APPI
Australian Public Policy Institute

Policy Insights Paper



Social licence and benefit-sharing in the shift to renewable energy in regional communities

Dr Simon Wright, Professor Kevin Parton, Dr Megan Kessler, Associate Professor Madeline Taylor, Mark Squires and Andrew Bray

November 2026

Contents

Executive summary **4**

Policy opportunities – at a glance **5**

Renewable energy and social licence **6**

The policy and regulatory context **7**

Insights from NSW communities **10**

A policy agenda for NSW **17**

Conclusion **20**

Annex A. The four research stages 21

Acknowledgment of Country

The Australian Public Policy Institute acknowledges the Gadigal people of the Eora Nation and the Ngunnawal people upon whose ancestral lands our Institute stands.

We pay respect to Elders both past and present, acknowledging them as the traditional custodians of knowledge for these lands. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of Australia.

About the APPI Policy Challenge Grant

The Australian Public Policy Institute (APPI) is a unique joint-venture between government and a coalition of universities dedicated to public benefit research. Established in 2021, APPI is a formal partner of government and works closely with government ministers, departments and other decision-makers to help address their most pressing policy priorities, mobilising a wide range of expert advice across the university sector. The Institute is an independent, non-partisan policy institute with charitable status.

This paper was made possible through an APPI Policy Challenge Grant. This annual grant program supports academics who seek to tackle the greatest public policy challenges facing Australia.

About the authors

Dr Simon Wright is a Senior Research Fellow in Energy and Circularity at Charles Sturt University's Gulbali Institute. As a social scientist, Simon's primary research interest is in the human impacts of energy transitions.

Professor Kevin Parton is an Emeritus Professor at Charles Sturt University. He has held various positions in universities in Australia, Canada and the UK. His professional passions are mentoring colleagues and graduate students, and researching the economics of climate change policy.

Dr Megan Kessler is the Policy & Research Director at RE-Alliance. Megan has 30 years' experience in environmental management and community engagement.

Associate Professor Madeline Taylor is an Australian Research Council Early Career Industry Fellow and Co-Lead of the Energy, Communities, and Market Regulation Stream of the Transforming Energy Markets Research Centre. Madeline is an expert in the socio-legal aspects of energy transitions, particularly in rural and remote areas.

Mark Squires is the NSW Community Engagement Manager at RE-Alliance. He has spent more than 25 years in energy and sustainability, with deep knowledge and an expansive network across the energy, government and climate change sectors and a strong focus on community engagement.

Andrew Bray has served as the National Director of RE-Alliance since 2013, growing the organisation into a leading voice for regional communities as key players in Australia's shift to clean energy. He was awarded the Clean Energy Council's Outstanding Contribution to Industry award in 2021 and is an Adjunct Research Fellow at Charles Sturt University.

Acknowledgements

Thank you to colleagues from the Australian Public Policy Institute, our research partners, and the communities of Batlow, Wellington and Deniliquin for participating and sharing insights throughout the project.

Cover image credit: John Carnemolla | Report image credits: iStock-1422342350, 1447596259, 1677728770, 2211951613 and 2276478682.

Authorship

The findings and policy insights of any APPI publication are solely those of its authors, and do not necessarily reflect the views of the Institute, its Board, funders, advisers, or other partners.

Disclaimer: The information provided is for general informational and research purposes only and does not constitute legal or policy advice. This report reflects policies, laws, and research available up to July 2026. No responsibility or liability is accepted for any errors, omissions, or for any consequences arising from reliance on the information provided. This report is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License

For further information, contact the project leader Dr Simon Wright at siwright@csu.edu.au.

Recommended citation: Simon Wright et al., "Social licence and benefit-sharing in the shift to renewable energy in regional communities", APPI Policy Insights Paper (2026).

Executive summary

Regional communities are central to Australia's transition to 82 per cent renewable energy by 2030 and Net Zero by 2050, hosting the key infrastructure to generate the power required to meet the nation's current and future clean energy demand.

In New South Wales (NSW), the energy transition is accelerating rapidly, driven by the state's Electricity Infrastructure Roadmap and Renewable Energy Zones (REZs), which form key policy, regulatory, financial and development mechanisms to achieve renewable energy objectives.

Despite their pivotal role, many regional communities are voicing concerns about not being treated as equal partners in renewable energy development and about the lack of sustained social and community benefits associated with hosting energy transition infrastructure.

> Community trust is fragile, undermining confidence in both the planning process and the authenticity and legitimacy of industry and government.

Our research indicates that communities support the shift to clean energy, but these concerns are resulting in a growing challenge for industry and government to build and maintain the social licence needed for the transition to proceed at pace.

Drawing on workshops and interviews with key stakeholders in three regional towns in NSW impacted by renewable energy infrastructure development (Batlow, Wellington and Deniliquin), our research highlights several pressing challenges for these communities:

- **Community consultation and engagement are inconsistent and often inadequate**, with limited opportunities for communities, including First Nations people, to meaningfully influence project planning and decision-making.
- **Communication and planning processes lack transparency**, clarity and a place-based focus.
- **Trust** in industry, government and the planning system is **fragile**.
- **Communities are experiencing significant social and economic impacts**, with benefit-sharing and compensation arrangements viewed as inequitable, insufficiently targeted and lacking long-term community value.

Despite this, communities themselves were willing and able to articulate potential opportunities for government to address these challenges:

1. **Enforceable standards for renewable energy developers** should support early, ongoing and iterative engagement with communities. Information-sharing should be frequent, accurate, readily accessible and understandable and, importantly, be tailored to local community needs.
2. **Government should mandate minimum benefit-sharing frameworks** that deliver equitable compensation and lasting local benefits, while giving communities a meaningful role in determining how those benefits are designed and delivered.
3. **Resourcing communities and local government** to support knowledge and skills uplift.
4. **The NSW Government could consider ways to strengthen coordination between state agencies**, especially those involved in energy, planning, housing, roads, education and investment, to deliver place-based approaches to planning processes that properly incorporate consideration and management of cumulative impacts.

Regional communities are broadly supportive of the renewable energy transition. The NSW Government now has an opportunity to translate this support into lasting partnerships by empowering communities to help shape the energy, economic, environmental, social and cultural futures of their regions.

