

MAJOR PROJECT COMMUNITY BENEFIT AGREEMENT POLICY

SCOPE

This Policy applies to all major projects requiring Social Impact Assessment (SIA) and Community Benefit Agreements for development assessment or under development approval conditions and other projects with a capital value in excess of \$50M that are proposed for the Banana Shire.

LEGISLATION

A New Tax System (Goods and Services Tax) Act 1999 (Cth)
Economic Development Regulation 2023
Environmental Protection Act 1994 (EP Act)
Local Government Act 2009
Local Government Act Regulation 2012
Planning Act 2016
Planning Regulation 2017
Planning (Social Impact and Community Benefit) and Other Legislation Regulation 2025
State Development and Public Works Organisation Act 1971 (SDPWO Act)
Strong and Sustainable Resource Communities Act 2017 (SSRC Act)

Related documents

Development Assessment Rules (Qld)

OBJECTIVE

To provide guidance to project proponents on Banana Shire Council's requirements for the development of Community Benefit Agreements to deliver contributions that support a positive and lasting legacy for the Shire.

DEFINITIONS

Capital value	The value of all costs necessary to establish an approved project to the point of commencement of operations. This includes purchase/leasing of land, design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, but excludes GST.
Community	Geographic locality/localities, including villages, towns and/or regional centres, that are identified as being impacted by the development of major project/s through a Social Impact (or similar) Assessment.

Community stakeholders	Includes, but not limited to, immediate project neighbours and nearby impacted property owners, First Nations groups, local businesses or Chambers of Commerce, local service organisations, local environment groups, farming and landholder groups, community service organisations, local emergency services, community housing providers, local health services, cultural groups, local education training providers and the general public.
Community Benefit Agreement (CBA)	A legally binding agreement, of which Banana Shire Council is a designated signatory, determined collaboratively by involved parties to ensure that development delivers tangible, place-based community benefits that support a positive and lasting legacy for the community.
Council	Banana Shire Council.
Dominant technology	Project technology type that is the larger of the installed technologies (wind, solar, battery, etc.) by installed capacity or has the highest capital value.
Final Investment Decision	The decision point of a project, where the project stakeholders commit to the investment in the major project, transitioning from the planning phase to the execution phase allocating significant financial resources.
GST	Goods and Services tax as defined in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Installed capacity	The maximum productive output of a system or facility, typically energy generation and storage facilities, under optimal conditions, as specified by manufacturers or designers. Measures include, but not limited to, megawatt (MW), megawatt-hour (MWh), gigawatt (GW).
Local business	A legally identified (ABN, structure) business that employs residents of Banana Shire and/or has a presence (property, building, etc.) in Banana Shire that is charged rates by Council.
Major project	A project with a capital value in excess of \$50 million, involving a multi-phase approval process and in whole or in part, proposed for development in the Banana Shire.
Neighbourhood	Geographic locality/localities that host/s the project directly.
Social Impact Assessment (SIA)	An integrated assessment of social or socio-economic impacts of major project development in neighbourhood, community and/or Council areas.

POLICY

1. Requirements for a Community Benefit Agreement

The *Planning Act 2016* requires that renewable energy facilities, including for the generation of electricity or solar energy, or wind farms, undertake a Social Impact Assessment (SIA), which will inform a

Community Benefit Agreement (CBA) to be negotiated and agreed between the proponent and relevant Local Government Authority (LGAs). The SIA and CBA are required to be submitted as part of the development application for the project, unless the proponent and the LGA agree that it is not needed due to limited or no social impacts, or another agreed reason.

Other projects may also be required to make community contributions as part of conditions associated with their development approvals (such as under the *State Development and Public Works Organisation Act 1971* (SDPWO Act), *Environmental Protection Act 1994* (EP Act), *Strong and Sustainable Resource Communities Act 2017* (SSRC Act) or Banana Shire Council Local Planning Scheme). It also applies to projects seeking to make voluntary contributions to the Banana Shire Council for the benefit of the community.

While CBAs will typically be between Banana Shire Council and an individual proponent, Council recognises and encourages approaches for joint funding of initiatives by proponents, particularly where projects are in the same host community. Banana Shire Council will also enter into joint agreements with neighbouring councils, where projects have an impact on multiple LGAs.

