

The Community Engagement Review:

A review to enhance community support and ensure that electricity transmission and renewable energy developments deliver for communities, landholders and traditional owners.

Submission by Dr Helen Haines MP
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Introduction

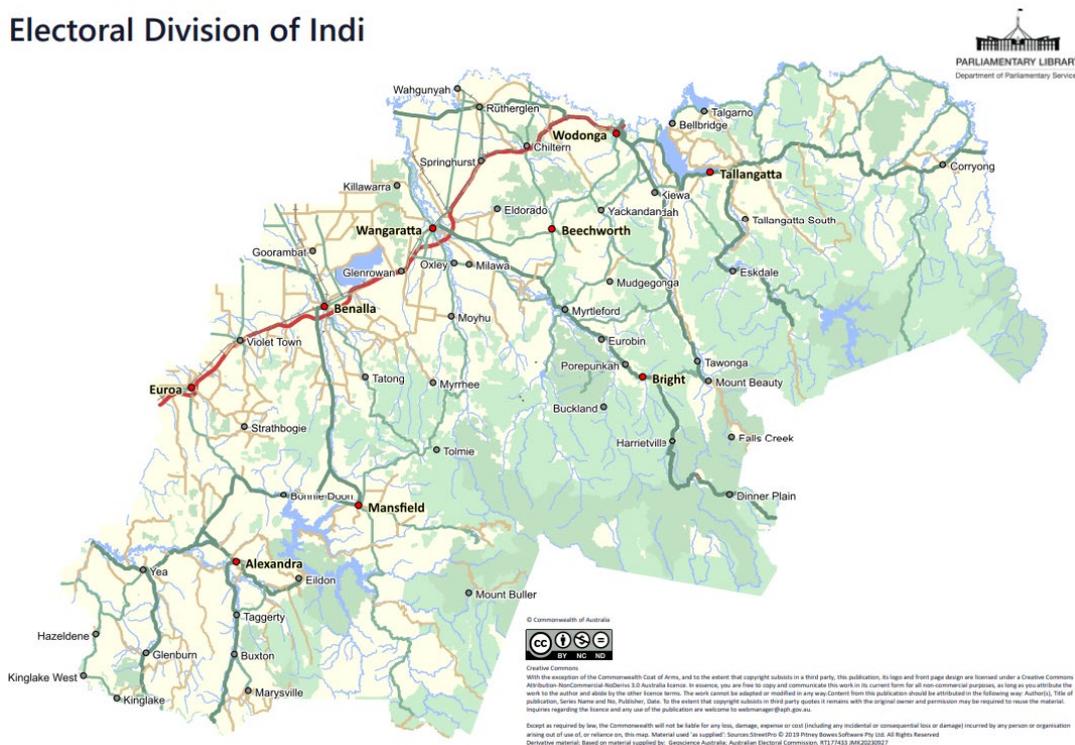
As a fifth-generation farmer and a firm and long-standing advocate for regional Australia and ambitious climate action, I very much welcome this inquiry.

I am honoured to represent communities across the 29,000 square kilometres of the Federal Electorate of Indi.

Indi includes nine local government areas – Alpine, Benalla, Indigo, Mansfield, Murrindindi, Strathbogie, Towong, Wangaratta and Wodonga – and the unincorporated alpine areas of Falls Creek, Mount Hotham, Mount Buller and Lake Mountain.

Figure 1. Map of the Commonwealth Electoral Division of Indi

Electoral Division of Indi



Source: Parliamentary Library, Australian Parliament House, 2023

The opportunity for communities to participate in the renewable energy transition and benefit from that is understood by many in Indi. There are more than a dozen groups advocating for community owned and led energy projects in Indi, and this number is growing. This is a source of pride for our communities. No other electorate is home to as many community energy groups, and action to reduce emissions consistently rates amongst the top concerns of my constituents.

Indi is traversed by major existing transmission links, strategically located between Australia's two biggest cities, and enjoys sunny days and favourable winds that make it a desirable location for renewable energy projects. These attributes have been recognised by the Victorian Government, with two of the states six renewable energy zones covering parts of Indi.

The rapid growth in grid scale solar PV and wind energy projects in my electorate and across regional Australia is seen as a both a massive potential opportunity for regional economic development but equally is a source of increasing community concern as the potential for benefit sharing is currently not being realised. Indi is not traditionally home to a major energy industry and residents are witnessing a transformation in the visual amenity of the landscape and a change in land use from food and fibre production to energy production.

Concerns are primarily emerging as a result of inadequate availability of information on projects, inadequate community engagement and inadequate benefit sharing with communities adjacent to the energy project. Landholders neighbouring proposed projects are left asking key questions in regard to the impact of large-scale solar farms on fire risk, insurance coverage and impact on water courses and biodiversity. In the Strathbogie ranges within my electorate, a wind farm is being proposed that would generate enough electricity to power 110 000 homes, yet the project wouldn't improve the poor quality of the local network which leads to consistent power outages and brown outs. Such situations compound the concerns of myself and my constituents.

I want to see the following achieved:

- Renewable energy infrastructure strategically planned and then developed across Australia at the pace needed to achieve the most ambitious state and national emission reduction goals.
- Regional communities hosting renewable energy infrastructure are:
 - 1) empowered actors central to the project development process, and
 - 2) long-term beneficiaries of projects, with benefits commensurate with their role as the engine room of Australia's net-zero transition.

We believe action on these objectives can, and must, go hand in hand. The energy transition should be a new gold rush for rural and regional Australia. Regional communities are hungry to maximise the opportunities of the transition, yet today opportunities to do so are limited. Clear regulatory and legislative guidelines are needed to provide entry points for local landholders, community groups, and councils to engage in the process, to work with developers, and co-invest in the large-scale projects happening at their farm gates.

Motivated by the need for concrete action, I worked with communities from across the country to develop the [Local Power Plan](#) and introduce a Private Members Bill, the Australian Local Power Agency Bill 2021. It is the same motivation that led me to work closely with Minister for Climate Change and Energy Chris Bowen to develop the terms of reference for this Review, and that now underpins my submission to the Review.

Outline

This submission considers the full scope of the Review's [terms of reference](#) (ToR), and directly addresses specific points within the Terms as well as the questions within the [Discussion Paper](#). It is informed by the many exchanges I have had with constituents across my electorate and the years of research my team and I have undertaken on this issue.

The aim of the submission is to provide a series of actionable recommendations aligned with the scope of the Review and that address what I see as three main issues in this space. These three main issues and their corresponding relation to the ToR are as follows:

1. Concerns directly relating to energy projects and their impact on communities, land use and environment,
 - *Principally addressing points 2.b. and 5b. from the ToR.*
2. Concerns regarding project development and community engagement processes,
 - *Addressing points 2.d., 3 and 4 from the ToR.*
3. Benefit sharing with landholders, neighbours, and communities,
 - *Addressing point 2.d. from the ToR.*

The submission also presents the context of renewable energy in Indi, and the role that community energy can play in achieving the objectives of a rapid community centred energy transition.

Recommendations

My submission strongly supports the need for state and federal governments, as well as regulatory bodies, to set clear and firm standards for community engagement and benefit sharing. Where possible, standards should be consistent nationally and enforced through legislation. This submission makes the following recommendations:

Concerns regarding energy projects:

1. Develop clear mapping defining land that is not suitable for development of renewable energy infrastructure, such as high value agricultural land, drinking water catchment areas, land of cultural significance, fragile ecosystems, habitats of endangered species and land in high risk natural disaster zones.
2. Require an independent government body, such as the AEIC, ARENA or a standalone agency, to develop clear documentation that outlines facts, risk management requirements and avenues of recourse available for landholders, neighbours, and communities in relation to potential impacts of projects.
3. Require as part of the planning approval process that land upon which solar PV and wind energy projects are developed remains available for agricultural uses, such as sheep grazing. Clear guidelines are needed regarding what activities landholders can undertake near projects.
4. Investigate and implement options to ensure renewable energy project developments do not adversely impact the availability or affordability of insurance for neighbouring landholders, or their potential liability.

Project development and community engagement processes:

5. The AEIC develop a set of guidelines for energy infrastructure best practice and minimum requirements relating to community engagement and benefit sharing. Requirements must be legislated by the Commonwealth Government and promulgated nationally via the National Energy Transformation Partnership or other platforms.
6. Community engagement guidelines require project proponents to engage communities broadly and in a timely, transparent fashion, with genuine avenues for addressing community concerns. All neighbouring landholders should be informed directly with opportunities for discussion with project proponents.
7. Planning applications include a stringent requirement to demonstrate community engagement in line with the agreed upon guidelines. Planning application assessment bodies are empowered to reject applications on the basis of insufficient community engagement.

Benefit sharing:

8. Land acquisition compensation for transmission projects should be significantly increased toward average levels received by landholders hosting wind turbines or solar PV.
9. Independent information should be provided to all potential hosts of energy infrastructure as to their rights, avenues of recourse and the financial compensation they would be eligible to receive in relation to payments for hosting infrastructure.
10. Require the use of neighbour agreements for all energy projects to ensure an equitable distribution of financial benefits in relation to the level of impact on visual and other amenity. Neighbours should also be consulted in the project design phase to address concerns. An independent body such as the AEIC or an ombudsman should assist in determining who may be impacted and what compensation is warranted.

11. Develop standardised processes and documentation for communities and local councils to establish and govern community renewable energy funds. Funds should not be project specific and decision making should be independent of project developers, allowing communities and local councils to spend money as they see fit. Contributions may be pooled to invest in significant projects with long term impacts, such as community-led energy projects.
12. Change the regulatory investment test for transmission (RIT-T) to allow transmission project developers to provide greater remuneration to landowners hosting transmission lines, and their neighbours, and to allow payments to community funds.
13. Require all new large-scale renewable energy projects offer at least 20% of project equity to local investors in a community co-investment funding round before final planning approval can be granted. The co-investment round is an *offer* for the community, *not* an obligation.
14. Establish local procurement and local labour use requirements within project planning permit conditions. If such requirements cannot be met, due to a lack of available or suitable businesses and workers, project proponents can instead meet this requirement via investment in local skills training.

Community energy:

15. Fund support of community energy, including the establishment of technical support hubs for community energy, a community energy underwriting scheme and community energy project specific grants to be administered by ARENA or another national body.

Renewable energy in Indi

Occupying much of North East Victoria, the federal electoral division of Indi stretches from the plains of the Murray, Ovens and Broken rivers in the North and West to the peaks of Victoria's alpine areas in the South and East. With no significant coal, gas or oil resources, Indi has never been home to traditional grid-scale fossil-fuel-fired electricity generators, yet renewable energy resources abound.

Hydroelectric power stations began to be developed in Indi in the 1930s, tapping the region's snowmelt and high rainfall in alpine valleys. Indi is now home to the Kiewa Hydroelectric Scheme, Victoria's largest, as well as major power stations at Eildon and Dartmouth.¹

Beginning in the late 2000s, households across Indi began to install solar PV, motivated by attractive feed-in tariffs and the desire to reduce reliance on Victoria's brown-coal dominated electricity system. As costs continued to fall, the number of households equipped with solar PV rose exponentially, reaching more than 36 000 as of end August 2023, with 3 000 systems installed in the last year alone. With over 50% of dwellings in Indi equipped with solar PV, Indi rates well above the national average.

Large scale solar PV and wind energy projects are a more recent arrival to Indi, with the Cherry Tree Wind Farm beginning operations in 2020, while the Glenrowan West Solar Farm and Winton Solar Farm commenced sending electricity to the grid in late 2020² and mid 2021 respectively.³ The industry is now expanding rapidly, with around 30 grid scale solar PV, wind energy or battery energy storage projects in construction or under development in the electorate, bringing significant changes to certain localities.

The rapid scale up of the grid-scale renewable energy generation in Indi is underpinned by the attractiveness of developing projects in the electorate. Indi is traversed by several major transmission lines, and parts of the electorate fall within the Ovens Murray or the Central North Renewable Energy Zones, as defined by the Victorian Government.⁴ These zones indicate areas of the state with the greatest potential for renewable energy, such as wind or sunshine. Definition of the zones aims to facilitate the development of projects and their connection to Victoria's energy grid.

Concerns directly relating to energy projects and their impact on communities, land use and environment

As the number of renewable energy projects increases at pace, I am hearing rising levels of community concern and in some cases, outright opposition. In many instances communities hold legitimate fears regarding the potential impacts of renewable energy developments on their safety in the face of natural disasters, on the operation of their businesses and on the landscapes and communities they love. The principal points of concern include:

- The conversion of reliably high-rainfall agricultural land to non-agricultural industrial uses;
- Increased risk of fire in areas hosting energy infrastructure and related risk of land contamination if energy infrastructure is damaged by natural disasters;
- Higher insurance premiums for nearby landholders given increased risks in the area;

¹ <https://www.agl.com.au/about-agl/how-we-source-energy/hydroelectric-power-stations#:~:text=Our%20three%20primary%20hydroelectric%20schemes,electrical%20energy%20consumed%20in%20Victoria.>

² <https://www.glenrowanwestsolarfarm.com.au/>

³ <https://wintonsolarfarm.com/about-us/>

⁴ <https://www.energy.vic.gov.au/renewable-energy/renewable-energy-zones>

- Current farm or home insurance liability cover is inadequate to cover the costs of damage to neighbouring renewable energy projects. Higher cover is either not available or unaffordable;
- Potential biosecurity risks linked to additional traffic and machinery entering farming areas;
- Potential water pollution due to erosion and possible extensive herbicide and other chemical use within the grounds of renewable energy projects;
- Impacts on visual amenity and tourism related economic opportunities, and
- Impacts on the natural environment and biodiversity.

Given the above risks and concerns, we must be frank, certain areas are simply unsuitable for the development of renewable energy infrastructure. Clear identification of such areas is currently lacking.

Many constituents from the areas of Meadow Creek, Docker, Moyhu, Bobinawarrah and surrounds have contacted me to express their concerns and disappointment regarding a solar PV and energy storage facility planned for a farming property in Meadow Creek in my electorate. Almost two hundred Indi residents have signed a petition circulated by the Bobinawarrah Hall Committee of Management opposing the proposed development.