Policy opportunities – at a glance

1

Require minimum, enforceable engagement standards for all major energy projects.

Government and developers should work together to improve the timing and quality of community engagement by ensuring it takes place early, is ongoing and supported by clear and consistent communication. Standards should prioritise transparency, accountability and building trust.

2

Embed community-led benefit-sharing into planning regulations.

The NSW Government should consider developing and implementing a framework for benefit-sharing embedded in regulation that sets minimum expectations and requires equitable distribution of benefits by government and developers, designed in conjunction with local communities.

3

Support and resource local communities to negotiate and co-design enduring and equitable legacy benefits for their regions.

Increasing the financial and technical support for communities and local government will support knowledge and skills uplift. Proper resourcing will improve communities' capacity to engage in the multiple opportunities currently being presented to them. This will, in turn, enable communities to co-create a strategy for long-term sustainable social and economic development in their regions.

4

Governments, at all levels, should implement a coordinated 'place-based' approach to planning processes and governance, aligning across government departments, developers and communities to deliver legacy outcomes.

Guided by local knowledge, the NSW Government should support the planning and delivery of the renewable energy transition on a regional basis, coordinating across different government departments and collaborating with developers to deliver outcomes that are supported by regional communities and offer enduring regional benefits.

Renewable energy and social licence

Large-scale renewable energy generation is fundamentally important to transform Australia's economy away from fossil fuels and to achieve the stated policy goal of Net Zero by 2050. However, the shift to renewable energy is not without impacts, and a failure to adequately manage these impacts puts a timely and equitable transition at risk.

A large proportion of the Australian population (67 per cent) supports the renewable energy transition.[1] Nonetheless, communities have voiced various concerns which have made rollout of renewable energy infrastructure challenging.[2] These include inconsistent and often inadequate engagement, leading to a fragile trust in developers, government and the planning process; a lack of place-based management approaches; inequitable benefit-sharing; and social disruption.

For NSW, failing to address community concerns has the potential to undermine both the objectives and pathway to Net Zero, as detailed in the NSW Electricity Infrastructure Roadmap, through EnergyCo's development of the NSW Renewable Energy Zones (REZs), and by other energy policy goals. While initially considered a peripheral issue, the risks associated with the loss of social licence were identified in 2026 by the Australian Energy Market Operator as a core system risk to the energy transition.[3] Appropriate management of this risk will depend on the industry proving its value, particularly in the regions hosting large-scale renewable energy infrastructure.[4]

One factor that has contributed to this issue is a deficit in community consultation.[5] The final report from the Australian Energy Infrastructure Commissioner's 2023 Community Engagement Review (Dyer Review) found that 92 per cent of landholders and community members were unhappy with consultation on renewable energy projects planned for rural and regional NSW.[6]

In 2024, key stakeholders called for more government action to address the lack of community, and especially landholder, consultation by renewable energy developers. NSW Farmers Energy Transition Working Group chair, Reg Kidd, said: "*We need to see real action taken by the government to properly plan how we can achieve this transition to renewable energy*".[7] The Net Zero Economy Authority recognised the need to "develop a plan that will help people and communities through change".[8]

These calls align with longstanding advocacy from a broad coalition of organisations, including RE-Alliance - a partner on this project, for specific action from government to help address the information deficit, to build understanding in communities of the value of renewable energy infrastructure, and to support improved engagement to help communities guide the transformation occurring in their regions.

In response, Australian governments and sector organisations have released new resources to guide community engagement and benefit-sharing and to help communities and landholders participate in the renewable energy transition. These include the West Australian Government's Community Benefit Guidelines (2026); the Federal Government's National Guidelines for Community Engagement and Benefits for Electricity Transmission Projects (2026); the Community Power Agency's Guide to Regional Benefit Sharing (2025); and the NSW Government's Benefit Sharing Guideline (2024).

There remains an ongoing need to assess the effectiveness of these guidelines in supporting the development and maintenance of social licence.

At the Commonwealth level, the National Developer Rating Scheme is being established as a voluntary mechanism that will allow communities and other stakeholders to assess proponents of renewable energy against key criteria. This research addresses community and landholder concerns regarding the rollout of renewable energy infrastructure in NSW and its effect on the social licence to operate of the energy transition.

In the current policy environment, this research remains timely and critically important, investigating both the challenges faced by affected communities and the policy solutions needed to address them. The opportunities identified inform the sustained government response needed and are directly relevant to the NSW Government's Electricity Supply and Reliability Check Up.[9]

The policy and regulatory context

The legislative framework

Prior to 2020, the legislative framework for energy in NSW was considered complex and cumbersome, leading to delays in assessments of renewable energy development. In response, the NSW Government introduced the Electricity Infrastructure Roadmap.[10]

The roadmap established:

- A target of **50 per cent greenhouse gas emissions reduction** by 2030 (compared to 2005 levels) and Net Zero by 2050.[11]
- The ability for the state to **disallow or modify aspects of the National Electricity Law** to achieve better outcomes for NSW.
- A **'social licence to operate' perspective**, which was included in the objectives of the NSW *Electricity Infrastructure Investment Act 2020* (EII Act) to "foster local community support for investment in new generation, storage, network and related infrastructure".[12]
- A requirement to **facilitate effective consultation with local Aboriginal communities**.

While these changes are, in general, a useful step forward, our research findings point to continuing difficulties that need attention.

The EII Act establishes the broad regulatory parameters for REZ development, and the legislation allows Ministerial powers to develop a REZ access scheme and authorise the connection of individual generation projects to REZ infrastructure, including the transmission network.[13] The initial access scheme is determined through a competitive tender process for energy generation through Long-Term Energy Service Agreements, which act as an underwriting scheme. To attain a Long-Term Energy Service Agreement, a proponent must include as part of their tender a component for 'community purposes'. Community purpose is defined as "a purpose that benefits the community in a council area that, at any time after the declaration of the access scheme, is or has been wholly or partly within - (a) the geographical area that forms the Renewable Energy Zone to which the access scheme applies, or (b) the geographical area that forms the access area in relation to which the access scheme applies".[14]

The definition of 'community purpose' emphasises benefits within a community or council area, limited geographically; rather than in relation to community organisations or First Nations communities which may span multiple councils, or other dispersed interest groups. The composition of the benefits that may be proposed by energy proponents and what constitutes 'effective consultation' remains silent in the EII Act.

