund should recognise and address the contributions that rural and regional communities make to the renewable energy transition.

This includes impacts such as the use of productive agricultural land and the loss of local amenity. The combined effect of these factors should be used to determine the required contribution to a Community Benefit Fund, with distinct regions across the state identified and supported accordingly.

Community members and near neighbours prefer to maintain their lifestyle and farming operations without wind turbine impacts. Requiring them to support the base load gap in WA electricity, with little regard for their needs, places an unfair burden on landholders that Powering WA should address more thoroughly.

Kojonup considers connecting a community benefit fund to neighbour compensation a significant flaw, noting that such funds are not intended as compensation schemes.

Neighbour agreements are commercial arrangements that allow for the accommodation of noise emissions and amenity loss on near neighbour land owned by non-stakeholders. It is important to clarify that these agreements should remain separate from decisions regarding the level of funding allocated to a CBF. The determination of CBF contributions must focus solely on broader community value creation, rather than being influenced by individual commercial arrangements between developers and neighbouring landowners.

Near neighbours compensation may be more appropriately addressed as a separate negotiation with the developer before submitting a development application. In Shires where land parcels are smaller, the compensation for near neighbours could potentially exceed the proposed value in the current tiers drafted by Powering WA, which may affect the community's overall value proposition. This Shire recommends that neighbours compensation not be included when determining the tier for the CBF.

Therefore, developing a robust, WA oriented framework that benefits Western Australian communities must be differentiated from the near neighbours compensation and other agreements.

### Tiered System Based on Impact in Regions

There exists a significant imbalance of power between large, well-funded corporations responsible for developing renewable energy projects and Local Governments tasked with representing community interests.

Renewable energy developers/operators are typically large national or international corporations with significant legal and commercial resources supporting their negotiations with communities and smaller regional Local Government entities. This dynamic can lead to inconsistent outcomes and inequalities among different communities, increasing the risk of conflict and strained relationships between communities, Local Governments, and developers.

To address this disparity, it is essential that contributions to the Community Benefit Fund (CBF) are made mandatory for all such developments. Making this contribution compulsory will help ensure that the benefits of these projects are more equitably distributed and that the interests of local communities are adequately safeguarded throughout the development process.

The Shire of Kojonup appreciates why Powering WA created a tiered approach. Some LGA's would prefer a set value to diminish the negatives of negotiating, however differentiation of impact does exist and should be acknowledged through a tiered benefits system.

A pre-determined tier-based model eliminates the requirement for negotiation which may result in:

- Challenges in maintaining community trust between the Shire and developers;
- Increased responsibilities for elected members and executives that could affect community confidence;
- Use of community contributions by developers, potentially leading to differing perspectives between the Local Government authority and the community.

While minor modifications to the current CBF drafting are possible, the Shire of Kojonup recommends Powering WA develop a tiered community benefit program determined by the impact value of agreed development criteria within each region.

Each region may produce a distinct result, which determines the corresponding CBF value; regions with greater impact values are assigned to higher value CBF tiers.

A pre-determined tiered system replaces negotiation with a structured, science-based method for determining community fund payments.

Impact varies by region; for example, broadacre cropping areas with large properties and low population experience less effects.

When titled properties are smaller and oriented toward lifestyle and amenities, when populations are larger, or when high-production areas are affected, the impact value tends to increase. Example is a community impact east of Esperance or east of Merredin will be markedly different to other more populated, smaller and higher producing regions.

Powering WA should determine the per megawatt value for regions statewide by considering:

- Accessibility of locations
- Population size, density, and projected growth
- Distance between populations and project infrastructure
- Land productivity and rainfall levels
- Land value for production and the effect of turbines on farmland value
- Lifestyle amenity for non-stakeholders, especially in desirable areas
- Infrastructure scale and density
- Number of suitable locations
- Impact on other land uses and future land potential
- Environmental effects
- Overall amenity and lifestyle impacts

An example of a system of tiered values (Tier 1, 2, and 3) set for each development type, subject to a matrix of criteria (as above) that informs the tier of value applied.

| Zone | Wind | Solar | Battery |
|---|---|---|---|
| Tier 1 | $1500 | $800 | $300 |
| Tier 2 | $1250 | $700 | $250 |
| Tier 3 | $1000 | $600 | $200 |

If a tiered zonal system cannot be formulated then the maximum of $1500 per megawatt should be used across the State.