Figure 2. Map of proposed solar energy facility location in the Meadow Creek locality



1. Source: Meadow Creek Solar Farm, <https://www.meadowcreeksolarfarm.com.au/>

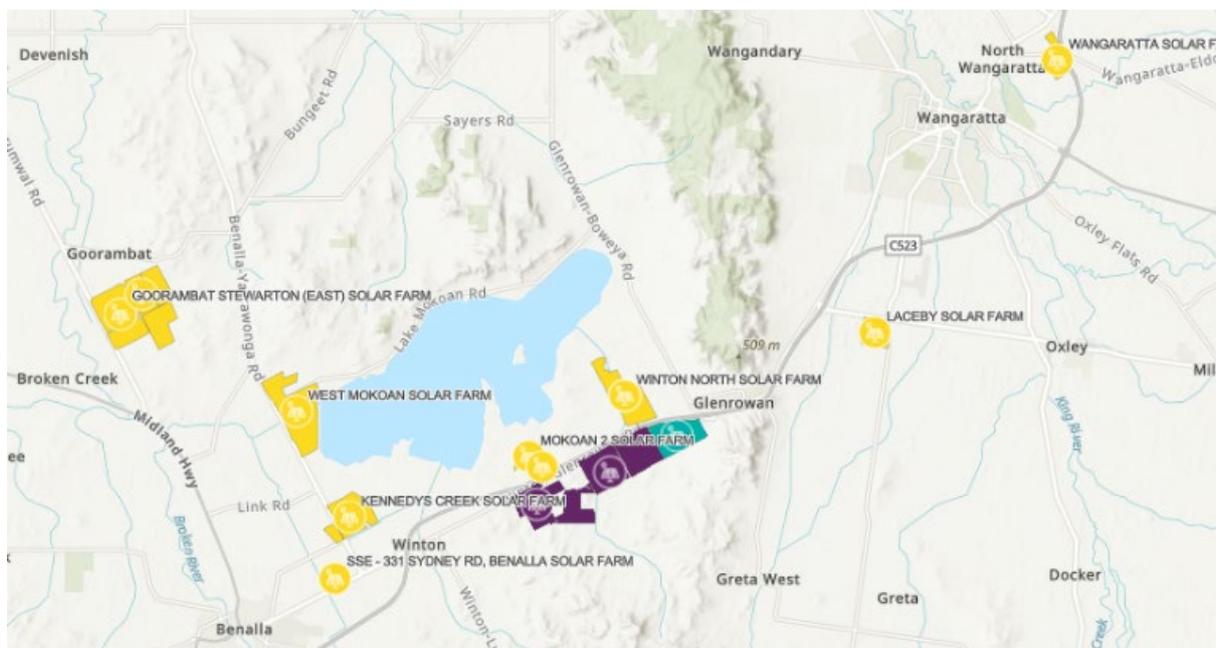
Meadow Creek is a fertile area which enjoys relatively high and reliable rainfall. Raising beef cattle is the prime agricultural activity in the area. Much of the land in the area is designated strategic

agricultural land under the Hume Regional Growth Plan.⁵ Local farmers in the area are concerned about the conversion of valuable agricultural land to non-farming uses, the potential biosecurity risks related to works on the project, and the impact of the project on fire risks, water availability and the value of their land, which they believe has already decreased by 30%. Many also have concerns regarding the visual impact of the projects on their rural locality.

Local farm insurance brokers indicate that neighbouring farmers could face skyrocketing insurance premiums to maintain adequate liability cover, with estimates of increases in the vicinity of \$50,000 per annum per landholder.⁶ Property owners have voiced very legitimate concerns that they wouldn't be able to afford this increase.

Around Winton, another beautiful area of my electorate, the number of solar PV facilities is increasingly rapidly (see Figure 3). Again, many residents have written to me expressing their concern at the impacts on; the natural environment, visual amenity, air quality and land value. Residents are not against solar, they are just requesting fair warning, fair process, and where necessary, assistance in managing impacts.

Figure 3. Solar energy projects in the Winton and Glenrowan localities



Note: purple indicates an operational solar energy facility, teal indicates a solar energy facility under construction, yellow indicates an approved yet not yet operational solar energy facility.

Source: Renewable Energy Projects Victoria,

<https://mapshare.vic.gov.au/planningwebmaps/RenewablesSummary.html>

Chris and Sara Gartside of Winton noted in their opposition to the Winton Solar Farm that:

⁵ https://www.planning.vic.gov.au/_data/assets/pdf_file/0031/639193/Group-4_Map-4-Hume-Strategic-agricultural-land_28Feb2014.pdf

⁶ Wangaratta Chronicle, April 14 2023, *Farm insurance fear over solar neighbour*

<https://www.wangarattachronicle.com.au/rural-news/farm-insurance-fear-over-solar-neighbour>

Local real estate personnel have stated that properties that have the solar plant in their view, will greatly depreciate in value. ... The true impact is yet to be assessed. Hence why communication is key, so we know to what extent we will be affected by visual impact and can forward plan. Which may include changing future building plans, creating tree boundaries or relocation.

Fire risks and animal welfare are also major concerns, with Chris and Sara Gartside again noting:

Will the undergrowth be maintained under and around the panels? who manages the fire breaks? I run livestock on my property, if an inferno breaks out, my animals will perish, if these issues are not addressed and action plans are not in place.

Our communities, predominantly rural farming communities, are facing, or already experiencing, major changes in land use in their area. The proposed Seymour Wind Farm in planning by foreign-owned FERA Australia would impact an area between Avenel, Longwood, Ruffy and Highlands. Small villages across the Strathbogie ranges would be impacted. These communities in Indi are being asked to host projects set to generate enough electricity to power 110 000 homes, yet due to the poor quality of the local network, they consistently experience power outages or brown outs. These communities need to be engaged, provided with impartial information and see real benefits if they are to transition to becoming energy communities. It is the least they deserve given they are the engine room of Australia's energy transition.

Fire risks stand out as one of the major concerns of communities in relation to energy infrastructure. In Victoria the Country Fire Authority has published updated guidelines on fire safety, risk and management for renewable energy facilities. CFA documentation provides clear guidelines on how fire risks can be identified and managed, with a notable recommendation to consider fire risk and management early in the renewable energy infrastructure project design process.⁷

Beyond the frontiers of Indi and Victoria, surveys undertaken by The Energy Charter⁸ to understand community concerns regarding biosecurity risks of transmission projects found that 75% of landholders surveyed felt that biosecurity risks were a concern, with 58% of landholders identifying biosecurity risks as a significant impact.⁹ As a result of this research, Energy Charter signatories have noted strong, tailored biosecurity management plans as a means to address community concerns and reduce risks.

Agrivoltaics, or agrisolar, the combination of agriculture and electricity generation with solar PV can assist in addressing concerns around the conversion of agricultural land into non-agricultural uses, notably solar energy facilities. Agrisolar has major benefits for all parties involved and has been shown to increase the agricultural yield of land. Dew condensing on PV panels and dripping onto the ground can maintain green feed even in times of drought, while panels provide valuable shade and reduce ground temperatures, improving animal welfare. For renewable energy infrastructure project

⁷ Country Fire Authority (2022), Design Guidelines and Model Requirements Renewable Energy Facilities, Version 3, accessed September 2023 at https://www.cfa.vic.gov.au/ArticleDocuments/550/220503_Design_Guidelines_Model_Requirements_Renewable_Energy_Facilities_v1.pdf.aspx

⁸ A coalition of energy organisations, with signatories primarily involved in energy transmission and distribution.

⁹ The Energy Charter (2023), *Better Practice Social License Guideline*, https://www.theenergycharter.com.au/wp-content/uploads/2023/05/The-Energy-Charter_Better-Practice-Social-Licence_2023_GUIDELINE.pdf

proponents, combining grazing with solar PV reduces or avoids costs for mowing and spraying under panels, improves community acceptance, and can even improve solar panel efficiency as panels raised further off the ground are often cooler, improving their conversion efficiency.^{10 11} Agrisolar is however, not universally applicable. Not all areas are suitable for sheep grazing and combining solar PV with beef production and other forms of agriculture is possible, but more costly. Consideration should be given to impacts on agriculture when mapping suitable areas for renewable energy infrastructure and when assessing planning applications.

Failure to adequately address community concerns risks increased opposition to current and future renewable energy infrastructure projects and subsequently risks the achievement of Australia's renewable energy targets. With this in mind, I encourage the AEIC review to implement the research and recommendations put forward by my Local Power Plan (Appendix A), as well as by organisations such as Farmers for Climate Action, the Clean Energy Council, Re-Alliance and more. I also encourage the AEIC to consider the following recommendations in its review:

Recommendation 1: *Develop clear mapping defining land that isn't suitable for development of renewable energy infrastructure, including high value agricultural land, drinking water catchment areas, land of cultural significance, fragile ecosystems, habitats of endangered species and land in high-risk natural disaster zones.*

Clear mapping of areas unsuitable for solar PV, wind or other energy infrastructure development will avoid the significant angst and workload associated with community efforts to oppose developments proposed in unsuitable areas, and also avoid the inefficiency of developers working on projects that will eventually be rejected due to their unsuitability for the land on which they are proposed.

The responsibility for defining what land is deemed as unsuitable should include inputs from all levels of government.

Recommendation 2: *Independent government bodies, such as the AEIC, ARENA, state-based regulators or a standalone national body, develop clear documentation supported by academic research that outlines:*

- 1. The facts relating to the possible impacts of renewable energy infrastructure on communities, land use and the environment, as they are currently understood;*
- 2. How risks are to be managed by renewable energy infrastructure project proponents; and*
- 3. Avenues of recourse available for landholders, neighbours and communities who believe they have been negatively impacted by renewable energy infrastructure projects.*

Recommendation 3: *Require as part of the planning approval process that land upon which solar PV and wind energy projects are developed remains available for agricultural uses. Where appropriate, solar PV facilities should be adapted to sheep grazing, and any cabling between wind turbines should allow for the continued operation of farm machinery in the area. Clear guidelines should be provided as to what activities farmers can undertake near a renewable energy infrastructure project or within a transmission line easement.*

¹⁰ Clean Energy Council (2021) Australian Guide to Agrisolar for Large-Scale Solar - For proponents and farmers, <https://assets.cleanenergycouncil.org.au/documents/resources/reports/agrisolar-guide/Australian-guide-to-agrisolar-for-large-scale-solar.pdf>

¹¹ Farmers for Climate Action (2022), Farm Powered, https://assets.nationbuilder.com/vicwind/pages/2736/attachments/original/1665638558/FARM_POWERED.pdf?1665638558

Recommendation 4: Investigate and implement options to ensure renewable energy project developments do not have any negative impact on the availability or cost of insurance to neighbouring landholders, or their potential liability.

Concerns regarding renewable energy infrastructure project development and community engagement processes

Too often we hear stories of community engagement by project proponents that is either non-existent, or designed as a rubber stamp process without a genuine commitment to including community voices. In many cases community members need to go out of their way and seek information about how to be involved in the consultation process, and it is left to neighbours to spread the news amongst themselves. Often windows for participating in the renewable energy infrastructure project design or approval process are closed or closing by the time landholders find out about projects.

Little to no consultation was had with the local farmers or landowners adjacent to the proposed site before the proposal came to light and glossy brochures were produced - The whole thing seems wrong to me.

Resident, Bobinawarra

The lack of communication and consultations from the Victorian state and local government, council and applicant, Marble-Solar, is extremely disconcerting. Notification was provided to us by a neighbour, who also made contact with a number of other residents of the local community who will be directly affected by the solar farm location. This has significantly reduced the time available for us to research and raise concern. We feel that this was a strategic move by Marbel Solar to ensure a smooth application process.

Sara and Chris Gartside, Winton

Impacted landholders and communities deserve to be empowered stakeholders participating in the renewable energy infrastructure project design and development process.

Empowering in this case means renewable energy infrastructure project proponents should:

- 1) Actively reach out to all stakeholders, using diverse channels, early in the process, and

Demonstrate a commitment to codesigning the project with concerned stakeholders.

Successful community engagement requires that clear principles and processes are designed, agreed upon and followed by all involved stakeholders. This submission notes and supports the [draft requirements for community engagement for major transmission projects](#) published by the Australian Energy Market Commission and recommends that similar requirements are instituted for the development of all grid-scale energy infrastructure. The following principles and recommendations aim to inform the progress in this space.

Principles for best practice community engagement

Genuine commitment to the community

- Demonstrate community concerns and ideas have been addressed
- Proactive engagement

Information sharing

- Early consultation
- Transparency

Broad stakeholder engagement

- All potential stakeholders are involved
- Diversity in consultation and engagement methods

The above principles were developed by my office through the work of Australian National Internships Program participant Magdalen Plater.

Recommendation 5: *The AEIC develops a set of guidelines for energy infrastructure best practice and minimum requirements relating to community engagement and benefit sharing. Guidelines and requirements are legislated by the Commonwealth Government and promulgated nationally via the National Energy Transformation Partnership and other platforms.*

Recommendation 6: *Community engagement guidelines require timely, transparent, and genuine commitment to engaging and empowering the community in the renewable energy infrastructure project development process.*

Guidelines should include a requirement to conduct a broad stakeholder mapping, recognising that relevant stakeholders will be dependent on the project type and location. Stakeholders should, at a minimum, include landholders, local councils, neighbours, community groups and Traditional Owners. Identified stakeholders should be pro-actively engaged throughout the project development process, communicating early and transparently. Communications should demonstrate how community members can participate in the project design process, how they can potentially benefit from the project, and what rights community members have to object.

Timely consultation may mean a requirement to consult with the community a given number of months in advance of applying for planning approval and organisation of regular community meetings. The AEIC review and stakeholder consultation should be undertaken to determine the specifics of such requirements.

Project communications should use a diverse range of channels, including but not limited to, local newspapers, town hall meetings and letter drops in impacted areas. Clear information should be provided as to who owns the project, and contact details for the project proponents should be provided, including phone numbers, email addresses and postal addresses. All non-confidential project updates should be transparently available for community members to access.

Recommendation 7: *Planning applications include a requirement to demonstrate community engagement in line with the guidelines. Planning application assessment bodies are empowered to reject applications on the basis of insufficient community engagement.*

Project proponents should demonstrate that community concerns and ideas have not only been listened to, but action have been taken to address concerns or ideas.

CASE STUDY

The Winton Wetlands are a wetlands restoration project of international significance situated between Benalla and Wangaratta. The Winton Wetlands Committee of Management oversees the 8,750-hectare crown land site. As part of their vision for diversifying the environmental benefits of the project and contributing towards emission reduction goals, the Committee explored the potential for developing a solar PV facility within an area of the site. The Committee began by defining guidelines for appropriate development of a solar PV facility, these included avoiding negative biodiversity and environmental impacts, using an area of land (700 acres) with no neighbours that would be visually impacted, requiring remediation of the site after the end of the project lease and more.

The Committee then proceeded to an expression of interest phase, selecting a developer that best understood the Committee and the communities guidelines and considerations. The project now has an in principal lease agreement in place and the developer is undertaking further technical studies and seeking planning approval.

The Winton Wetlands Committee of Management reversed the standard practice of developers approaching landholders, in doing so they provide an exciting template for community empowerment via landholder and community led development of renewable energy infrastructure.

Benefit sharing with landholders, neighbours, and communities

Benefit sharing with landholders, neighbours and communities hosting renewable energy infrastructure projects is a critical element of community engagement. Benefits should not be viewed simply as a way of obtaining social license, but instead as a way of empowering landholders and communities and ensuring that they are fairly rewarded for their role as the engine room of Australia's energy transition. Projects should be mutually beneficial for developers and host communities. Benefits must be long term in line with the project lifetime, rather than a short term sugar hit during the construction phase.