Large-scale renewable energy generation projects are primarily classified as State Significant Development under the NSW *Environmental Planning and Assessment Act 1979* (EP&A Act) and the State Environmental Planning Policy (Planning Systems) 2021 (Planning Systems SEPP). Individual infrastructure projects are classified as State Significant Infrastructure, which attract streamlined planning permissions under the EP&A Act.[15] State Significant Development and Infrastructure projects may also attract a coordinated government assessment through the Development Coordination Authority.

Social Impact Assessments are required under the Planning Systems SEPP for electricity-generating works, including large-scale renewable energy developments, that have a capital investment value of more than $30 million requiring development consent.[16] These assessments enable energy proponents to evaluate and define social impact and mitigation measures. They may also consider benefit-sharing arrangements.

Consequently, the management of impacts on local communities and community benefits are largely governed by Social Impact Assessments and Planning Agreements regulated by the EP&A Act.[17]

Although Social Impact Assessments are required for State Significant Developments and Infrastructure, there are currently no mandatory standards or community benefit obligations beyond this requirement to complete an assessment. Rather, the Social Impact Assessment Guideline and the NSW Renewable Energy Framework Benefit Sharing Guideline provide normative guidance. This has resulted in community benefit-sharing being largely driven by voluntary contributions from individual developers rather than being guided by legally enforceable rules or standards. To date, most benefit-sharing arrangements include monetary compensation to geographically confined councils or community representative bodies.

After considering the NSW Renewable Energy Framework and following the completion of an environmental assessment, including a Social Impact Assessment, individual projects are determined either by the Minister for Planning or through an Independent Planning Commission process (if certain criteria are met). Once a project has been determined, the NSW Government planning regulatory framework includes avenues for legal appeal where a proponent or the community disagrees with a project approval or refusal. Appeal avenues for benefit-sharing arrangements alone remain unclear within current NSW planning regulatory frameworks.

In May 2026, the NSW Minister for Planning introduced legislation that would allow the Minister or their delegate to declare transmission and distribution infrastructure, renewable energy generation, or energy storage or firming infrastructure project (or a class of projects) to be a 'priority energy project'. Such a declaration would allow the Minister to directly determine that a project should be treated as State Significant Development or Infrastructure and assessed by the Independent Planning Commission through a public hearing process. The Minister would also have the power to require any Planning Agreements for priority energy projects to be implemented.

These regulations will change the way community consultation is undertaken at the state level – with the intention of speeding up project decisions while maintaining community engagement. It would also mean that some forms of community benefits will be subject to legal requirements for delivery, rather than voluntary project commitments. This is designed to give increased confidence that community benefits will be delivered. If made, these legislative changes will be subject to review after 12 months, including a review of the quality of community engagement undertaken and the adequacy of community benefits arising.



Wind Farm, White Rock, Glen Innes

Social licence in a state of flux

The NSW Government continues to develop legislation and policies that seek to protect communities and enhance engagement in the process of large-scale energy developments, including the Benefit Sharing Guideline. However, in NSW, social licence legislation and policies are often not created in tandem with energy transition frameworks.

In contrast, in other countries, Net Zero policies and social licence regulations have been instituted together, often based on a community-energy focus. For example, in Wales, Germany and Denmark, an equitable renewable energy transition is a component of their national emissions-reduction goals.[18] The lack of a coordinated approach in NSW has often left social licence to be considered an add-on rather than an integral part of the shift to renewable energy.

In addition to government guidance documents, the Clean Energy Council has developed a framework for community engagement in wind farm development, provided guidelines for benefit-sharing from renewable energy projects in local communities and called for the creation of a nationally consistent Renewable Resources Payment scheme.[19] For Australian Traditional Owners, the First Nations Clean Energy Network (2026) assists First Nations communities to navigate the transition to renewable energy. One key objective is to support co-ownership of renewable energy investment projects, such as solar generation, batteries and microgrids. Through active participation in the clean energy sector, First Nations communities are expected to harness renewable energy opportunities as part of an equitable transition.[20] Nevertheless, challenges to ensuring First Nations engagement remain, such as the financial risks facing First Nations stakeholders and the risk that developers may simply avoid such projects.[21]

Overall, social licence has been slow to emerge, at least partly because of the voluntary nature of the guidelines, with regulations still to be legislated.[22] This makes community engagement requirements uncertain for developers, government and the community. Further work is required to ensure local communities and First Nations peoples are meaningfully involved in decision-making and co-ownership in culturally appropriate ways, while being aware of the financial risks.

Insights from NSW communities

This research set out to gain a clear understanding of the challenges to the renewable energy transition from the perspectives of stakeholders in NSW, particularly those affected in regional communities.

The investigation revolved around three key questions relating to social licence and benefit-sharing:

1. **What are the key gaps and opportunities**?
2. **Where are the deficits in the existing planning regulatory framework** and associated community benefit policies, and how might these be mitigated?
3. **How can policies, regulatory frameworks and legal processes be designed** to address these gaps and create conditions to mitigate these in a timely, fair and cost-effective manner?

Workshops were convened in three regional centres in NSW experiencing significant renewable energy development. One occurred in Wellington, a town located within a NSW Government-designated REZ. Another occurred in Deniliquin, a town physically located outside a REZ but within a Council area that significantly overlaps with one. The final took place in Batlow, outside of a formal REZ but in the heart of the Snowy Hydro 2.0 expansion. A broad range of actors from industry, government, First Nations, non-government organisations and the broader community were invited to participate in the sessions and address the research questions.

Following the workshops, we conducted a series of in-depth interviews with individuals who had deep knowledge of the renewable energy transition process in their own region or from a particular perspective. Our objective was to capture a more detailed understanding from the differing perspectives of these participants representing developers, local councils, community organisations and First Nations community members.

A full description of the project approach is outlined in Annex A.