2. Purpose and principles

A CBA aims to:

- Achieve better outcomes for communities hosting major projects, including renewable energy infrastructure
- Share benefits of major project development fairly with the host communities
- Deliver projects that make long-term positive contributions to host communities and are responsive to communities' needs and priorities.

Development of a CBA should adhere to the following principles:

- *Appropriate* - Benefit sharing is tailored to local circumstances, culture and needs, helping to address (not create or reinforce) patterns of conflict or inequality. It makes sense and considers cumulative benefits and impacts.
- *Community-informed* - Benefit sharing is an aspect of project development that will greatly benefit from being aligned with community-identified priorities and open to community involvement, influence and negotiation.
- *Transparent* - The CBA is transparently available to the community and provides a clear and understandable rationale for the various programs. As programs are designed, information on who is eligible to participate, how decisions will be made, allocations of funds, and implementation and impact of funds will be made available to the public.
- *Integrated* - Benefit sharing seeks to integrate the developer and the project as valuable community members by building links and relationships with the community.
- *Mutually beneficial* - The approach is designed to bring mutual benefit to local communities, the project and its owners and financiers.
- *Strategic* - Benefit sharing creates a positive legacy in the local community and seeks to bring ongoing and lasting value to the local area

3. Scope of Community Benefit Agreements

Community Benefit Agreements with Banana Shire Council will include the following components:

- The level of financial and in-kind contribution that will be made over the life of the project to Council on behalf of the community, which meets or exceeds the contribution levels outlined in Section 4.

- The types of community benefits project developers will invest in, in accordance with Section 6.
- The governance arrangements for implementation and oversight of the agreement, in alignment with Section 7.

4. Community Legacy Fund

Council will establish a Community Legacy Fund as a dedicated reserve or trust account, which will be managed in accordance with the *Local Government Regulation 2012* and the *Statutory Bodies Financial Arrangements Act 1982*.

Developers will be required to pay community benefit contributions, outlined in Council's Register of fees and charges, to Council for allocation to the Community Legacy Fund, unless otherwise agreed. For example, developers are expected to administer their own sponsorship funds. These contributions and the expenditure of funds against the purpose for which it was received will be reported in Council's annual financial statement.

5. Major Projects Housing Demand and Levy

In addition, developers of major projects with a capital value in excess of \$50 million that establish in the Banana Shire will be required to meet the permanent residential housing demand generated by their project in a way that does not unduly disrupt the Shire's housing market supply or value.

Major project investment includes an allocation equivalent to 0.7% of the total capital value of the project or \$650,000, whichever is the greater, towards the cost of providing permanent housing in the nearest urban location to the project site. Funds are to be released on the day that the Final Investment Decision is made.

The supplied housing remains the property of the major project developer for the supply or sale to their operational workforce to attract full-time employees to relocate to the Shire, or alternatively made available for sale to the public, with priority given to service workers living in or attracted to the Shire (e.g. those employed in the health, education, retail or community services sector).

As this housing stock remains the property of the developer, the cost of meeting this requirement is not included as part of the calculation of the community benefit contribution under the CBA.

6. Types of community benefit

Banana Shire Council requires developers to align their CBA funding commitments with the Banana Shire Legacy Plan (under development), which will identify/identifies the priority themes and initiatives to deliver legacy benefits in host communities and Shire wide. The Legacy Plan will be/has been developed in consultation with the community, including through Place-based Plans, which form part of the Banana Shire Community Plan.

A Banana Shire Local Reference Group (LRG) of community leaders will also advise Council on the priorities and implementation of the Legacy Plan, including making recommendations to Council on funding allocations. The Legacy Plan will be reviewed and updated every four years, one year after Council elections.

As CBAs will be agreed early in the project lifecycle, Council anticipates that developers will be limited to identifying funding priorities for the initial years of development, to be updated at agreed intervals in accordance with the governance arrangements.