Benefit sharing can take many forms and benefit sharing strategies should be contingent on the local context and the characteristics of the renewable energy infrastructure project. Projects can and should benefit local communities via local employment and training, use of local businesses and upgrading local public infrastructure, and more. In this submission I specifically focus on benefits that arise from:

- a) regular payments from project proponents to locals;
- b) local community equity stakes in projects,
- c) benefits for local businesses and workers

Regular payments from project proponents to landholders, neighbours, and communities

Landholders currently receive different amounts and forms of compensation depending on the type of project in question, the land used and, in certain cases, negotiations with project developers.

The most notable disparity in compensation is between landholders hosting electricity generation assets and landholders hosting transmission lines.

- **Potential hosts of solar PV or wind turbines** are able to negotiate with project developers to secure a suitable level of compensation, with no fear of compulsory acquisition. At any stage,

landholders have the ability to refuse the project developer's offer. The compensation received is generally higher than the agricultural production value of the land.

- **Potential hosts of transmission lines** do not have the same negotiating power, as transmission developers can compulsorily acquire transmission easement rights. Further, easements are permanent while payments are commonly single lump sums. The compensation received by landholders is determined by state or territory legislation and is not open to negotiation.

This situation can result in hosts of transmission lines receiving less than one-fifth of the compensation a host of a wind farm would receive for a given square metre of land.¹² The disparity increases opposition to transmission projects and represents a major inequity that needs to be addressed if regional Australian landholders are to receive a fair deal when transmission projects cross their land.

***Recommendation 8:** Compensation for land acquisition for transmission projects should be significantly increased towards average levels received by landholders hosting wind turbines and solar PV.*

***Recommendation 9:** Independent information should be provided to all potential hosts of energy infrastructure as to their rights, avenues of recourse and the financial compensation they would be eligible to receive.*

Neighbouring landowners may receive no financial compensation for projects (transmission lines, solar PV or wind turbines) developed and operated in their vicinity, or they may be handsomely rewarded. This often depends on whether project proponents choose to set up agreements with neighbouring landholders. Again, this is an equity issue that compounds opposition to certain projects and leads to divisions within communities. We must recognise that nearby landholders may be impacted by the visual changes, noise, dust and other impacts related to projects, and such impacts don't stop at the hosting landholder's boundary. I support the [recommendations put forward by the AIEC in regards to neighbour matters](#) however, I would encourage further actions to ensure that all parties impacted by an energy project are adequately consulted and compensated.

Many projects and developers are already instituting neighbourhood agreements as standard policy, for example Engie provides payments to all landholders within a 10km radius of a wind turbine, with payments evolving based on distance and the number of turbines.¹³

Failure to adequately engage and compensate all impacted adjacent landholders risks creating community division and entrenching opposition to projects. Such a situation is emerging in my electorate, where a proposed wind farm is facing opposition and claims that it is dividing the community. While the proponent does claim to be engaging the community and it is currently unknown whether neighbour agreements are being considered, the perception that only hosting landholders benefit financially is negatively impacting the community and the project. Writing to the developer, one constituent wrote:

Your actions have already pitted neighbour against neighbour and eroded long-term friendships. The community has already started to become divided. There are a minimal few large land holders, who are likely already very financially well-off, who stand to gain

¹² <https://reneweconomy.com.au/transmission-investment-modelling-is-a-giant-well-intentioned-furphy/>

¹³ https://engie.com.au/sites/default/files/2023-07/Neighbour%20Benefit%20Sharing%20Program_WEB.pdf

significant long-term profits from this venture. The rest of us (again the majority) and our local environment are being held to ransom by a minority whose motivation ... is financial.

Constituent, Terip Terip

Recommendation 10: *Require the use of neighbour agreements for all energy projects to ensure an equitable distribution of financial benefits in relation to the level of impact on visual and other amenity.*

Undertake stakeholder consultation to determine the necessary scope and compensation for neighbour agreements, with recourse to bodies such as the AEIC or an ombudsman to assist in determining impacts and compensation for specific cases.

Communities increasingly receive benefits from nearby renewable energy projects via contributions to local community funds. However, there is no standard practice regarding if funds should exist, how much money such funds should receive from projects proponents and for how long, who should administer the funds and how funds should be spent.

The Government of New South Wales recently announced a requirement for project developers connecting to network infrastructure in Renewable Energy Zones (REZs) to pay access fees, which include components to fund community benefit and employment programs.¹⁴ Revenue from these access fees is to be held in the Community Benefits Scheme established by EnergyCo, the NSW government's energy planning organisation, and can be spent on a range of programs in the REZ, including health, housing, infrastructure, arts, environment, tourism and First Nations projects.¹⁵ Fees are indicated to be a minimum of \$1,700 per MW per year, plus another \$600 per MW per year to go towards local employment.

Recommendation 11: *Develop standardised processes and documentation for communities and project developers to establish and govern community renewable energy funds. Funds should not be project specific, allowing communities and local councils to pool contributions to then invest in more significant projects, such as community-led energy projects with long term benefits.*

Contributions from developers to community funds should continue throughout the duration of the project, giving long term certainty to communities and establishing long term benefits. Funds could also be centralised as per the recently announced Community Benefit Scheme in New South Wales, the main requirement is that communities themselves can decide how to spend the money.

Payments to local councils could either be based on a negotiated amount per MWh of electricity generated, or in kind, via contributions to local infrastructure or other projects. The bottom line is that local councils should receive direct and ongoing benefits from hosting renewable energy infrastructure. Further, given the limitations imposed by the regulatory investment test for transmission (RIT-T) on potential transmission network projects, contributions to community funds from transmission projects are either limited or non-existent.¹⁶ Without reform to the RIT-T transmission project developers will not be able to appropriately engage with communities and

¹⁴ <https://www.energyco.nsw.gov.au/industry/access-schemes>

¹⁵ <https://www.abc.net.au/news/rural/2023-07-25/renewable-energy-companies-pay-access-fee-millions-nsw-rez/102644988>

¹⁶ Re-Alliance (2021), Building trust for transmission, https://www.re-alliance.org.au/building_trust_for_transmission_report

adopt fair community benefit sharing approaches. The status quo will increasingly contribute to delays in the build out of transmission projects.

Recommendation 12: make changes to the RIT-T to allow transmission project developers to provide greater remuneration to landowners hosting transmission lines, and their neighbours, and to compel payments to community funds.

Local community equity stakes in projects

As noted in my Local Power Plan, many communities see large-scale renewables being developed in their area but have no way to partner with those developers or to invest in these projects. Renewable Albury-Wodonga argued:

There is a great desire from many people in the community to invest in medium to large scale renewable energy projects. As it currently stands the vast majority of scale sized renewable projects are foreign owned, with little to no ongoing benefit by way of jobs or local investment being granted to the communities on an ongoing basis.¹⁷

CASE STUDY

In Zschadraß, located in Saxony in southeast Germany, The Ecological Social Foundation (ESF) started investing in PV installations on community buildings and re-investing the profits from the grid feed into community projects such as allowances for school lunch for children of low-income families. When energy company Windstromer GmbH proposed the development of the largest wind turbine in Saxony, the company recognised there may be some resistance to this project, therefore it initiated and entered into an agreement that allowed 20% of the project to be community owned. Both the ESF, and another club called 'rural life' entered into the agreement, with 80% of the project being owned by Windstromer GmbH, 15% belonging to the ESF and 5% belonging to the club 'rural life'. Profits from the wind farm are used to reduce fees for the local kindergarten.¹⁸

Allowing everyday Australians to co-invest in medium- and large-scale renewables is one of the clearest ways forward to engage and empower communities in the energy transition, and to ensure the transition delivers the appropriate benefits to hosting communities. Many groups have long called for a legislative requirement for large-scale developers to offer ownership to local communities. A similar model to this has operated successfully in Denmark since 2008 – where new wind farms must offer 20% equity to residents within 4.5km of a turbine¹⁹.

My Local Power Plan proposes implementation of a Community Renewable Investment Scheme (CRIS) that would **require any new large-scale renewable developments in Australia to enable local communities to purchase 20% of the project value**. The CRIS would enable partnerships between

¹⁷ Renewable Albury Wodonga (2020), Submission to Community Co-Design Process.

¹⁸ Musall, F. D., & Kuik, O. (2011), Local acceptance of renewable energy - A case study from southeast Germany. Energy Policy, 39(6), 3252-3260. <https://doi.org/https://doi.org/10.1016/j.enpol.2011.03.017>

¹⁹ Gorrone-Albizu, L., Sperling, K., Djourup, S., (2019), The past, present and uncertain future of community energy in Denmark: Critically reviewing and conceptualising citizen ownership, Energy Research and Social Science, Vol 57, p. 6

developers and local communities to ensure that people and local governments have the option, but not the obligation, to invest in projects happening in their area.

Recommendation 13: *Require all new large-scale renewable energy projects offer a community co-investment funding round equivalent to a minimum of 20% of the project value before final planning approval can be granted.*

The funding round can offer ownership to individuals, co-operatives, organisations or local councils. The community co-investment offer requirement should involve a funding floor of 1%, whereby if the round fails to generate interest in at least 1% of the total project value the developer will not be required to enter the co-investment model.

It is important to note that a community investment round does not require the community to invest. Community investment does not remove the need for project proponents to engage and support host communities via other channels.

I recommend requiring any energy developments above 10 MW to be subject to this requirement.

Benefits for local businesses and workers

I continue to hear from local governments and businesses in my electorate of Indi that local businesses struggle to get work on renewable energy infrastructure projects in their area, with contracts going to large companies from outside the area.

Contributing to this outcome is the small scale of many local electrical and other specialised trade businesses relative to the large scale of many projects, the requirement for specific training to work with high voltages, the difficulty finding workers, and the uncertainty of future work streams once a given project is completed. Many local electrical businesses are run off their feet even before renewable energy infrastructure projects arrive, and they can't find enough people to recruit to take on new jobs.

Engagements from renewable infrastructure project developers to support the use of, and upskilling of, local businesses and workers can go a long way to addressing these issues. We are already seeing progress in this space, for example, when confronted with the limited availability of appropriately skilled workers in the region of the Winton Solar Farm, project developer FRV approached Goulbourn Ovens TAFE to devise and provide specialist training apprenticeships in solar electrical engineering.²⁰

We need to scale up training programs to ensure more locals businesses and workers have the chance to benefit from renewable energy infrastructure projects being developed close to their homes. Businesses recruiting qualified local workers need to have the certainty of continued work once a given project is completed.

Recommendation 14: *Establish local procurement and local labour use requirements within project planning permit conditions. If such requirements cannot be met, due to a lack of available or suitable*

²⁰ Clean Energy Council (2019), A Guide to Benefit Sharing Options For Renewable Energy Projects, <https://assets.cleanenergycouncil.org.au/documents/advocacy-initiatives/community-engagement/guide-to-benefit-sharing-options-for-renewable-energy-projects.pdf>

businesses and workers, project proponents can instead meet this requirement via investment in local skills training.

Investing in local businesses, local jobs and skills for the future will not only create direct economic benefits for host communities, but will also improve relationships between project developers and the community, and assist in establishing the supply chains and resources needed to meet the needs of Australia's energy transition.

The community energy sweet spot

This submission has outlined the legitimate concerns communities have with energy projects, their impact on communities, and the community engagement process that is part of project development. It has also addressed the opportunities for energy projects to share benefits with landholders, neighbours and communities.

Community energy is where everyday people are empowered to develop, own and benefit from their own energy projects – is a way to ensure the renewable boom happens with and for us, not to us.

If the community itself proposes, develops, owns and benefits from projects (which could be 100% community owned), consultation and engagement processes to address concerns, and the 'social licence' sought for energy projects, become less necessary.

I introduced the Local Power Plan to put community led energy projects at the centre of Australia's energy transition.

The Local Power Plan demonstrated there is strong motivation for communities to act and cut their emissions. It showed there are at least 12 community energy groups in Indi alone, and over 100 across Australia. These groups have installed solar panels on social housing, upgraded the energy efficiency of local homes and businesses, developed mini-grids, founded community-owned energy retailers, and worked with commercial developers on large-scale projects.

Communities are motivated to do so because they want to reduce emissions, reduce bills and improve their energy independence, they know investment in renewable energy is the way to do this. They want to be part of the solution towards a renewable energy future, not the problem.

The Local Power Plan set out five key opportunities for community energy in Australia:

1. Develop a strategic capital investment program to provide long-term certainty for community energy projects and leverage private investment;
2. Establish local power hubs in communities across regional Australia to provide technical expertise and support development of community energy projects;
3. Designate a centralised agency as responsible for enabling better peer-to-peer capacity-building, developing shared resources and providing technical support across communities;
4. Introduce a public underwriting scheme for mid-scale community energy projects to overcome a failure of the market to fully price their technical and social benefits;
5. Enable communities to co-invest in large-scale renewable projects by requiring developers to offer co-investment opportunities to locals.

Investment in these opportunities would unlock the potential of the community energy sweet spot: where renewable energy projects can continue at pace to reduce emissions, communities benefit from these projects, and community engagement to address concerns becomes quasi obsolete.

Recommendation 15: Fund support of community energy, including the establishment of technical support hubs for community energy, a community energy underwriting scheme and community energy specific responsibilities and grants to be administered by ARENA, or another national body.

Conclusion

The decarbonisation of Australia's electricity system is a once in a generation nation building project. If done right, the energy transition can act as an accelerator of economic development and prosperity for regional Australia and Australia as a whole, if done wrong, we risk project delays, we risk our decarbonisation goals, and we risk alienating the constituents of Indi and communities right across regional Australia.

Exchanges with my constituents, and stories arising from across the country, tell me that community engagement experiences are frequently disappointing, and the level of benefits received by host communities are far from commensurate with the role they play as the heavy lifters of the energy transition.

Australia is on the cusp of a major acceleration of wind, solar PV and battery storage project deployment. Yet the impacts of poor community engagement are already delaying projects and plans for the construction of 10 000km of accompanying transmission lines are meeting stiff opposition. This Review presents perhaps the last window of opportunity for this Government to change trajectory and establish a pathway for a transition done right for all.

Regional communities need clarity on which areas are deemed suitable for the development of renewable energy infrastructure, how the potential risks and impacts of such projects will be managed, and assurances that they will not find themselves worse off. Governments at the Commonwealth and state levels need to step in and set clear expectations and requirements for project developers to ensure that landholders, neighbours and communities are informed and empowered. Projects that don't meet these government requirements should not be approved.

A transition done right, with appropriate benefit sharing, could be a new golden age for regional communities. Landholders need to be appropriately rewarded for their role in unlocking renewable energy infrastructure projects, neighbours should be compensated for any project impacts, and host communities and local councils merit long term financial benefits to be spent on community priorities. Local businesses and workers should also benefit, by being asked to contribute to these nation building projects and equipped with the appropriate skills to do so.