Shared insights across communities

Strong, consistent themes emerged from the three communities, collectively illustrating a strained social licence environment and fractured benefit-sharing landscape in locations heavily involved in rolling out the renewable energy transition. For example, participants in the workshops reported not feeling heard, lacking the information needed to make informed decisions, mistrusting the planning process and feeling powerless to influence development outcomes. They highlighted that engagement by developers and government agencies had been minimal and that insufficient attention had been paid to local issues.

A major community concern relates to the cumulative impacts of multiple developments in a single locality, which are usually assessed but rarely acted upon. Similarly, a lack of coordination across government departments is leaving issues unaddressed and causing frustration for communities, for example, the impact on roads of heavy vehicles transporting construction materials.

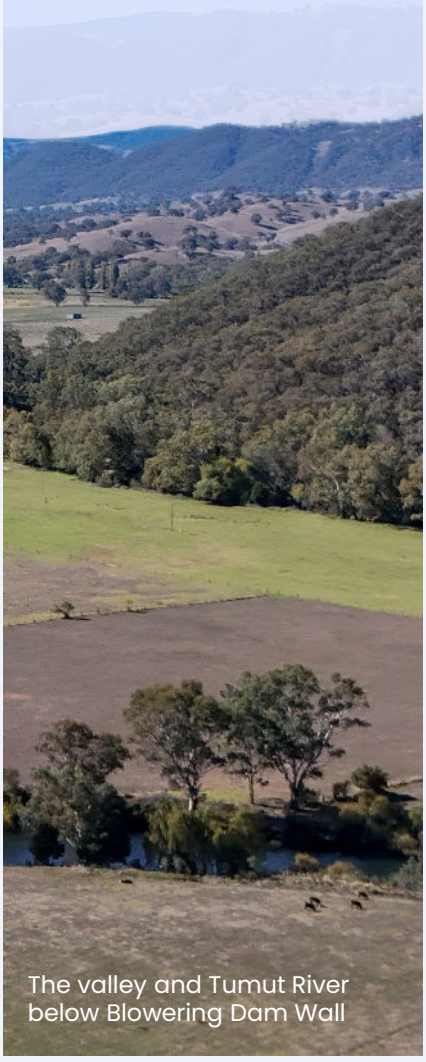
Communities stated that a lack of transparency regarding compensatory benefits has created suspicion and concerns about inconsistency and equity. This is particularly felt in smaller rural communities, which are often overlooked despite being equally disrupted by developments. Participants identified planning issues that need urgent attention. For example, inconsistent and often substandard developer behaviour; overwhelmed and under-resourced small local councils; and a complex planning system and a lack of understanding, limiting communities' ability to influence decisions.

Communities are looking for greater fairness, transparency and respectful, locally-embedded engagement; honest, plain-language information; clear explanations of rights and compensation processes; consistent standards for developers and government; meaningful long-term benefits; and local control and ownership, where appropriate.

Insights from the Batlow community

SEPTEMBER 2025

The region around Batlow currently hosts several hydroelectric facilities and 220-330kV distribution network powerlines. It is a focus area for a new major transmission line and associated infrastructure being built to connect energy from Snowy Hydro 2.0 to the broader electricity network. Batlow is not located in a REZ.



The valley and Tumut River below Blowering Dam Wall

The Batlow community workshop raised specific criticisms relating to feeling undervalued and excluded from key decision-making from the outset. Participants reported poor engagement by both the government and developers early in the planning cycle, and a lack of information. This was compounded by an absence of obligatory standards for community engagement and consultation by developers.

The planning process was seen as confusing, overly technical and inaccessible, ignoring longer-term social and environmental concerns, with the community feeling a lack of knowledge and skills to engage with developers and the local council on planning issues. Consequently, the community views the outcomes as impositions without due consultation. Developers were characterised as "patronising and dismissive", leading to mistrust and resistance.

Criticism was also levelled at the NSW Government for failing to mandate better community consultation, address community division, or reduce the complexity of the planning system. There were repeated demands for clearer legislation to ensure that developers and councils adhere to planning guidelines, and for equitable compensation and benefit-sharing for landowners and the entire community, rather than just the local council. Transparency emerged as a key issue in building trust rather than resentment.

Participants identified many solutions to their concerns with current planning and community engagement practices:

1 Improve community engagement and accountability by:

- Establishing stronger frameworks to ensure high standards of community engagement and accountability.
- Providing more equitable compensation for landholders.
- Simplifying the planning process and using non-technical language.
- Simplifying and standardising community benefit guidelines.
- Ensuring benefits designed to support local communities are truly local.

2 Reform planning and regulatory frameworks by:

- Maintaining consistent communication and engagement throughout the planning lifecycle.
- Strengthening collaboration between all stakeholders, including community members, community foundations, developers, council, landholders and state government, potentially through independent facilitators.
- Supporting community investment in, and ownership of, energy assets.

3 Other ideas to enhance engagement included:

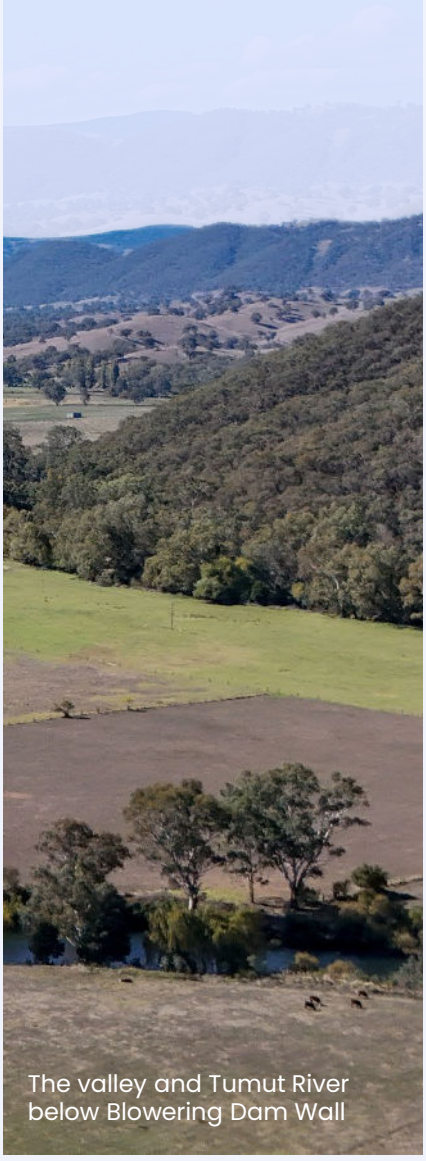
- Introducing developer accreditation in community engagement.
- Requiring fee payments by developers to, and engagement with, local councils before developers approach landholders.
- Funding local government to handle developer inquiries.

