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COMMUNITY INFORMATION SHEET · RENEWABLES DEVELOPMENT

Community benefit and co-ownership

Beyond compensation: how hosting communities can share in renewable projects' value

The key idea: benefit is a design feature, not a gift

Compensation pays for impacts (the connectivity series covers landholder payments in depth). **Community benefit** is different: it's the hosting region sharing in a project's value and its shape is a design choice made early. The difference between a token fund and a lasting regional asset is usually decided before the development application is lodged, which is exactly when communities have the most leverage.

The common models

Community funds: annual payments (often per megawatt) into a local fund; the variables that matter are size, duration, indexation and who governs it. **Neighbour programs:** payments or bill rebates for residents near, but not hosting, the project, the group most often missed. **In-kind assets:** roads, telecommunications, recreation facilities; useful when chosen with the community rather than for it. **Local energy benefits:** discounted power or bill credits in the host region; increasingly common and popular.

Co-ownership: the strongest form

Some projects offer the community an actual stake: co-investment schemes where locals buy in and earn returns, or a community-owned share of the asset delivering income for decades. It's the strongest alignment (owners want the project to succeed) and it's demanding to do well: investment risk must be honest, buy-in accessible beyond the wealthy and governance real. Where offered, it deserves serious scrutiny rather than reflexive cynicism.

Judging any benefit package

Four tests. **Binding:** is it in the approval or a signed agreement, or in the brochure? **Sized:** what is it per year, per megawatt, against comparable projects? **Governed:** who decides spending and are they local? **Durable:** does it run for the project's life, indexed, or fade after a launch period? A package that passes all four is rare and worth acknowledging; one that fails all four is marketing.

What good practice looks like

- Benefit terms published in full, so every community can see the framework applied.
- Funds governed locally, with public reporting of spending.
- Neighbours included, not just the host and the town centre.
- Co-ownership offers honest about risk, accessible in small parcels and independently disclosed.

Questions to ask

What is the package per year and per megawatt and how does it compare? Is it binding, indexed and life-of-project? Who governs it? Was co-ownership considered and if not, why not?

Want to know more? State benefit-sharing guidelines set floors in several states; the Clean Energy Council publishes benefit-sharing guides; community energy groups document co-ownership models. This sheet is general information, not legal or planning advice; a specific proposal is confirmed by qualified assessment.

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