I am optimistic for a prosperous regional Australia powering the nation with renewables. I am honoured to be able to transmit the visions and concerns of my regional Australian constituents to this Review, and I eagerly anticipate Professor Dyer's report. I will be working closely with Minister for Climate Change and Energy Chris Bowen to ensure this Review's recommendations are implemented and the interests of regional Australia remain at the forefront of the energy transition.

Sincerely,

Helen Haines MP

Appendices

1. The Local Power Plan
2. Australian Local Power Agency Bill 2021



THE LOCAL POWER PLAN.

A blueprint for everyday Australians
to benefit from the coming boom
in local, cheap and clean power.

SEPTEMBER 2020





Helen Haines MP

INDEPENDENT FEDERAL MEMBER FOR INDI

The Local Power Plan

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Our vision

We could have a sunbelt of 10,000 locally-owned renewable power stations stretching from Esperance to Carpentaria, bringing new jobs, new opportunities and an infinite supply of cheap, clean, local power to regional Australia.

This is the Local Power Plan.





A plan for us



Photo credit: Coalition for Community Energy

Four words most succinctly and effectively express the message about community energy: Clean, Cheap, Healthy, Local.

Augusta Margaret River Community Clean Energy Renewable energy

Renewable energy means cheaper electricity and reduced greenhouse gas emissions. With the addition of battery storage renewable energy can make regional communities more energy resilient at times of blackout.

Ballarat Renewable Energy and Zero Emissions Inc.

I see these large-scale, grid connected solar farms as essential in our future energy mix. These sorts of developments create jobs, increase economic activity in local towns, reduce emissions and provide an important secondary income for farmers.

Karin Stark, Dubbo

Renewable energy provides jobs and career paths to depressed rural communities. Essential in providing job and training in rural Australia. It's an activity for the benefit of the community and it gives people a feeling of control over their future.

Manilla Community Renewable Energy Group

Done responsibly and with an eye to equality, renewable energy is an opportunity for regional Australia to tackle the entwined challenges of ecological sustainability and social justice.

Women's Health Goulburn North East, Wangaratta

Renewable energy in its various forms should be the major source of energy for the whole of Australia. Local regionally owned and operated renewable energy projects can keep the money and work in regional areas.

Brent Bailey, Glenrowan

Renewable energy projects directly generate employment within the region and state where the projects are located including apprentices and trainees. Sustainability targets can grow to encompass long term employment and export opportunities for our regional communities, with excess supply of renewable energy serving other parts of the state, the nation and even offering export potential.

Neoen Solar Developer

Renewable energy plays a critical and essential role in the future of our community, in fact every community in Australia.

Lyn Reed, Wodonga

Our hope is to see a decentralised energy network where renewable generation facilities are located in close proximity to the towns they service. The global transition from fossil fuels to renewables is inevitable and presents significant economic potential for regional Australian communities.

Murrindindi Shire Council

The establishment of local hubs to deliver specialised support to community energy groups in the region could also provide information and resources for young people to learn about the career opportunities in the renewables sector.

North East Tracks Local Learning and Employment Network, Wangaratta

Community energy projects are unique, and they provide proportionately large direct and indirect local benefits and employment opportunities; create new pathways for environmental volunteering and climate action with strong economic and community development outcomes; and, offer a new model of engagement around renewable energy, benefitting the broader renewable energy sector.

Coalition for Community Energy

Renewable energy can and should play a role in the future of the Bass Coast community. Much of regional Australia is surrounded by rich renewable energy resources, and as such it holds great potential for local benefits, as well as the more-often discussed wider societal and environmental ones.

Max Richter, Wonthaggi

Community energy provides significant opportunities for regional and rural areas. There is a great desire from many people in the community to invest in medium to large scale renewable energy projects.

Renewable Albury-Wodonga

Regional Australia is blessed with abundant renewable energy resources. Using these locally can keep money in the local community, can improve resilience and energy security and can help all your local organisations to continue delivering the local benefits that they are renowned for.

Citizens Own Renewable Energy Network Australia, Adelaide

All small regional towns should be working towards renewable energy. It not only reduces the cost of energy but will help the environment with clean energy.

Tallangatta Show Society Committee of Management

Renewable energy plays a significant role in the future of all communities. Communities all across the country need, and are actively seeking, viable pathways to zero emissions energy.

Beyond Zero Emissions

Renewable energy means cheaper electricity and reduced greenhouse gas emissions. With the addition of battery storage renewable energy can make regional communities more energy resilient at times of blackout— that may result from extreme weather, high energy demand or bushfires.

Ballarat Renewable Energy and Zero Emissions

Renewable energy will play a key role in the resilience of our community as it responds to converging crises in ecology, economy, equity and energy.

Surf Coast Energy Group, Torquay

Renewable energy is a really significant industry that can generate massive benefits for regional Australia via cost savings, jobs, investment, and social benefits.

Sustainable Upper Ovens, Bright

We have found that other groups who are further down the community energy path, have been very generous with information and suggestions. We feel part of a movement in our region.

2030 Yea: Community Energy



A plan for us



Photo credit: Friends of the Earth for Hepburn Wind.

Decentralising electricity generation is also important from a climate adaptation perspective as some communities are concerned about security of electricity supply as bush-fires become more frequent and severe.

Barwon Region Alliance for Community Energy, Geelong

Localised renewable energy supply has community, social and economic benefits for all, especially if communities lead and have a stake in the solutions that best fit their circumstances.

Totally Renewable Beechworth

Energy independence is a pathway to build community resilience and increase prosperity by keeping funds in regional communities. Community-owned energy infrastructure keeps money in the local economy and increases reliability.

Granite Belt Sustainability Action Network

Renewable energy is critical in the reduction of carbon and to save money from lower power bills for homes and businesses as well as retaining money in the community.

Healesville Community Owned Renewable Energy

It has also become very evident during the bushfires of the 2019/2020 season the role local energy will play in helping communities be more resilient in the face of emergency weather and fire events. Distributed energy resources allow individual properties with batteries to have a secure power supply during emergency events.

Totally Renewable Yackandandah

Community energy has a vital role to play in further building social licence for renewable energy, and allowing everyone to access the benefits of renewables including those who are, for example, locked out of being able to access rooftop solar.

Solar Citizens

Community renewable energy enterprises generally have a greater level of commitment to creating jobs in local communities including ongoing roles in management and operations. These contributions can help diversify local employment and income and therefore boost local resilience during economic shocks.

The Australia Institute

Renewable energy can create economic growth and jobs. Most importantly it can create stimulus to our economy which is much needed.

Frontier Impact Group

This is a timely initiative to revitalise regional Australia in the context of the intersecting crises the bushfires and COVID pandemic have brought, while also contributing to action on climate change as our energy system transitions to clean energy.

Community Power Agency

Renewable energy (with storage) offers the potential of being relatively independent of the grid and this is particularly important in the more remote and bushfire prone communities.

WinZero, Wingecarribe

Renewable energy saves money by reducing operating costs for both businesses and households. This is critical for many regional communities where the cost of living is outstripping workers' wages.

Zero Emissions Noosa

Community energy is more than just the generation of electricity. Access to cheap, sustainable forms of energy is a basic right, like water, food and housing. Renewable energy's reliability, cost effectiveness and potential to create jobs should be emphasised, particularly in regional Queensland.

Energetic Communities, Brisbane

Renewable energy provides a pathway to emissions reductions, self-sufficiency, community resilience and energy redundancy for communities in regional Australia.

Geelong Sustainability

The regions can play a central role in the energy transition. Our physical assets and social capital are the foundations from which we can drive this vision of regional communities becoming the 21st century replacements for coal-fired power stations.

Renewable Energy Mansfield

We recognise the powerful role that community energy initiatives can play in affecting local change and accelerating a much wider societal shift to renewable energy.

Clean Energy Council

It is very important for the future of regional Australia's long term economic and social benefit that regional Australia sees the development of renewables as an opportunity to take the power back: to boost their energy resilience and security; to lower costs; and to keep money and jobs in their regions.

Enova, Byron Bay

By increasing local production of electricity this will help keep more money in the local community, thus increasing a rural community's financial strength and long-term viability.

Junee Community Power Incorporated

For regional communities in WA to grow and attract more people and new businesses, they need to offer an economic advantage when compared to Perth CBD and the metropolitan area. Community energy, microgrids and innovative technology solutions can help make this happen.

Tersum Energy, Geraldton

Community energy keeps the money local. If we could generate our own electricity that would keep \$40m in funds in the local economy instead of going to the big retailers, and reduce our exposure to chain of supply issues due to remote generators in the network.

South Coast Health and Sustainability Alliance, Moruya



Foreword from Helen Haines MP

The incredible events of 2020 have given Australians a once-in-a-generation moment to decide what we want our future to be.

Especially in the regions, people are hungry for practical ideas about how to seize the momentous opportunities before us and build a generation of shared prosperity.

Renewable energy is one such opportunity.

Regional Australia has the best renewable energy resources in the world. A boom in investment is already underway. Our challenge is now to ensure that everyday Australians will share in its benefits.

Community energy – where everyday people are empowered to develop, own and benefit from their own energy projects – is a way to ensure the renewable boom happens with and for us, not to us.

This year, I invited experts and communities across Australia to help me co-design a national plan to unlock the potential of community energy. Together, we have produced a practical, realistic blueprint to bring cheap, clean, local power to the regions.

This is the Local Power Plan.

It involves three schemes delivered by a new entity, the Australian Local Power Agency (ALPA)

1. The **Local Power Scheme** will support communities to develop their own energy projects;
2. The **Underwriting New Community Investment scheme** will underwrite locally-owned mid-scale projects;
3. The **Community Renewable Investment Scheme** will enable local communities to co-invest in new large-scale projects.



Over 10 years, the *Local Power Plan* would create thousands of small-scale renewable power stations and save millions of dollars in power bills. It will ensure that everyday regional Australians get a fair share of the jobs that will be created in renewable energy this decade.

But for this to happen, we need the government to act. Later this year, I will introduce to Parliament the *Australian Local Power Bill 2020*. This Bill will create the ALPA and its three constituent schemes.

I'm inviting every Australian who believes in the future of our regions to support the *Local Power Plan*.

I'd like to thank the individuals and organisations who took the time to make a submission. This Plan belongs to you. I'd also like to thank the communities around Indi and around Australia quietly working to develop community energy projects. Community energy truly is people power.

And I'd like to thank each member of our Expert Panel. Your dedication to your communities, to regional Australia, and to the project of a better, renewable future is an example for us all.

I believe that the next 50 years could be the brightest ever for regional Australia, if we have the grit and the determination to work for it. And I believe the Local Power Plan will help us get there.

Let's get to work.

Helen Haines MP
Independent Federal Member for Indi



Foreword from the Expert Panel

In April 2020, Helen Haines asked us to join her Expert Panel to design an energy policy for regional Australia.

The **Local Power Plan** is the culmination of that process.

The job of the panel was to design and lead a community co-design process that would deliver a national plan for community energy.

We were invited to join the panel because we are involved in community energy groups across Indi and beyond.

We are proud that North East Victoria has enthusiastically embraced community energy and that the electorate of Indi is home to 12 of the 100-odd community energy groups in Australia.

We are everyday Australians who, at various points, decided that we wanted a better future for our communities and that we would step up to help make that happen.

Collectively, we have installed solar panels on social housing, upgraded the energy efficiency of local homes and businesses, developed mini-grids, founded community-owned energy retailers, and worked with commercial developers on large-scale projects. We have much more planned.

We do this because we believe in regional communities coming up with solutions to our own problems. We do this because we believe that regional Australia has an enormous opportunity to benefit from the renewable energy boom. We do this because we believe that the best form of climate action, is just that: action.

We are proud to offer the *Local Power Plan* as a comprehensive blueprint to support every part of regional Australia to access the benefits of our renewable transition as we have done.

Helen Haines is one of us. Before she was the Member for Indi, she was an everyday Australian. She was our colleague, our friend, our neighbour. We are now proud to call her our representative. We congratulate Helen and her team for trusting us to develop this important Plan with them.

We hope that in this Plan, every part of regional Australia will see the potential not just for a better future for regional Australia, but for a better model of political representation. One that listens to people. And one that acts in their interests.

In that spirit, we call on the government to act to make the *Local Power Plan* a reality.

Pass the Australian Local Power Bill 2020. And fund the Local Power Plan.

Andrew Webb *Renewable Energy Mansfield*

Ben McGowan *Indigo Power*

Bobbi McKibbin *Renewable Albury Wodonga*

Cam Klose *Indigo Power*

Geoff Lodge *GV Community Energy*

Dennis Lambert *Sustainable Upper Ovens*

Elaine Furniss *2030Yea: Community Energy*

John Lloyd *Renewable Energy Benalla*

Juliette Milbank *Totally Renewable Yackandandah*

Kate Auty *Euroa Environment Group*

Marnie Shaw *Australian National University*

Matthew Charles-Jones *Totally Renewable Yackandandah*

Matt Grogan *Indigo Power*

Michelle Kent *Sustainable Upper Ovens*

Shirley Saywell *Euroa Environment Group*

Sue Gold *Totally Renewable Beechworth*



**IN THE 21ST CENTURY,
WE CAN BUILD A
NEW GENERATION
OF PROSPERITY BY
CATCHING THE SUN'S
RAYS AND SURFING THE
PREVAILING WINDS.**

Helen Haines MP



Baroota Solar Farm, South Australia. Photo credit: Meralli Solar.



Executive summary

Everyday Australians should share in the benefit of our renewable energy boom

The *Local Power Plan* laid out in this report flows from three simple facts

- Over the next 30 years, Australia's entire coal fleet is set to retire and be replaced by renewable energy. In the same period, \$1 trillion will be spent in our electricity system.
- The vast bulk of our new renewable energy system will be built in regional Australia, in a sunbelt stretching from Esperance to Gippsland to Cape York.
- Without proper planning, everyday communities in regional Australia will miss out on the benefits of this boom.

This renewable energy transformation is a once-in-a-century opportunity to revitalise regional Australia. We must plan it right to ensure that renewable energy builds the resilience of our communities, lowers electricity costs and creates a new export industry. We should aspire to supply the country and the world with endless, clean electricity made right here in regional Australia.

In the 19th century, a gold rush built regional Australia. In the 20th century, we rode to wealth on the sheep's back. And in the 21st century we can build another generation of prosperity by catching the sun's rays and the surfing the prevailing winds.

Community energy is a key way to ensure everyday people can benefit from renewables

Community energy is about ensuring that everyday Australians can develop, own or benefit from renewable energy projects. That could mean installing rooftop solar on the local footy club, working together with the council to build a medium-sized solar farm, or partnering with a commercial developer to co-invest in a large-scale wind farm. In each case, communities drive, own and benefit from the boom.

The research shows us that when communities are meaningfully involved in renewable energy projects, it creates more local jobs, creates new sources of income for everyday people, and increases access to cheap, local electricity.

Yet Australia has never had a comprehensive policy framework for community energy. Until now.

There are five key opportunities to accelerate community energy in Australia

Over eight weeks, we ran a co-design process to develop a national plan to unlock the benefits of community energy. This report synthesises the recommendations from 14 workshops with community energy groups in Indi and nationally, and 100 submissions from every state.