Insights from the Batlow community

SEPTEMBER 2025

- Establishing governance structures for community involvement in renewable energy projects, co-funded by developers and state government but managed by communities.

Importantly for the Batlow region, participants want consistent rules for renewable energy projects both inside and outside designated REZs. Many communities outside the REZs face the same development pressures, but some regulatory and financial processes designed to improve community engagement in decision-making and the regional coordination of benefit-sharing, such as the Community and Employment Benefit Program, are only available to communities located inside a REZ. This leaves other communities, including those where renewable infrastructure such as transmission lines are being built, unsupported in the shift to renewable energy.



The valley and Tumut River below Blowering Dam Wall

Insights from the Wellington community

NOVEMBER 2025

Wellington is located in the Central-West Orana REZ. The region hosts existing solar, wind and battery projects with a 330kV transmission line substation, with several solar and battery projects under development. Substantial new infrastructure and renewable energy projects are planned for the area to the northeast of Wellington.



Wellington, NSW

The experiences of the Wellington community closely resembled those of Batlow. Participants identified social challenges including inconsistent landowner agreements, erosion of community trust, consultation fatigue, inadequate early-stage communication, and the spread of misinformation.

Concerns were raised about environmental impacts — particularly biodiversity loss and unmet commitments related to the protection of vegetation — as well as land-use conflicts and inconsistent compensation for neighbours of developments affected by projects.

Challenges related to the planning process and benefit-sharing frameworks featured prominently. Existing planning and regulatory processes were viewed as fragmented, overly technical or inaccessible, resulting in disengagement and misinformation. Insufficient early-stage engagement set an early tone of mistrust and was seen to limit the community's influence. There was inadequate mapping of the cumulative impacts of the planning process, which were borne unfairly by landholders and neighbours while benefits were shared inequitably and lacked transparency.

Workshop participants stated that information about projects was unclear and delivered slowly and inconsistently to communities, especially as projects evolved, creating mistrust, suspicion and uncertainty about project size, timelines and future land-use impacts. It was reported that junior council staff, who lacked the skills and knowledge to adequately address community concerns, were often responsible for information-dissemination roles. Further, targeted community consultation was limited to the major regional centres rather than affected peripheral towns.

Participants highlighted inconsistencies across different REZs in the commitments made to communities by councils and developers on consultation, benefit-sharing and planning generally. Planning support systems were seen as inadequate and unable to filter and prioritise local public submissions over out-of-area objections. The absence of a strong state-level coordinating authority to drive holistic community outcomes on issues such as housing, infrastructure, and the environment was perceived as a major deficiency in the planning process. Environmental mitigation commitments such as vegetation corridors were either compromised or weakly enforced.

The Wellington community were also able to propose some key solutions to the challenges they are facing by:

1 Developing a master plan for each region:

- Adopting a whole-of-government planning process to establish a master plan for each region.
- Ensuring that planning is holistic and outcomes-focused, and encompasses existing industry change and development, housing, workforce, health, education, infrastructure, land-use zoning and cumulative impact assessments.
- Embedding place-based planning.

Insights from the Wellington community

NOVEMBER 2025



Wellington, NSW

2 Improving planning requirements:

- Requiring standardised, independent Social Impact Assessments (i.e., not developer-funded).
- Establishing standardised regional datasets to reduce the data-gathering and evaluation burden on smaller councils.
- Setting clear rules on minimum levels of local procurement (e.g., 5-10 per cent), work camp placement and legacy property conversions (e.g., for aged care).
- Improving coordination between neighbouring proponents.
- Keeping biodiversity offsets within the region.
- Increasing support for smaller councils with limited planning capacity.

3 Sharing the benefits of energy projects more equitably:

- Ensuring enduring benefits from energy projects are shared equitably, rather than only with landowners, active community groups or major towns.
- Funding paid, independent community facilitators.
- Establishing local energy hubs with improved regional grant administration.

4 Standardising engagement frameworks for developers and councils:

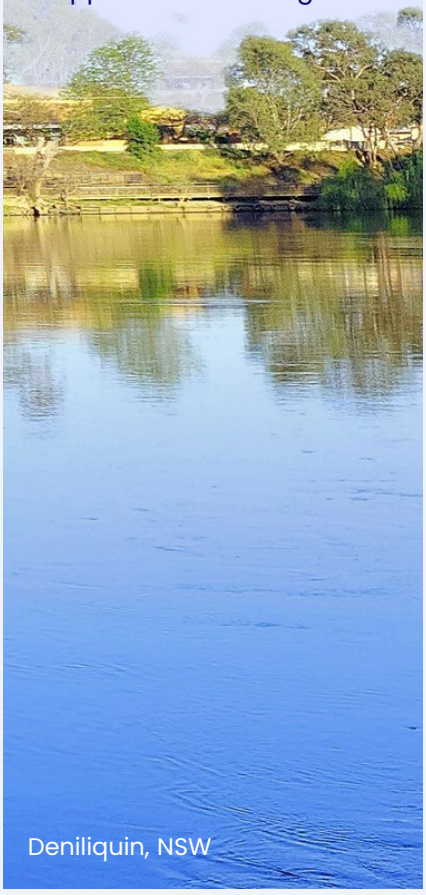
- Involving communities early and often in the planning process.
- Increasing project visibility through transparent mapping, timelines, and vegetation and mitigation plans.
- Clarifying methods for compensating neighbours of energy developments, especially where impacts are high, but benefits are small.
- Providing support and education on how to access community benefit funds and grants.