A Community Benefit Agreement will include one or more of, but not limited to, the following types of initiatives:

- Locally and regionally significant initiatives including capital works and/or improvements to social, community, and economic development infrastructure, including consideration of capital and recurrent expenditure.
- Increasing the availability and affordability of local housing, in a way that does not unduly disrupt the Shire's housing market supply or value.
- Service delivery programs aligned with priority themes of the Legacy Plan.
- Employment, training and business development programs, including scholarships or other skills-based initiatives, for local students, workers (including under-represented or under-employed groups) and businesses (including First Nations businesses) to participate in current and future workforces and supply chains.
- In-kind contributions such as staff or contractor time/contribution to community initiatives or physical works.
- Cost of developing innovative products in partnership with local business, with retention of locally generated intellectual property.
- Activities that go beyond compliance to address social, environmental or economic impacts and opportunities, including involving the community or local business.
- Initiatives to improve energy reliability, efficiency and affordability and decarbonisation of households, community organisations and businesses.
- Community shared ownership of energy, in which communities are financial participants and/or legal owners in large-scale renewable projects.
- Community grants for small-to-medium projects led by community or industry organisations.
- Benefits for First Nations peoples.
- Sponsorships of community groups and events.

A Community Benefit Agreement will not include:

- Costs, wages or benefits associated with employment of local residents, the value of local spend on contracts, or other commercial costs.
- Works required by condition of Development Approval, such as activities to minimise noise or visual impacts).
- Delivery of new or enhanced local or regional infrastructure required for construction or operation of the project, including the transportation of project components, personnel and equipment to the project site, or other infrastructure required under Infrastructure Agreements.
- Funding for infrastructure or services that are the responsibility of any level of government.
- Contributions to normal operating expenditure of councils or other regional organisations.
- Payments negotiated with Traditional Owners associated with Indigenous Land Use Agreements (ILUA) and/or Cultural Heritage Management Plans (CHMP).
- Payments to hosts or neighbours.
- Council rates.
- Government fees and levies, including but not limited to: Fire service levy; Development and associated application fees.
- The value of expected future returns on investment in infrastructure.

Importantly, whilst providing or contributing towards infrastructure can be part of a CBA, it does not take the place of, and is not intended to prohibit, duplicate or pre-empt, a formal infrastructure agreement.

7. Resourcing Council participation

Banana Shire Council will charge fees to major proponents directly for participation in social impact assessment, consideration of social impact reports and/or negotiation of a project specific Community Benefit Agreement. These fees will be outlined in Council's Fees and Charges Register.

8. Governance

The CBA will outline governance arrangements for the CBA, which will include:

- Developer and Council responsibilities for implementation and oversight of the CBA.
- Meetings and reporting arrangements between the parties related to the CBA, including implementation, funding disbursements, allocations, and expenditure, which may be aligned with project implementation update arrangements.
- Community engagement approaches, including details of project-specific Community Consultative Committees, or similar body, set up to engage the community in CBAs, following consideration of the suitability of the LRG to fulfill this role.
- Engagement with the LRG on implementation of its CBA.

It will also include provisions for how the CBA will be amended, renewed and terminated, including thresholds for amendment. For example:

- The types of initiatives to be funded under a CBA will be reviewed every four years, one year after a Council election, to align with updates to the Legacy Plan.
- Should a project undergo any changes warranting a change to the development application, the associated CBA will be reviewed and updated as necessary, proportionate to the development change. Both parties will confirm in a notice to the development application that the CBA has either been amended and a copy provided, or that the parties have agreed not to amend the CBA.
- Should a project change ownership, Banana Shire Council expects that the agreed CBA will form part of the ownership transfer and be upheld or enhanced.

Banana Shire Council will publish all CBAs it is party to on its website (banana.qld.gov.au) and proponents will also be required to publish their agreements on their company and/or project website.

This Council policy acknowledges the importance of fundamental human rights.

Council is committed to recognising and protecting these rights when creating policies and procedures that shape the frameworks, standards, behaviors, and actions of the Banana Shire Council.

An assessment of this Policy determined that it does not limit or affect any human rights under the *Human Rights Act 2019*.

PROCEDURE

Procedures as approved and issued by the Chief Executive Officer, and subject to further revision, amendment and issue under the authority of the Chief Executive Officer.

CERTIFICATION



.....
CHIEF EXECUTIVE OFFICER
BANANA SHIRE COUNCIL

5 March 2026

.....
DATE