## Governance

Local Governments risk being marginalised in initial planning phases when the Significant Development Application Unit (SDAU) is utilised to implement planning policy and assess development applications. To ensure that community interests are prioritised, it is vital that Local Governments retain responsibility for administering the Community Benefit Fund (CBF).

Local Government should be mandated as the entity responsible for the governance and administration of community benefit funds.

Local Governments function according to the *Local Government Act 1995*, which establishes compliance requirements for the administration and governance of a community benefit fund, eliminating the necessity to duplicate processes or governance frameworks.

The Local Government Act prescribes requirements for; financial and asset management, service delivery, community engagement, public transparency and accountability in decision making and performance reporting. The Act enables Local Government to establish community benefit reserve accounts to ensure long-term financial capacity and generational equity.

Local Government is best placed to administer investment of community benefit funds in a consistent framework for long-term and sustainable community outcomes.

## Rating

The process for Local Governments to recover additional costs associated with infrastructure and administration, resulting from the industrial nature of these renewable energy projects, should be embedded in the planning framework. Importantly, this consideration must remain separate from any determinations concerning contributions to the Community Benefit Fund (CBF) or rating systems.

However, justification for a differential rating of landowners developing unimproved land in rural and regional areas is warranted as a separate process to recovery of upfront costs or community benefit.

A distinct rating classification should be established, enabling Local Government authorities (LGAs) to secure funding specifically for the maintenance of shire-owned and managed assets and infrastructure impacted by renewable energy developments over the life of the projects.

The host landowners, in some cases the developer, receive a triple value proposition from these investments:

- Material Income from the turbine and associated asset rents;
- Material Value in the sale of the option on the Development Application to an operator and/or construction partner;
- Being a community member they receive indirect value from any community benefit fund investments.

A distinct rating classification should be established, enabling Local Government Authorities (LGAs) to secure funding specifically for the maintenance of shire-owned and managed assets and infrastructure.

Notably, LGAs do not derive value from the Community Benefit Fund for core infrastructure requirements, such as roads and other essential assets.

The Shire urges the WAPC and Powering WA to establish renewable energy land use zoning categories by which Local Governments can affect equitable rating of renewable energy developments.

Payment of rates is an obligation of any landowner or commercial occupier, equally applicable to renewable energy developments. It is more pertinent where those developments are occurring on unimproved rated properties. There appears no clear rationale for why this type of development should be exempt from land rates commensurate with a commercial or industrial land use.

# Summary

The State Government must prioritise the delivery of an Energy Transition Strategy via:

1) legislated land use planning framework;
2) rating classifications for developing unimproved land parcels;
3) legislated Community Benefits Framework; and
4) public investment in transmission infrastructure.

Non-Stakeholder near neighbour compensation or commercially negotiated outcomes should not be a factor when creating a Community Benefit Fund.

Size and scale of a renewable energy project should not be a factor considered in determining community benefit. This submission urges Powering WA to create a regional tiered system based on set criteria.  If this is not achievable then a set $value of $1500 per megawatt be applied across the state.

Commercial agreements and direct compensation to landowners and near neighbours of renewable energy developments should not be a consideration when determining community benefits.

- Such contractual or compensation payments are between the developer and the recipient and do not flow to community outcomes.

Any framework should remove conflict, inequity and create standardisation so that:

- Developers and community outcomes are not oppositional;
- Developers are sufficiently accountable for impacts arising from construction, operation and eventual decommissioning of their developments;
- The SWIS network infrastructure is sufficient and available for renewable growth;
- Investment value is stable, resulting in economic and community benefit; and
- Community benefit scheme outcomes are consistent, equitable, transparent and accountability.

The Shire of Kojonup urges the State Government to urgently deliver a Statewide Renewable Energy Strategy, inclusive of land use planning (including rating classifications), asset development and legislated community benefits scheme, providing consistency, transparency and accountability.

Regards,

Grant Thompson
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**Shire of Kojonup**