In the co-design, we identified five key opportunities to accelerate community energy in Australia —

1. Develop a strategic **capital investment program** to provide long-term certainty for community energy projects and leverage private investment;
2. Establish **local power hubs** in communities across regional Australia to provide technical expertise and support development of community energy projects;
3. Establish a centralised agency to enable better peer-to-peer **capacity-building**, develop shared resources and provide technical support across communities;
4. Introduce a **public underwriting scheme** for mid-scale community energy projects to overcome a failure of the market to fully price their technical and social benefits;
5. Enable communities to **co-invest in large-scale renewable** projects by requiring developers to offer co-investment opportunities to locals.



Executive summary

The **Local Power Plan** ensures everyday regional Australians benefit from renewable energy.

The Plan is a suite of three innovative schemes that together empower everyday communities in regional Australia to access the full benefits of the coming boom in renewables —

First, the **Local Power Scheme** will establish 50 Local Power Hubs across regional Australia to support communities to develop their own renewable energy projects.

Each Hub will provide technical and project support to community energy groups, and work with them to access a new \$310 million **Local Power Fund** to provide strategic development capital. Over 10 years, the Local Power Scheme will catalyse thousands of small-scale projects across Australia.

Second, the **Underwriting New Community Investment (UNCI)** scheme will provide financial certainty to new mid-scale energy generation and storage projects that are at least 51% community-owned.

The UNCI scheme will unlock billions of dollars of private investment to support communities to build their local energy independence and resilience.

Third, the **Community Renewable Investment Scheme (CRIS)** will implement a new requirement for any new large-scale renewable developments in Australia to enable local communities to purchase 20% of the project value.

The CRIS will enable partnerships between developers and local communities to ensure that people have the option to invest in projects happening in their area.

The three schemes of the *Local Power Plan* will be delivered by a new **Australian Local Power Agency (ALPA)** established as an independent statutory body.

To make the *Local Power Plan* a reality, we need to do two things

1. Pass the Australian Local Power Bill 2020.

This Bill will establish ALPA and its three constituent schemes in legislation. This Bill will be introduced to Parliament later in 2020.

2. Secure \$483 million of government funding.

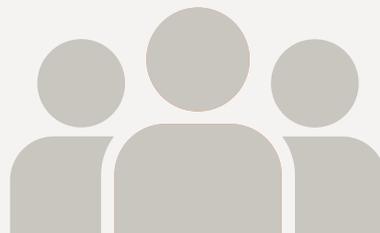
The *Local Power Plan* requires \$483m over 10 years to be invested in our regions. The time is right to make that investment.

**WE ARE CALLING
ON EVERY
AUSTRALIAN WHO
WANTS TO CAPTURE
THE OPPORTUNITIES
OF RENEWABLE
ENERGY TO VISIT —**

localpowerplan.com

TO JOIN THE CAMPAIGN

Let us seize the moment, and together make the **#LocalPowerPlan** a reality.





Baroota Solar Farm, South Australia. Photo credit: Meralli Solar.



Introduction

The coming decades will bring a massive renewable energy boom to regional Australia. Everyday people should share in the benefits of that boom – new jobs, new income, and endless cheap power.

But that will only happen if we put communities at the centre of the transition.



Coal is retiring, renewables are taking its place

Over the coming decades, regional Australia is set to be transformed by renewable energy. This is not a prediction or a political statement. It is the sober assessment of the Australian Energy Market Operator (AEMO) – the engineers the government employs to plan and operate our electricity grid.

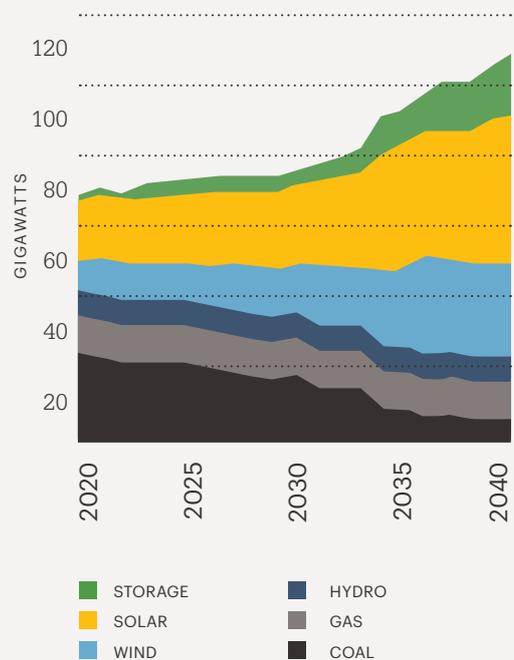
AEMO explains that over the next 20 years, more than 60% of Australia’s coal fleet is set to retire¹. These power stations currently generate over a third of the electricity demand in Australia’s National Electricity Market (NEM). At the same time, we will experience an unprecedented boom in renewable energy.

In 2019 alone, Australia installed 6.3 gigawatts of renewable energy². That is almost four times the size of the recently-closed Hazelwood Power Station, and represents enough capacity to power 3.1 million homes. Despite the pandemic, 2020 is expected to deliver a similar result.

In June 2020, the NSW government called for expressions of interest to build a \$4.5 billion chain of solar and wind farms that would create 450 local jobs and power 1.3 million homes³. Instead, it attracted \$38 billion of private capital – enough to more than replace Australia’s entire coal fleet.

In the words of the Australian Energy Market Commission, “this trend is only going to continue”⁴.

PROJECTED TRANSFORMATION OF AUSTRALIA’S ELECTRICITY SYSTEM



Source: Integrated Systems Plan 2020, Australian Energy Market Operator, Figure 11.



Introduction



A renewable boom is coming to regional Australia

As our coal fleet retires over the next 20 years, AEMO's analysis⁵ shows that the "least-cost pathway" to meet Australia's electricity needs would involve building up to —

- 47 gigawatts of new grid-scale renewables like solar and wind farms, this is the equivalent of around 16,000 wind turbines;
- 21 gigawatts of dispatchable energy like batteries, pumped hydro and virtual power plants, this is the equivalent of five new Snowy Hydro Schemes;
- A five-fold increase in distributed solar generation like rooftop panels, which would see around 10 million households add rooftop solar.

The transformation is being driven by ambitious state and territory governments of every colour, each one with a net zero emissions target for 2050:

- South Australia's Liberal government aims to be 100% renewable by 2030;
- Tasmania's Liberal government has a target for 200% renewables by 2040;
- NSW's Liberal government's plan for Renewable Energy Zones will see \$12.7 billion of private capital invested this decade building renewable power triple the size of Snowy Hydro;
- The Commonwealth government's hydrogen strategy envisages up to 700% renewables, with clean power becoming a new export industry⁶.

Building this new network will add billions of dollars of investment in regional Australia. Analyses from AEMO and state governments have identified the best locations in the country to develop new renewables - **Renewable Energy Zones (REZs)**. These REZs stretch right across regional Australia.



We need to properly plan this transition to ensure that regional Australia truly benefits

Australia's experience with renewable energy so far underscores that new development does not inevitably benefit the local community. The Victorian government's guide to community engagement for renewable energy developers notes that some past developments have failed to address local community concerns⁷.

Recent Australian research has shown that meaningful engagement and local benefits are critical to the success of individual renewable energy projects —

"The real problem with getting acceptance of renewables lies in ownership and participation. If local communities miss out on economic benefits from corporate-owned renewables, their willingness to accept infrastructure, such as an ever-greater density of wind farms, declines⁸."

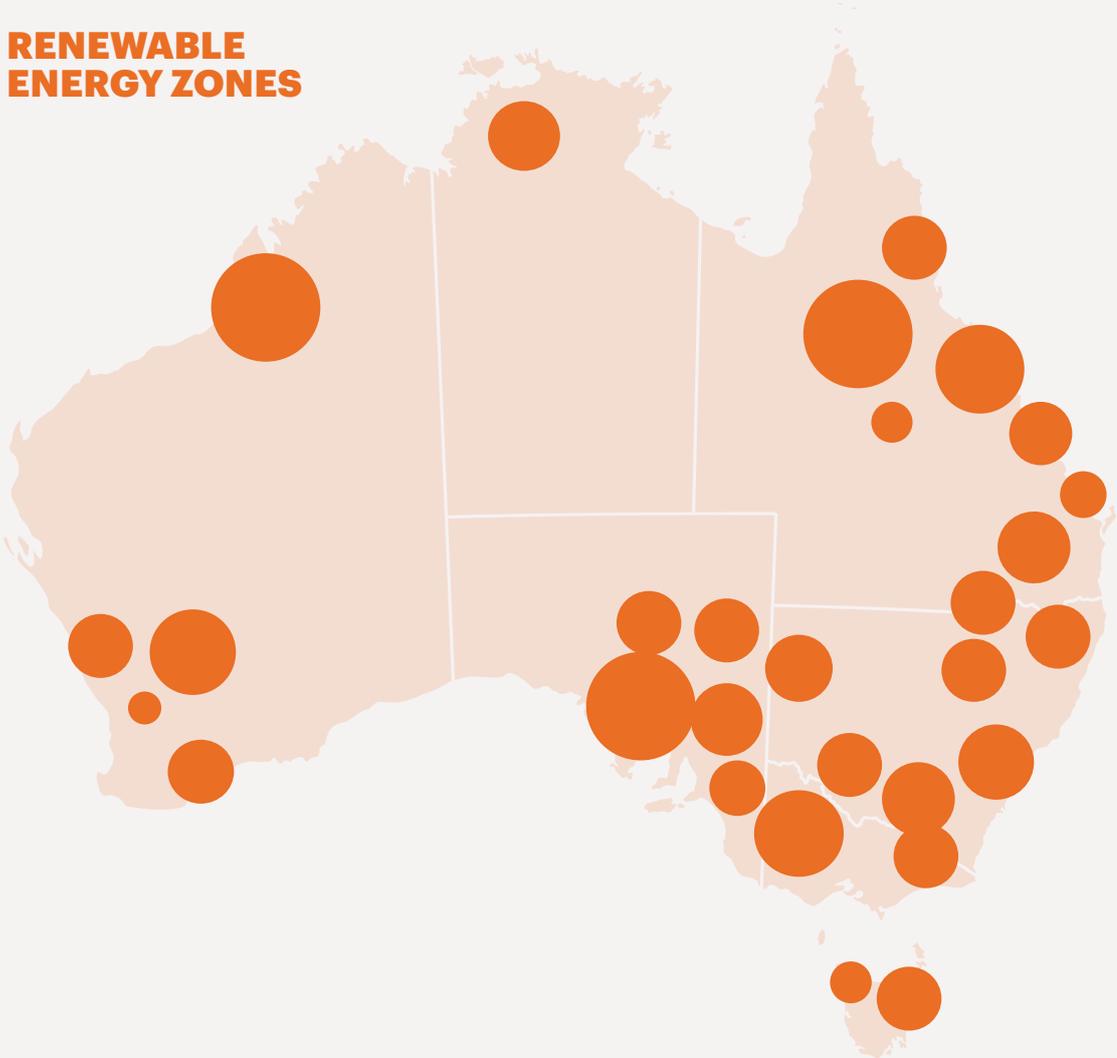
The renewable industry, in general, is highly attentive to ensuring meaningful engagement with and benefits for local communities. In its official "benefits sharing guide" the Clean Energy Council notes —

"Hosting a renewable energy development can bring about significant regional economic benefits throughout the lifecycle of the project... However, the opportunities for regional development can only be maximised if they are included in project development and benefit sharing plans⁹."



Introduction

RENEWABLE ENERGY ZONES



Source: Australian Energy Market Operator, Integrated Systems Plan 2020; WA and NT REZ's proposed based on current development plans.

Research from the Australia Institute indicates that many people in the Renewable Energy Zones of NSW have little awareness of the investment boom occurring around them and that

“without proper planning and benefit sharing, there is a risk that transmission and generation projects may have unnecessary negative impacts and fail to maximise the benefits for local communities¹⁰”.

In short, Australia’s transition to renewable energy – which is already underway – could either set up regional Australia for a generation of shared prosperity, or end up as yet another missed opportunity. Having profits flow offshore whilst regional communities miss out – that’s not a future we should embrace. The renewable transition is upon us, we now must ensure it happens *with* and *for* local communities, not to us.

Community energy, where local communities develop, own and benefit from renewable energy projects, is therefore critical to the future of regional Australia. And it is at the heart of the *Local Power Plan*.



Photo credit: Friends of the Earth for Hepburn Wind.





01. Community energy in Australia

Community energy is where everyday people own, develop or benefit from renewable energy projects.

When communities are involved in renewable projects, they deliver real benefits locally.

Community energy offers a model for ensuring that everyday people can access the full benefits of the renewable energy boom that is already underway in regional Australia.

While there is no universal definition of community energy, in the *Local Power Plan*, we define it simply as —

Where a community develops, owns or benefits from a renewable energy project.

Right now, all across Australia, there are more than 100 community energy groups – organisations made up of everyday people who develop community energy projects. These might be —

- A group of volunteers who raise money to install a solar panel on the local school;
- A social enterprise that provides low-interest loans to low-income households to upgrade their energy efficiency;
- A local Landcare or Rotary Club running small projects like a solar bulk-buy or installing a small battery in their town;
- A not-for-profit that raises money through donations to finance a business case for a mid-scale solar farm near town.

Different communities will develop community energy projects in different ways. But in essence, community energy is about building renewables, and making sure everyday people benefit, either through part ownership, or accessing cheap, clean electricity.

Everyday Australians have already shown us community energy works.

These many existing models can serve as templates for other groups to develop their own projects —

COMMUNITY INVESTMENT MODEL

Where a cooperative or company will raise capital from community members who become investors in a project who then receive dividends.

CASE STUDY



In 2011, the town of Denmark, WA, raised funds locally to develop a small wind farm. The Denmark Community Wind Farm is co-owned by the local community energy group and individuals in town, who receive returns on their investment and access to locally-generated power. Hepburn Wind in Daylesford, Victoria pioneered this model in Australia.

CO-INVESTMENT MODEL

Where a community group becomes co-investor with a commercial energy developer to deliver an energy project with community involvement

CASE STUDY



The Sapphire Wind Farm in New England NSW, which powers 115,000 homes, generated 150 jobs, was built with a \$7.5 million co-investment raised from local people who are now receiving dividends alongside the commercial developer



01. Community energy in Australia

TOTALLY RENEWABLE TOWNS

Where people identify pathways to transition a town to 100% renewable energy, usually involving several local energy generation and efficiency projects.

CASE STUDY



Zero Emissions Noosa in Queensland aims to transition the entire town to 100% renewable energy by 2026 through a range of energy efficiency, solar and transport projects.

COMMUNITY-COUNCIL PARTNERSHIP

Where a local council becomes co-investor with a commercial energy developer to deliver an energy project with community involvement.