Participants emphasised that policy reforms should address misinformation, standardise consultation processes and ensure that benefits are delivered in a way that recognises diverse community impacts. A recurring theme was the importance of early vision-building and collaborative, place-based planning to rebuild trust and ensure renewable energy transitions deliver enduring social, environmental and economic benefits for regional communities.

Insights from the Deniliquin community

DECEMBER 2025

Deniliquin is located outside of, but is strongly associated with, the South West REZ, with a large proportion of the Council area located within the REZ. Deniliquin is located close to the proposed VNI West transmission line connecting electricity from Victoria into the new transmission line running from South Australia to eastern NSW. Four wind farms have been granted REZ access rights, and several solar farms have been approved for the region.



Deniliquin, NSW

In Deniliquin, stakeholders from council, network service providers, developers, community and landholders described a fast-moving renewable rollout that is perceived to be poorly sequenced with fragmented engagement, straining local services, and creating tensions and inequalities between landholders that host large-scale renewable energy projects, their neighbours and nearby communities.

There is strong support for development if accompanied by equitable, enduring social and economic outcomes such as housing, childcare, health, roads and connectivity. However, current arrangements are seen to be inconsistent, overly proponent-led, and lack early funding. This results in uncertainty, misinformation and missed investment opportunities for regional communities.

The community saw the state government as largely absent, allowing developers to fly in, fill the communications void and dominate messaging that was often ambiguous or inconsistent with community expectations. Misinformation campaigns from groups opposing renewable energy development worsened the situation and heightened levels of anxiety and mistrust. There were concerns about the capacity of local services, labour diversion, congestion, disruption and security as communities experience an influx of workers. Furthermore, questions were raised about the ability of local small to medium enterprises to engage with large project procurement systems due to payment cycles, tender complexity and scale.

Regarding planning frameworks, the perception of high levels of regulatory inconsistency across transmission, energy source, asset type and differences between projects inside and outside of REZ boundaries have led to further confusion. Participants also voiced concerns that existing modelling understates the impact of projects on roads, services and other community infrastructure. Agencies such as EnergyCo are under-resourced for the magnitude of the task, and local councils are overwhelmed, while the state government has not been seen to be taking a strong coordinating role. Transport routes for delivering infrastructure are unclear, inconsistently managed and heavily burden local roads, while housing shortages and costs will be strained further by the need for temporary and permanent workforce accommodation.

In terms of benefit-sharing, communities want to see structured payments over a 30-year period to invest in areas of need, such as health and housing, in part to avoid previous boom-bust cycles fuelled by mining and gas in the region. Participants want a structured and equitable approach to benefit-sharing with some interest in pooled community funds to enable transformational infrastructure projects. Landholders in particular feel overwhelmed by the process and would welcome independent support and advice.

Insights from the Deniliquin community

DECEMBER 2025

Like both Batlow and Wellington, participants in Deniliquin identified a series of ideas to address many of these issues. Their concerns could be better addressed by:

1. **Improving whole-of-government coordination, with region-specific management frameworks or master plans.**

2. **Increasing resources for smaller local councils to help councils manage the volume of planning work associated with large-scale energy projects, and support councils through a central team of technical experts.**

3. **Creating and regulating an equitable benefits framework:**
   - Mandating consistent and transparent payments.
   - Allowing pooled funds and up-front payments to support transformational infrastructure projects, including through local procurement goals.
   - Providing an on-site concierge service and other dedicated funding.

4. **Reforming roads and housing infrastructure planning:**
   - Offsetting the negative impacts of new workers and traffic.

5. **Enforcing contracted obligations for developers to manage and recycle assets at end of project life (while some rehabilitation requirements are evident within the NSW planning framework for renewable energy developers, and stewardship schemes are able to be mandated pursuant to the *NSW Product Lifecycle Responsibility Act 2025*, participants expressed desire for landfill bans for renewable energy components).**



Deniliquin, NSW

Participants emphasised that policy reforms should address misinformation, standardise consultation processes and ensure that benefits are delivered in a way that recognises diverse community impacts. A recurring theme was the importance of early vision-building and collaborative, place-based planning to rebuild trust and ensure renewable energy transitions deliver enduring social, environmental and economic benefits for regional communities.

A policy agenda for NSW

This research found meaningful and feasible community-identified opportunities for the NSW Government to address the various concerns affecting social licence and ultimately support the Net Zero transition.

OPPORTUNITY 1

Require minimum, enforceable engagement standards for all major energy projects.

Fragmented and inconsistent engagement practices and information dissemination emerged as primary sources of concern for communities. The NSW Government should mandate minimum, enforceable engagement standards in the planning process, reflecting at least the 'collaborate' level of the International Association for Public Participation (IAP2) pillars for effective public participation, and require continuing, consistent communication throughout the project lifecycle for all major energy projects.

To be effective, engagement from both developers and government must occur early and be ongoing. Specific engagement activities should be tailored to the needs of local communities and First Nations people. Moreover, the development of minimum standards for developers throughout the project lifecycle will help deliver equitable engagement within regions and consistency between them.

State-based regulation should be supported by the Commonwealth Government mandating the use of the evolving Developer Rating Scheme - a new independent assessment of energy companies that examines financial stability, capacity, capital, operational conduct and community engagement. It is designed to give communities greater insight into the past performance of energy developers and to support them in making informed decisions about which developers to work with.[23]

Engagement must be based on accurate and easily understood information about the region. Proposed projects should use consistent and agreed baseline information from which governments, developers and communities can collectively engage and plan. This information must be made available in a way that is appropriate to the local community. This could include the creation of local energy information hubs staffed by trusted locals, community drop-in sessions, local media or trusted independent information brokers.

Engagement with First Nations communities and Land Councils must be based on a mandated obligation to uphold Free, Prior and Informed Consent, and support First Nations engagement in ongoing decision-making.

Importantly, evidence of how community feedback has been incorporated into project design and operation, or where and why it has not been possible to do so, must be required at every stage of development. Commitments made through processes such as Social Impact Assessments must be formally incorporated as conditions of consent in all project approvals.

OPPORTUNITY 2

Embed community-led benefit-sharing into planning regulations.

This research shows that community members consistently felt their concerns and needs were neglected due to a misalignment between the necessary pace of the energy transition and the nature of the social change process.