CASE STUDY



The proposed 21MW GVCE Mooroopna Solar Farm near Shepparton in Victoria that will power over 10,000 homes is being built as a partnership between Greater Shepparton City Council, local social enterprise GV Community Energy Pty Ltd, and Akuo Energy, an international solar developer.

PHILANTHROPIC MODEL

Where a community energy group or individuals donate to install a renewable energy unit (like solar panels) at a host site (like the roof of a local school) with the financial benefit flowing to the host entity.

CASE STUDY



In 2019, Renewable Albury-Wodonga (RAW) raised money to install solar panels on the roofs of 10 social housing units to help the residents save money on their power bills.

Community energy is a model for delivering the benefits of renewables to local people

Compared to purely commercial or developer-driven models, community energy delivers immense benefits both to local communities and developers¹¹. For instance, research shows that when local communities are involved in renewable projects it results in more local jobs and procurement¹². Similarly, when local people see the direct benefits of renewable projects, they are more likely to support them leading to faster approvals¹³.

Community energy could deliver an immense economic boost to regional Australia ensuring that renewables projects employ locals, and deliver lasting financial returns to locals. Empowering communities to develop their own energy projects would unlock innovative new models like micro-grids and community batteries. In **Appendix 1**, we summarise the full benefits of community energy captured through our co-design process.



01. Community energy in Australia

ECONOMIC BENEFITS



Regional exports

Every year, Australians spend \$12.8 billion on household electricity bills. Most of that goes to power companies, many overseas-based. By securing local ownership of energy assets, electricity becomes a regional export industry, meaning we can keep that money in the regional economy¹⁵.



Local jobs

When renewable energy projects are community-driven or owned, they employ more locals. One recent report projected renewables could employ an additional 44,000 people within five years. Community energy ensures that this investment will translate into local jobs to underpin a new generation of prosperity¹⁷.



Cheap power

Renewable power is the cheapest power. By generating electricity ourselves, regional communities can access this low-cost power. Yackandandah Health Service is saving \$1 million over 25 years through its rooftop solar. The CSIRO argues renewables could save every Australian household \$414 a year¹⁴.



Skills and training

A wave of renewables development means massive opportunities for apprentices, trainees and skilled employment. Moreover, empowering the local community to own and develop projects enables stronger connections to local training providers and lasting investment in local workforce capability.



Farm income

Renewable energy represents a huge income diversification for landowners. In the wind industry alone, currently operating wind farms will pay an estimated \$27 million a year to farmers through lease payments. Grazing and cropping can co-exist with renewables, ensuring minimal loss of farmland¹⁸.



Income for councils

Community energy projects create new income streams for local councils through rates or other schemes. For instance, Ararat Rural City Council receives around \$375,000 annually from three wind farms. This means lower rates for everyone¹⁶.



Community development

Many community energy projects allocate a portion of revenues to finance local projects like facility upgrades and events. There are 51 such funds in the wind industry alone across Australia, which have delivered \$9.1 million into local communities¹⁹.



01. Community energy in Australia

SOCIAL AND COMMUNITY BENEFITS



Local empowerment

Empowering communities to make decisions about their own development not only gives people control over their energy future, but builds social cohesion around shared goals. For many regional communities facing drought, bushfires and economic challenges, these projects are critical to building community spirit.



Disaster resilience

Generating and storing power locally can ensure electricity supply in disasters like bushfires and storms. In the 2019-20 fires, towns like Corryong and Mallacoota were cut off from the grid for days. Local solar and storage infrastructure would build resilience for future disasters.



Energy reliability

Renewable energy, planned properly with storage and interconnectors, builds reliability for the grid. One major study found that hundreds of mid-scale renewable power stations are more reliable than centralised fossil fuel generators because there is more redundancy in the system²⁰.



Climate action

Many regional areas turn to community energy as a tangible way to reduce their emissions. Some towns have set the goal of being 100% renewable. For instance, the 15 projects delivered through the Victorian community power Hub program avoid 1839 tonnes of carbon dioxide each year²¹.



Social licence

Social licence is where a project has ongoing approval and broad acceptance within the local community and among other stakeholders. Projects that are driven by or deliver benefits to the local community enjoy greater social licence and faster approvals²².



Energy access

Often low-income households are unable to access the benefits of renewable energy due to upfront investment costs. Community energy often targets these households. For instance, Renewable Albury Wodonga installed rooftop solar on social housing in Wodonga, helping residents to lower their power bills.



Indigenous empowerment

Many Indigenous communities are developing energy projects to foster a sense of local empowerment and create economic opportunities on Country. For instance, Original Power in the NT is working on a solar-powered micro-grid in Borroloola to build opportunities for the Garrwa traditional owners.



02. Opportunities to accelerate

Community energy holds vast potential for regional Australia. But we have never had a plan to unlock that potential. Our co-design process identified **five key opportunities** to accelerate community energy in Australia.

If we are to unlock the benefits of renewables for everyone, we need a policy framework that captures these five opportunities.



Photo credit: Euroa Energy.

While community energy has existed in some form for many years in Australia, it has never benefited from a supportive policy framework at the national level.

Australia's energy system was designed for large, centralised power stations and in recent decades has been dominated by both government and corporate entities.

It is unsurprising that a system designed without communities in mind has left communities out. As researchers from the **Energy Transition Hub** note, the design of Australia's energy system has:

“...traditionally centred around utility-scale generation and poles-and-wires solutions over locally oriented solutions, thus creating challenges for communities wanting to invest in their own energy resources and for their own local energy needs²³”.

In our co-design process, we sought to identify the most promising opportunities to accelerate community energy. We wanted to design a policy framework that responds to the actual problems on the ground. This was an experiment in bottom-up policy design.

Inevitably, some submissions identified fundamental flaws in Australia's energy policy that are holding back the overall transition to renewable energy in Australia such as grid congestion, energy policy uncertainty, and the need for system security.

While we recognise these broader policy goals, the *Local Power Plan* focusses specifically on the opportunities to support communities to develop, own and benefit from renewable energy projects.



02. Opportunities to accelerate

This section outlines the **five key opportunities** to expand community energy in Australia that we identified in our co-design process.

Appendix 2 contains a deep-dive into each opportunity including the full outcomes of the co-design process.

Opportunity 1

Attract strategic capital investment

Enabling better access for community groups to start-up and project capital could unlock a new wave of projects that are currently being held back due to lack of funds. Running a community group inevitably involves administration and communications costs and developing energy projects is expensive – researching technology, working with local stakeholders, preparing business cases.

Most community energy groups rely on government grant schemes to start up and develop projects. But the co-design process clearly indicated that these existing schemes are not fit for purpose. They are piecemeal, have insufficient resources to meet the demand, and often run on ad hoc timeframes that limit the ability to plan projects over the long-term.

Because most government schemes are competitive, community groups are incentivised not to share information and resources – forcing many to reinvent the wheel. Moreover, many schemes open applications at short notice, meaning groups either scramble to get in an application at a time that doesn't suit their project, or opt out entirely.

There is a clear role for government in developing a strategic funding scheme that enables communities to access capital at the right time. **Totally Renewable Beechworth** called for long-term funding certainty, with tiers of support calibrated for different groups –

“If there was a ten-year program, with funds allocated to different stages along the project development cycle, community groups would have the certainty that when they get to a certain stage, there will be funding available²⁴”.

Dareton Solar Farm, NSW. Photo credit: Meralli Solar.



02. Opportunities to accelerate

Opportunity 2

Establish local hubs to provide on-the-ground technical expertise

Community energy groups are full of passionate and experienced individuals. But no single group has the full technical expertise needed to deliver a complex energy project - engineering, law, regulation, business finance, community engagement etc. Research from the Clean Energy Council²⁵ and Beyond Zero Emissions²⁶ corroborates the finding that a lack of technical expertise is a key barrier to community energy.

In the co-design, almost every community energy group called for greater access to trusted, on-the-ground technical expertise. Overwhelmingly, submissions called for the establishment of local hubs, a model originally developed by the Community Power Agency²⁷. These hubs would provide a range of functions: support for new groups to establish themselves, technical advice on renewable technologies, engaging with network companies, developers and councils, accessing finance, etc.

In its formal review of a pilot program run from 2017-19, **Sustainability Victoria** found that local power hubs were —

“...an effective means to catalyse community interest in renewable energy into tangible projects. Overall, the program has achieved all the desired objectives and outcomes, and delivered significant value across social, environmental and economic outcomes²⁸”.

That review found that the hub scheme would be enhanced by expanding coverage to entire regions. Moreover, it recommended awarding the hubs greater funding – locked in over the medium-term – enabling the hubs to disseminate small-scale seed funding and creating a physical presence for each hub in the local community.

Opportunity 3

Establish a centralised agency to enable capacity-building

While there are around 100 community energy groups across Australia, there is no formal mechanism for sharing information or resources across them. As a result, many groups are forced to start from scratch, replicate work unnecessarily and spend money on fixed start-up costs that could instead be shared across many groups.

There is a clear opportunity to drive a step-change in the community energy sector by creating centralised support services and enabling better peer-to-peer capacity-building and resource sharing. In its submission, **Tersum Energy**, based in Geraldton, WA argued that —

“A truly national representative community energy body could assist in furthering community energy²⁹”.

Tersum argued that such a body should focus on connecting groups with capital, educating groups about energy projects, providing support to prepare business cases, and advocating for supportive policy for community energy.



Yackandandah, Victoria. Photo credit: Grigg Media.



02. Opportunities to Accelerate

Opportunity 4

Introduce a public underwriting scheme to de-risk mid-scale projects

Many communities have looked into developing mid-scale (1-10MW) community-owned generation or storage projects but found that they were not financially viable because the benefits of locally generated and consumed electricity are not rewarded by the energy market.

Mid-scale generation and storage projects have several advantages over large-scale renewables. Because mid-scale projects can use the low-voltage distribution network, they allow us to build new renewable power stations without expensive and time-consuming upgrades to the high-voltage transmission network.

Moreover, research shows that mid-scale batteries can improve local system security, enable rooftop solar panels to increase their output and help entire neighbourhoods lower their power bills³⁰.

However these many benefits are not compensated in the current market structure. The **Coalition for Community Energy** – the national peak body – argued in their submission for a public underwriting scheme for mid-scale projects that are both community-driven and deliver tangible benefits to the community either through equity ownership or other benefits³¹.

Opportunity 5:

Enable community co-investment in large-scale projects

Many communities see large-scale renewables being developed in their area, but have no way to partner with those developers or to invest in these projects.

Renewable Albury-Wodonga argued:

“There is a great desire from many people in the community to invest in medium to large scale renewable energy projects. As it currently stands the vast majority of scale sized renewable projects are foreign owned, with little to no ongoing benefit by way of jobs or local investment being granted to the communities on an ongoing basis³².”

Allowing everyday Australians to co-invest in large-scale renewables is one of the clearest ways forward for community energy. Many groups called for a legislative requirement for large-scale developers to offer ownership to local communities. A similar model to this has operated successfully in Denmark since 2008 – where new wind farms must offer 20% equity to residents within 4.5km of a turbine³³.

Chillamurra Solar Farm, NSW. Photo credit: Meralli Solar.



COMMUNITY ENERGY DELIVERS REAL BENEFITS TO EVERYDAY PEOPLE



Photo credit: Totally Renewable Yackandandah.

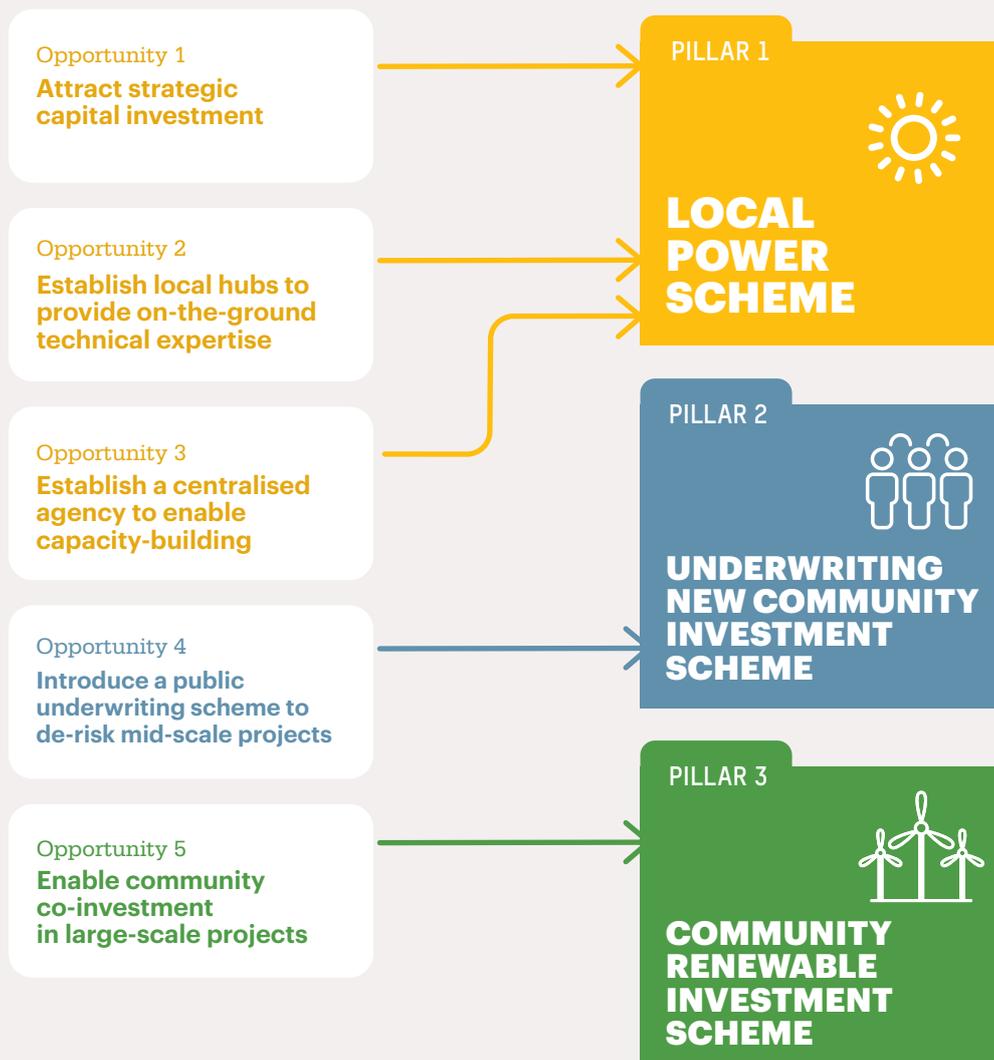


03. The Local Power Plan

The **Local Power Plan** is a blueprint to put regional communities back in the driving seat of the renewable energy transition.

Our plan involves three pillars – a mechanism for communities to co-invest in large-scale renewable developments, underwriting community investments in mid-scale projects, and establishing local power hubs across the country to support new community projects – all administered by a new Australian Local Power Agency (ALPA).

We designed the *Local Power Plan* to capture the five key opportunities we identified in the co-design process. For each of the three schemes, we outline how it would work and provide a real-life case study of how the *Local Power Plan* would deliver tangible benefits to regional communities.





03. The Local Power Plan

PILLAR 1

The **Local Power Scheme** is an ambitious proposal to establish 50 Local Power Hubs across the country and a new \$310 million fund to support regional communities to develop their own energy projects.

The purpose of each Hub is to

1. Support community energy groups to identify and develop renewable energy projects;
2. Provide technical expertise, project support and resources through ALPA;
3. Assist community energy groups to access the Local Power Fund and attract investment.

The new \$310 million Local Power Fund (“the Fund”) will provide strategic development capital to community energy groups. The Fund will consist of three types of assistance:

- **Seed grants:** funding up to \$10,000 for small-scale projects based on proven models. Each Hub will distribute up to 10 seed grants annually to new or early-stage community groups;
- **Enablement grant:** funding up to \$50,000 for non-capital aspects of new projects. Funding can help with costs of feasibility studies, consultations, technical studies etc. Each Hub will award up to five enablement grants each year to established groups;
- **Development loan:** forgivable loans of up to \$150,000 to support renewable energy projects for communities and eligible organisations. Successful projects will provide returns to the Fund, enabling new projects to proceed. Unsuccessful projects will be able to write off the loan. Each Hub can award up to two development loans each year to groups with a demonstrated record of successful project delivery.

Each Hub will be funded for \$500,000 a year for five years for their operational costs and staffing costs. At that point, the ownership of the Hub will revert to the host community energy group. Each community can decide how they would like to operate, within an ALPA governance structure. See **Appendix 3** for an overview of the proposed Hub locations.

Communities will develop projects that provide a revenue stream to maintain the operation beyond the five-year funding horizon. In this way, the Local Power Scheme provides strategic initial investment to empower the community to take control of its own future. Each Hub will be staffed by two ALPA-trained development officers. ALPA will be required to hire and train trusted locals with demonstrated capacity and interest in community energy.

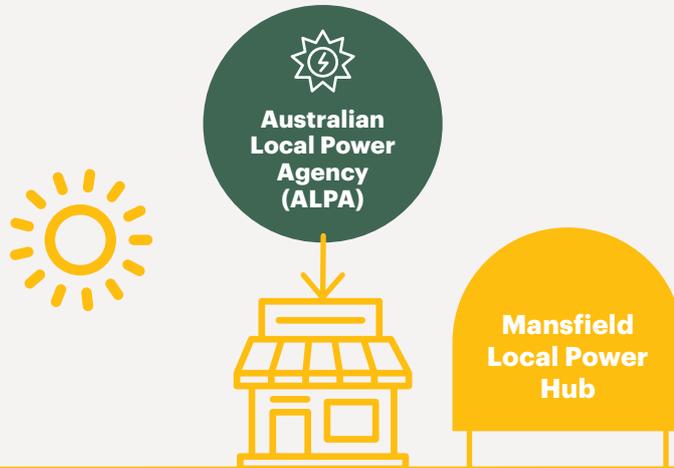
Each ALPA officer will help their regions access funding under the Local Power Scheme. Their job is to identify projects across their region, provide communities with useful resources from ALPA, and connect projects with useful sources of local expertise.

ALPA itself will support the Hubs by creating template websites, power purchase agreements, legal contracts, business cases, communications plans, and other resources. Local Hubs will facilitate the sharing of information and resources within and across their Hubs, each serving multiple community energy groups in a designated region.

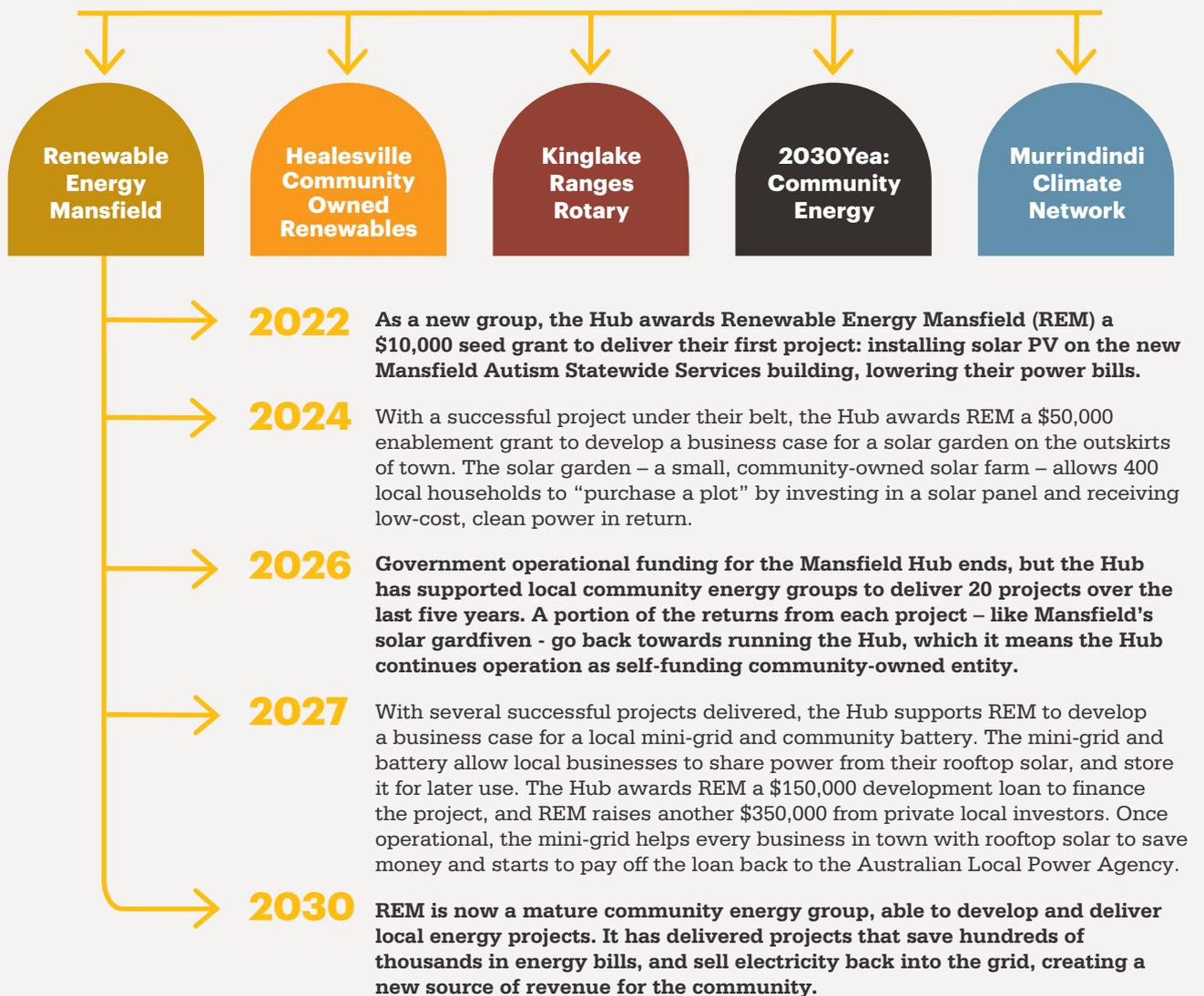
Working with the development officers in your Hub will allow people to:

- Understand models for viable community energy projects specific to their region;
- Use the template contracts, business cases, and engagement materials developed by ALPA;
- Access funding under the Local Power Fund and attract private capital;
- Collaborate and share resources with other groups within your Hub and others.

LOCAL POWER SCHEME



Supports local community energy groups in its catchment region to deliver projects.
This is the potential timeline for just one community across the 10-year plan:





03. The Local Power Plan

PILLAR 2

The **Underwriting New Community Investment Scheme** will provide financial certainty to new mid-scale community-owned energy generation and storage projects.

Through the Underwriting Community Investment Scheme (UNCI), the government will enter into contracts to guarantee a minimum return to proposals that:

- Deploy energy generation or storage projects between 1MW-10MW;
- Are at least 51% community-owned, through local individuals, organisations or councils;
- Are community-driven, have broad local support, and deliver tangible benefits to the region;
- Demonstrate technical benefits to the grid consistent with the Integrated Systems Plan.

With the 51% community ownership floor, UNCI is designed to attract private capital investment to projects that may otherwise be unviable, while ensuring that local communities themselves retain majority ownership and control.

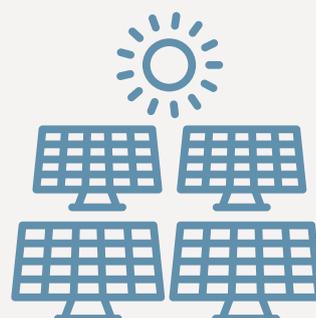
Moreover, requiring projects to demonstrate not only community but also technical benefits to the grid, means that UNCI will deliver value to all electricity consumers, not just those communities with which it enters into underwriting agreements.

The UNCI scheme will operate as a sister-scheme to the government's existing Underwriting New Generation Investment (UNGI) scheme. However, UNCI will have:

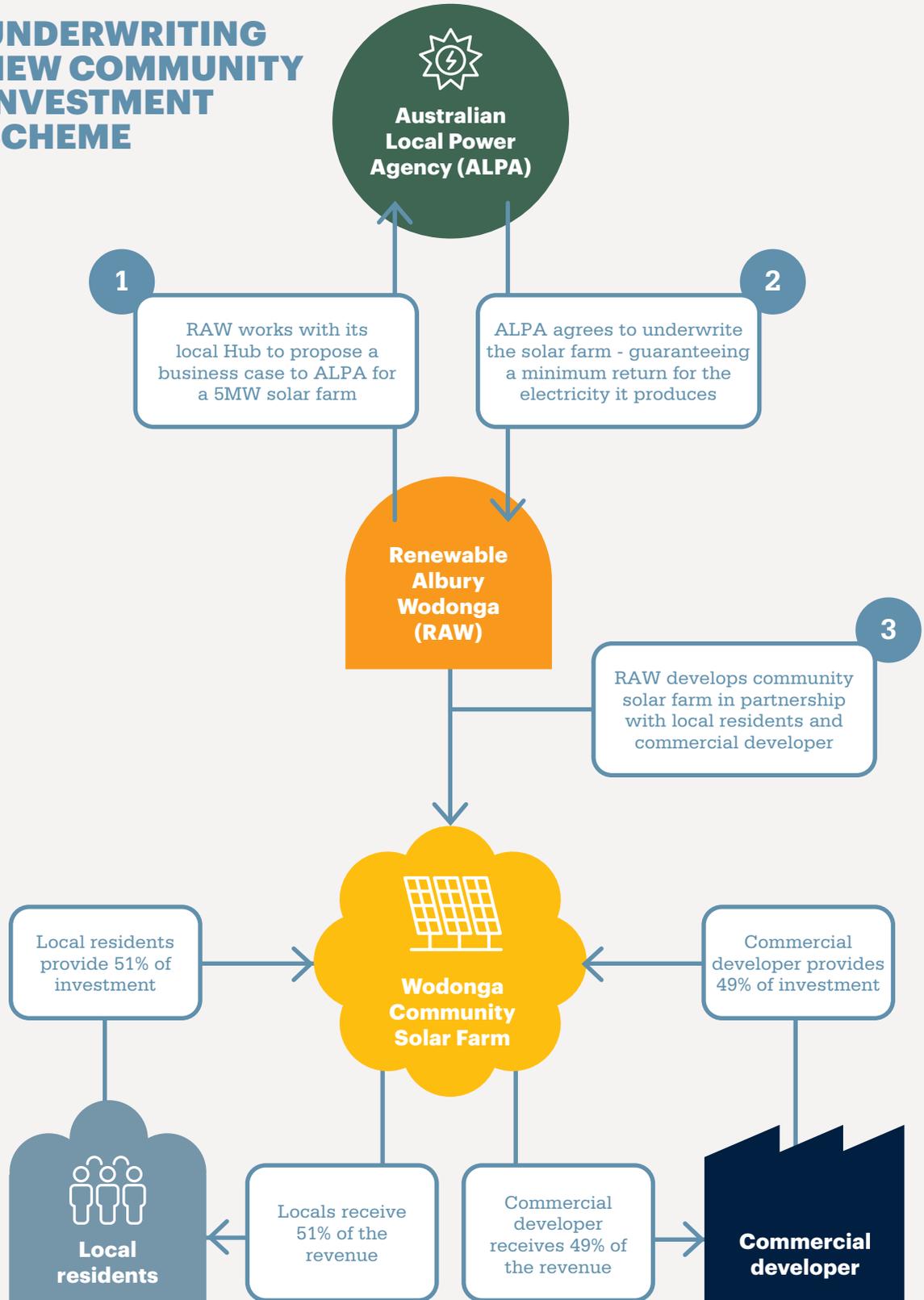
- **Legislative authority:** UNCI will be administered by ALPA, whose enabling legislation will empower it to enter into the appropriate contracts with community-owned entities;
- **Formal guidelines:** ALPA will be responsible for developing formal program guidelines and criteria for assessment;
- **Technical input:** ALPA will be required to engage the expertise of the Australian Energy Market Operator in determining program guidelines;
- **Regular rounds:** Hold open, competitive and regular contracting rounds twice a year for the next five years, providing communities with long-term certainty to develop projects.

Community energy groups interested in developing proposals for mid-scale projects under UNCI will be able to work with their Local Power Hub to scope technologies, develop business cases and prepare bids.

Moreover, given the scheme is designed to "crowd-in" private capital, UNCI is expected to incentivise commercial developers and network companies to engage enthusiastically with community energy groups, whose leadership – and ownership – will be a precondition for accessing UNCI contracts.



UNDERWRITING NEW COMMUNITY INVESTMENT SCHEME





03. The Local Power Plan

PILLAR 3

Under the **Community Renewable Investment Scheme**, any new large-scale renewable development in Australia will be required to offer 20% of the project ownership to local communities.

Under the Community Renewable Investment Scheme (CRIS), any new large-scale development will be required to offer a community co-investment funding round before receiving its final planning approval. That funding round should:

- Be held at any point in the project development process, either early-stage, during feasibility study, or once a project business case has been fully developed;
- Offer ownership to individuals, co-operatives, organisations or local councils;
- Involve a funding floor of 1% whereby if the round fails to generate interest in at least 1% of the total project value the developer will not be required to enter the co-investment model;
- Offer alternative benefits-sharing models for the community; local communities can then decide whether they prefer alternative models like a community enhancement fund to access the benefits of large-scale developments.

Critically, the CRIS involves an obligation to *offer* co-investment, but does not require communities to invest, nor does it require developers to donate equity to communities.

If the community funding round does not yield sufficient interest, the developer is able to proceed with its development pending other approvals and processes.

The objective of the CRIS is not simply to increase opportunities for co-investment. Its broader objective is to ensure that communities are considered at the core of any large-scale renewable development.

Many communities will opt for a different benefits-sharing model, but by creating a requirement to engage in good faith, the CRIS will establish a mechanism to drive broader community engagement in large-scale developments.