To address this, all levels of government need to improve the policy settings that facilitate the creation and maintenance of a 'social licence to operate'. The current NSW Government Renewable Energy Planning Framework sets a ceiling on community benefits and directs how funds should be managed. Instead, the NSW Government could establish a framework for benefit-sharing that sets minimum expectations and requires equitable distribution of benefits.

Standards should cover community involvement in determining and managing local benefit-sharing arrangements with clear governance and reporting requirements, and improved transparency and equitable distribution. An important aspect of this framework would be to stipulate that community benefits must go beyond 'business as usual' and deliver lasting, additional benefits. The framework should be sufficiently flexible to support short- and long-term priorities and specific local and regional community needs.

The use of competitive mechanisms, such as tenders for Long-Term Energy Service Agreements, will remain important in driving practice beyond minimum standards. Regionally coordinated benefit-sharing models and associated supporting policy would ensure benefit-sharing programs of individual projects work together to maximise outcomes from pooled resources, reduce the community engagement burden, and deliver long-term strategic regional outcomes.

Local communities should receive benefit-sharing from all aspects of the transition, including individual projects and transmission (including on public land).

It is important that any framework be prepared in conjunction with local communities and councils. In this context, the NSW Government could look to incentivise community-led or shared local government and community governance arrangements, long-term legacy funds, profit sharing models, shared community ownership and the use of community foundations. This type of community involvement and co-creation support the development of benefit-sharing arrangements that build trust and transparency and ensure fairness and appropriateness.

OPPORTUNITY 3

Support and resource local communities to negotiate and co-design enduring and equitable legacy benefits for their regions.

Conversations with community members consistently highlighted feelings of disempowerment, with little or no sense of agency over decisions related to renewable energy planning and benefit-sharing in their regions. Supporting the renewable energy transition requires communities to have the skills and opportunities to shape their own futures and co-create a strategy for long-term sustainable social and economic development in their regions.

The NSW Government should review the resources available to communities and local government to support their engagement with developers and state agencies. These resources should enable and support capability and capacity uplift to participate in the co-design of long-term and equitable benefit-sharing frameworks customised to the needs and aspirations of their region. Support should consider affected communities located both in and outside of a REZ.

Alongside support for the general community, it is important that the NSW Government increase support for councils and community leaders, thereby strengthening regions' capacity to share information and facilitate community engagement. The NSW Government could offer specific training and advisory support, including independent information brokers, to provide specialist expertise and affordable independent legal advice for landholders (e.g., specialist planning, environmental, legal and community engagement expertise).

Beyond individual projects, the NSW Government could introduce initiatives to empower communities to lead co-design processes based on conversations about community needs and aspirations.

OPPORTUNITY 4

Governments, at all levels, should implement a coordinated 'place-based' approach to planning processes and governance, aligning across government departments, developers and the community to deliver legacy outcomes.

Regional participants were particularly critical of the narrow, project-by-project framing of impacts and benefits that seemed to dominate NSW and Commonwealth Government thinking about renewable energy, rather than the preferred whole-of-region approach. Many regions in NSW are feeling overwhelmed by the sheer number of proposed renewable energy projects. This sentiment is compounded by a perception of a narrow, siloed approach to planning, rather than a more holistic view that accounts for the systemic impacts of energy developments.

Addressing the impacts of a transition of this scale requires collaboration across government departments. This includes planning for project siting, local energy needs, changes in existing industry, and opportunities for co-location with agricultural enterprises, as well as considerations for housing, roads, health, education, and the environment. It also involves identifying and managing cumulative impacts and evaluating transmission infrastructure and individual energy projects.

Consequently, the NSW Government has an opportunity to coordinate state agencies and developers to manage the renewable energy transition at a regional scale. This would support place-based management of cumulative impacts, essential services and long-term regional legacy outcomes.

Beyond impact mitigation, the NSW Government could also look to strengthen mechanisms to support communities in identifying a shared vision for legacy community benefits from the shift to renewable energy. This means expanding beyond individual community projects to a strategic aggregation of community benefit-sharing programs across a region.

Conclusion

It is increasingly recognised that the main barriers to a successful shift to renewable energy are not technical but social. Rural and regional communities can feel excluded from decisions about how the transition will be achieved, while being expected to shoulder the impacts of new large-scale energy developments without sufficient, enduring local benefits. NSW will not deliver the renewable energy transition within the necessary timeframes without building stronger trust with regional communities – trust in government, in developers and in the frameworks designed to guide the transition.

Importantly, communities are not rejecting the transition; they are asking for better information and communication, fairer benefits, and a genuine role in shaping the changes that affect them. Embedding these expectations in enforceable standards, benefit-sharing rules and place-based planning will help make the transition faster, fairer and enduring. Resourcing communities to engage as equals in discussions and improving the management of cumulative impacts will demonstrate the NSW Government's commitment to ensuring meaningful community engagement and delivering long-term benefits.

Communities are not shying away from the challenges of delivering a rapid and just transition. They simply want to be active participants in the process. The policy opportunities identified through this research will help create frameworks for enduring partnerships by empowering communities to shape the energy, economic, environmental, social and cultural futures of their regions.



High voltage power lines and transmission towers passing through rural farmland in regional NSW

Annex A. The four research stages

This research was undertaken in four stages.

- **Stage 1** consisted of a literature review of the social licence and benefit-sharing landscapes in comparable jurisdictions and an examination of the challenges and opportunities of achieving 'social licence to operate' in the NSW renewable energy transition. Key themes identified included the financial and societal consequences of lacking 'social licence to operate', the role of benefit-sharing mechanisms, and the need to integrate energy justice and community ownership models. A strong emphasis was placed on the practical implications of social licence across policy, project framing, community engagement and regulatory design. The review identified deeper, more inclusive approaches to engagement, underpinned by clear benefit-sharing arrangements and empowerment of communities and First Nations people as essential to the success and legitimacy of the energy transition in NSW.
- **Stage 2** involved a doctrinal legal analysis of established, relevant energy and planning regulations and planning policy in NSW, specifically regarding large-scale renewable energy development in REZs. The analysis examined established legal principles and norms within regulatory instruments. For the purpose of this study, our analysis was limited to relevant legal materials on planning, benefit-sharing and appeal rights.

  Both the literature review and doctrinal legal analysis informed the structures of both the workshops and the subquestions beneath the overarching research questions.
- **Stage 3** brought a representative group of stakeholders together in three half-day community workshops in Wellington, Deniliquin and Batlow. Attendees worked collaboratively in small groups to address the three research questions outlined in this report in detail. Sessions were recorded and transcribed, and the data were then analysed and organised into key themes. To plug any data gaps and ensure diverse and balanced community representation, subsequent one-on-one interviews were conducted with key actors from the three communities.
- **Stage 4** involved detailed analysis and reporting on each workshop, including the supplementary interviews. Using the research questions as our reporting framework, we outline the common findings earlier in this report, along with summaries of each of the three workshops.

Endnotes

[1] Greg Combet, "Address to the National Press Club", Canberra, 2 April 2024, https://www.netzero.gov.au/address-national-press-club-hon-greg-combet-am-chair-net-zero-economy-agency.

[2] Simon Wright, "Without community support, the green energy transition will fail. Here's how to get communities on board", The Conversation, 5 April 2024, https://theconversation.com/without-community-support-the-green-energy-transition-will-fail-heres-how-to-get-communities-on-board-225163.

[3] Australian Energy Market Operator, *Draft 2026 Integrated System Plan* (Sydney: Australian Energy Market Operator, 2026), https://www.aemo.com.au/-/media/files/major-publications/isp/draft-2026/draft-2026-integrated-system-plan.pdf?rev=8e38a5150ec2474791ee573a9981f07c&sc_lang=en.

[4] Annika Dean, Danielle Veldre and Ben McLeod, *Electric shock! Australia's light-bulb moment* (Sydney: Climate Council of Australia, 2025), https://www.climatecouncil.org.au/wp-content/uploads/2025/01/Electric-Shock-Australias-lightbulb-Moment_Climate-Council.pdf.

[5] Community Power Agency, "From consultation to co-ownership: How communities can share in Australia's clean energy boom", 9 March 2026, https://cpagency.org.au/from-consultation-to-co-ownership-how-communities-can-share-in-australias-clean-energy-boom/.

[6] Andrew Dyer, *Community engagement review: Final report* (Canberra: Australian Government, Department of Climate Change, Energy, the Environment and Water, 2024), https://www.dcceew.gov.au/energy/renewable/community-engagement-review.

[7] NSW Farmers Association, "Community outrage as renewable plans fall short", 5 February 2024, https://www.nswfarmers.org.au/NSWFA/NSWFA/Posts/Media_Releases/mr.006.24.aspx.

[8] Greg Combet, "Address to the National Press Club", Canberra, 2 April 2024, https://www.netzero.gov.au/address-national-press-club-hon-greg-combet-am-chair-net-zero-economy-agency.

[9] NSW Government, Energy supply and Reliability Check Up, https://www.energy.nsw.gov.au/nsw-plans-and-progress/regulation-and-policy/electricity-supply-and-reliability-check (accessed 26 August 2026).

[10] NSW Department of Planning, Industry and Environment, *NSW Electricity Infrastructure Roadmap* (Sydney: NSW Government, 2020), https://www.energy.nsw.gov.au/sites/default/files/2022-08/NSW%20Electricity%20Infrastructure%20Roadmap%20-%20Detailed%20Report.pdf.

[11] NSW Government, *NSW Climate and Energy Action Plan*, https://www.energy.nsw.gov.au/nsw-plans-and-progress/government-strategies-and-frameworks/reaching-net-zero-emissions/net-zero (accessed 26 August 2026).

[12] *Electricity Infrastructure Investment Act 2020* (NSW), section 3(d).

[13] *Ibid*, section 24.

[14] *Ibid*, section 26(7).

[15] *Environment Planning and Assessment Act 1979* (NSW), Division 5.2.

[16] State Environmental Planning Policy (Planning Systems) 2021 (NSW), section 2.6.

[17] *Environment Planning and Assessment Act 1979* (NSW), subdivision 2.

[18] Welsh Government, *Net Zero Wales: Strategic plan* (Cardiff: Welsh Government, 2022), https://www.gov.wales/sites/default/files/publications/2022-12/welsh-government-net-zero-strategic-plan.pdf; Guangyue Xu, Lanmei Zang, Peter Schwarz and Hualiu Yang, "Achieving China's carbon neutrality goal by economic growth rate adjustment and low-carbon energy structure", *Energy Policy* 183 (2023), 113817; Luis Mundaca, Henner Busch and Sophie Schwer, "'Successful' low-carbon energy transitions at the community level? An energy justice perspective", *Applied Energy* 218 (2018), 292-303.

[19] Jackie Trad, "Clean Energy Council calls for renewable resources payment to put regional communities first", 28 July 2018, https://cleanenergycouncil.org.au/news-resources/clean-energy-council-calls-for-renewable-resources-payment-to-put-regional-communities-first; Clean Energy Council, Best Practice Charter for renewable energy projects, https://cleanenergycouncil.org.au/advocacy/best-practice-charter (accessed 26 August 2026).

[20] First Nations Clean Energy Network, Guide to First Nations co-ownership and equity participation in clean energy projects, https://www.firstnationscleanenergy.org.au/ (accessed 26 August 2026).

[21] Lily O'Neill and Kathryn Thorburn, "First Nations at the forefront: The changing landscape of clean energy agreements in Australia", *Energy Research & Social Science* 127 (2025), 104183.

[22] Energy and Climate Change Ministerial Council, *National transmission community engagement and benefit-sharing guidelines for electricity transmission projects* (Canberra, Department of Climate Change, Energy, the Environment and Water, Australian Government, 2024), https://www.energy.gov.au/sites/default/files/2024-07/national-guidelines-community-engagement-benefits-electricity-transmission-projects.pdf.

[23] iCIRT, Developer rating scheme (DRS), https://icirt.com/drs (accessed 26 August 2026).

APPI Australian Public Policy Institute

Good public policy starts with evidence.

Level 7, 15 Castlereagh Street
Sydney, NSW 2000 Australia

E info@appi.org.au | **w** appi.org.au