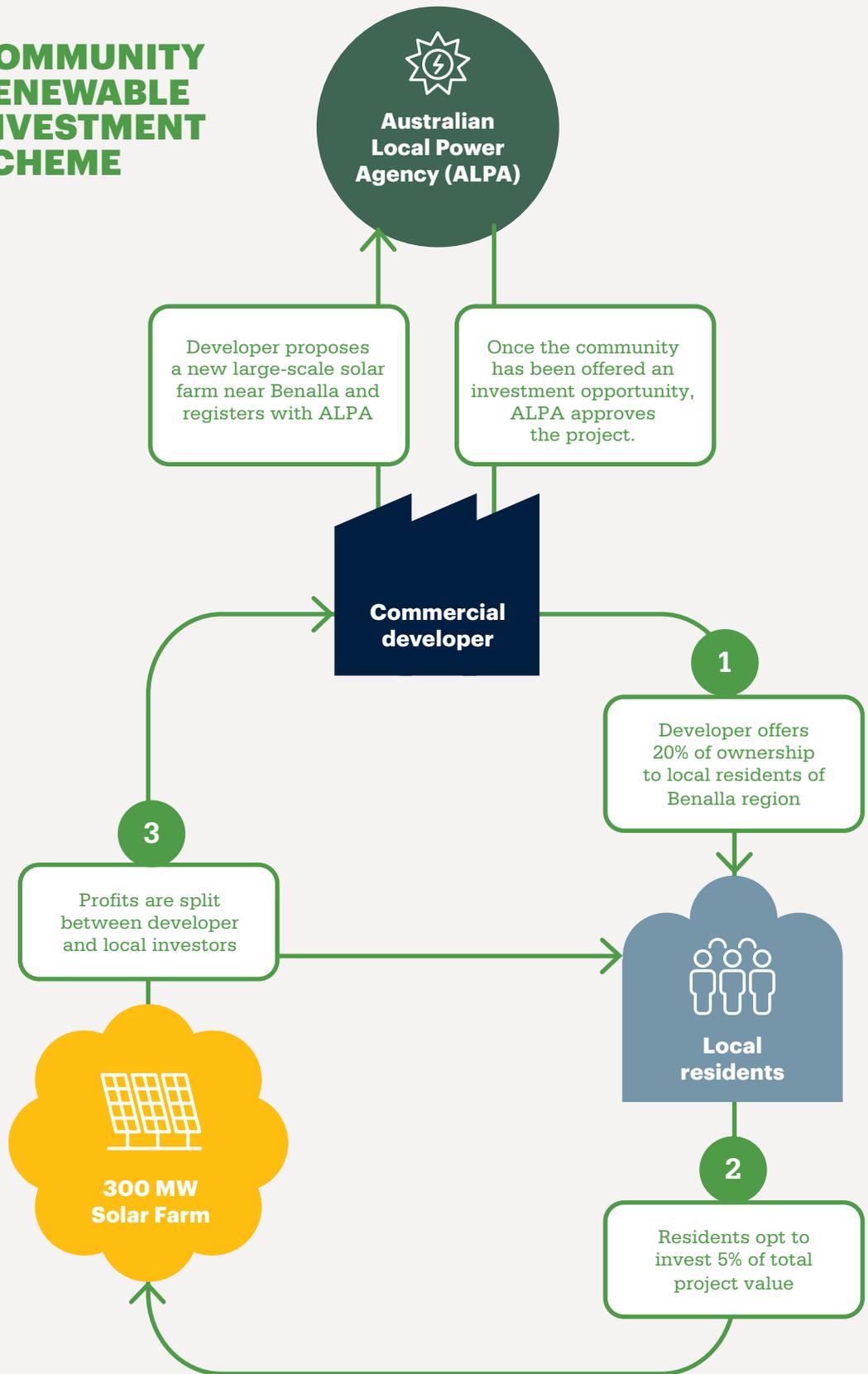
The ALPA will administer the CRIS by:

- Requiring any energy developments above 10MW to register under the CRIS;
- Designating communities within 30 kilometres as “eligible communities”;
- Developing guidelines for community co-investment funding rounds;
- Assessing whether funding rounds held by developers meet the CRIS guidelines;
- Awarding approvals under the CRIS to developers once they have completed the co-investment funding round.

Some community energy groups may decide that partnerships with large-scale developers under the CRIS are preferable to developing their own small-scale projects under the Local Power Scheme or mid-scale projects under the UNCI scheme.

In each case, the Local Power Hub will support those community energy groups to understand their options and develop those projects.

COMMUNITY RENEWABLE INVESTMENT SCHEME





03. The Local Power Plan

The Australian economy is in deep recession. The time is right to make targeted public investments to stimulate economic activity in a way that achieves broader policy goals.

We have designed the Local Power Plan as a response to these economic circumstances. It is precisely because we face such a challenging economic future, that we should make this investment.

Through the Parliamentary Budget Office, we have costed every part of the Plan. And we have modelled its three schemes on what evidence shows will deliver significant return on investment.

The Plan would come into effect on 1st July 2021 and run for 10 years, until the 1st of July 2031. Over that 10-year period, it will require \$483 million of government investment. That includes:

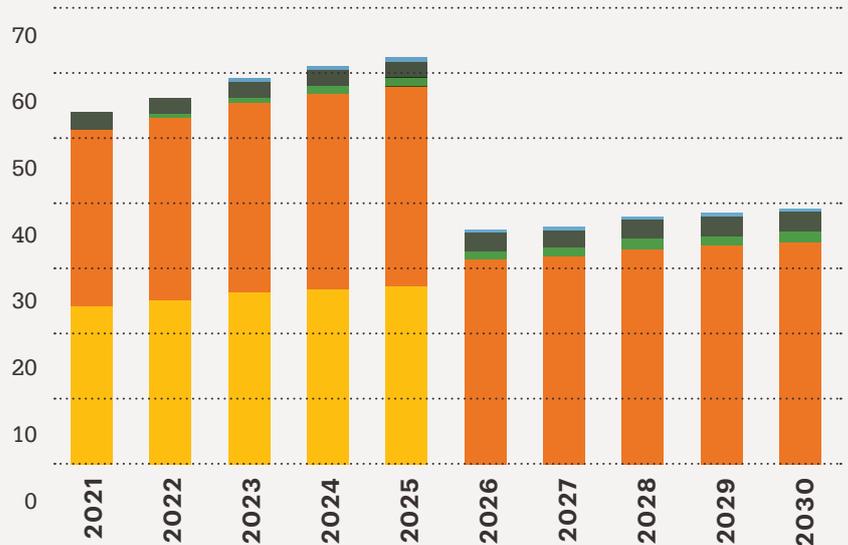
- \$310m for the Local Power Fund to disseminate seed grants, enablement grants, and development loans over the next 10 years;
- \$131m to finance the Local Power Hubs over the next five years. This equates to \$500,000 per Hub per year, at which point the ownership and financing reverts back to the community;
- \$21m to run the Australian Local Power Agency for 10 years;
- The Plan requires payment of \$2.5m in public debt interest over 10 years.

Each of the funding allocations is indexed to the Consumer Price Index, so the real value of grants under the Local Power Fund remains constant. Appendix 4 contains the full details of the costing.

COST OF LOCAL POWER PLAN

Impact on the Underlying Cash Balance 2021–2030

- LOCAL POWER HUBS
- LOCAL POWER FUND GRANTS
- UNCI SCHEME
- AUSTRALIAN LOCAL POWER AGENCY
- PUBLIC DEBT INTEREST



Source: Parliamentary Budget Office. See Appendix 4.



04. Join the campaign



Photo credit: Bendigo Sustainability Group.

The Local Power Plan is a pragmatic and comprehensive blueprint for investment in our regions. But to make it a reality, we need to pass legislation and secure funding.

Community energy only exists because everyday Australians are standing up to build a better future.

And to make the *Local Power Plan* a reality, we will need everyday Australians to stand up and make it happen. If you believe in this vision, join us.

In 10 years' time, we could have fifty Local Power Hubs dotted across the regions, hundreds of communities accessing locally-generated power, earning hundreds of millions of dollars each year for everyday Australians, providing jobs for our kids, and taking practical steps to address climate change.

That's the vision of the Local Power Plan.

To make this a reality, we need to do two things

- 1. Pass the Australian Local Power Bill 2020.**
- 2. Secure \$483 million government funding for the Australian Local Power Agency.**

If you want to join the campaign to make it happen, visit —

localpowerplan.com

to write to your Federal MP and contact your local council asking them to support the Local Power Plan.

This vision of everyday regional communities taking control of their own energy future is ambitious. But it is achievable.

Indi is living proof that communities taking charge of their own future can change this country. Let's do it again.

Together let's make the #LocalPowerPlan happen.



A message from the Taungurung



At the Taungurung Land & Waters Council, we aim to build a resilient, empowered and dynamic shared future for our community. We are about protecting country as well as place.

Investing in and being part of community-owned renewable energy is an obvious part of this mission.

We have already started down this track – we have delivered a successful community energy project, installing a 17kW rooftop solar system on a state government building in Broadford.

As the community investor in this project, we own the solar panels. And through an agreement with the local community-owned retailer, Indigo Power, we will be reimbursed over a 10-year period.

We have greater ambitions. Right now, we are working with the state government on a plan to invest in rooftop solar for every school building on Taungurung Country. This project would:

- Build a greater awareness and understanding of Taungurung as the Traditional Owners of the land the students are education on;
- Act as a gateway for stronger relationships between schools and Taungurung;
- Contribute towards the state's 'One Percent Aboriginal Government Procurement Target';
- Create educational opportunities from smart technologies allowing for the visual monitoring and data collection.

For us, community energy is about more than clean power. It's about the partnerships and social dividends we build. Community energy gives us the opportunity to provide people with a greater appreciation and understanding of Taungurung as the Traditional Owners of the land.

Traditional Owners can contribute meaningfully to community energy projects – creating stronger working relationships within the local community.

Recently, we signed a *Recognition and Settlement Agreement* with the state government, acknowledging our aspiration for renewable energy to underpin our economic development.

The *Local Power Plan* would help us realise these aspirations. We share the vision of this *Plan* for renewable energy contributing to the development of communities in regional Australia.

Matt Burns
CEO, Taungurung Land & Waters Council



Glossary

Australian Energy Market Commission (AEMC)

The rule-maker for the Australian energy market. It makes and amends the National Electricity Rules which govern the electricity market

Australian Energy Market Operator (AEMO)

The government agency that plans and operates the National Electricity Market (NEM) and the Western Australian Wholesale Electricity Market (WEM)

Curtailement

A method for managing the security of the grid, by reducing output of some generators to keep voltage and frequency within safe levels.

Distributed energy

Describes a situation where energy is generated from a large number of small generators rather than a small number of large generators (centralised energy)

Distribution network

The system of poles and wires that connects electricity consumers like houses and businesses to the grid

Energy trading

A system whereby one consumer (like a household) with excess energy can sell it to another consumer nearby

Forgivable loan

A type of loan that can be “forgiven” or written off if certain conditions are met. For instance, if a project that receives a loan does not provide a positive return, the loan can be written off.

Gigawatt (GW)

A unit of power used to describe the size of an electricity generator. For reference, 1 GW is enough to power around 720,000 homes. 1 GW is 1000 Megawatts

Large-scale

Whilst there is no universal definition of large-scale energy, the *Local Power Plan* defines it as larger than 10 MW

Megawatt (MW)

A unit of power, used to describe the size of an electricity generator. For reference, 1 MW is enough to power around 720 homes. 1 GW is 1000 Megawatts

Micro-grid

Is a localised group of small-scale electricity generators (like solar panels) and consumers (like households) that can share electricity, usually connected to the main grid, but can also disconnect and run in “island mode” during blackouts or bushfires

Mid-scale

Whilst there is no universal definition of mid-scale energy, the *Local Power Plan* defines it as between 1-10 MW

Photovoltaic (PV)

The most common type of solar panel that converts sunlight into electricity, this is the type you see on people’s houses

Power purchase agreement (PPA)

A contract whereby one party (like a business) agrees to buy electricity from another (like a solar farm) at a set price

Renewable power station

This report uses this term to describe any renewable energy installation above the household level. For instance, a community battery, a mini-grid, a small solar farm.

Small-scale

Whilst there is no universal definition of small-scale energy, the *Local Power Plan* defines it as less than 1 MW

Solar farm

A large-scale photovoltaic system, usually made up of hundreds or thousands of panels

Solar garden

A community-owned solar farm where individuals can directly purchase renewable energy like a “plot”

Transmission network

The large, high-voltage towers that bring electricity from large generators closer to where it is needed

Grid

The network of poles, wires, fossil fuel and renewable energy generators that power our homes, businesses and industries

National Electricity Market (NEM)

The interconnected grid and power stations that services the East Coast including Adelaide, Tasmania and most of Queensland

South West Interconnected System

The interconnected grid and power stations that services the South West of Western Australia

Baseload

This is a not technical term used by electrical engineers, but generally refers to the minimum demand on the grid at any time

Reverse auction

An auction whereby the roles of buyer and seller are reversed, with sellers competing to provide a product for the lowest price

Integrated System Plan (ISP)

A whole-of-system plan that provides a roadmap for the efficient development of the NEM over the next decades

Underwriting New Generation Investment (UNGI)

A scheme set up by the Coalition to incentivise new investment in energy generation



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2019-2020-2021

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

Australian Local Power Agency Bill 2021

No. , 2021

(Dr Haines)

**A Bill for an Act to establish the Australian Local
Power Agency, and for related purposes**

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1 **A Bill for an Act to establish the Australian Local**
2 **Power Agency, and for related purposes**

3 The Parliament of Australia enacts:

4 **Part 1—Preliminary**
5

6 **1 Short title**

7 This Act is the *Australian Local Power Agency Act 2021*.

Section 2

1 **2 Commencement**

2 (1) Each provision of this Act specified in column 1 of the table
3 commences, or is taken to have commenced, in accordance with
4 column 2 of the table. Any other statement in column 2 has effect
5 according to its terms.

6

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this Act	The later of: (a) the day after this Act receives the Royal Assent; and (b) the day the Consolidated Revenue Fund is appropriated under an Act to the Department in which this Act is administered for payment to the Australian Local Power Agency. However, the provisions do not commence at all if the event mentioned in paragraph (b) does not occur.	

7 Note: This table relates only to the provisions of this Act as originally
8 enacted. It will not be amended to deal with any later amendments of
9 this Act.

10 (2) Any information in column 3 of the table is not part of this Act.
11 Information may be inserted in this column, or information in it
12 may be edited, in any published version of this Act.

13 **3 Object**

14 The object of this Act is to:
15 (a) increase the number of community energy projects in
16 Australia; and
17 (b) increase the competitiveness of renewable energy supplied by
18 community energy projects in Australia; and

- 1 (c) ensure that regional communities share in the benefits of
2 renewable energy.

3 **4 Definitions**

4 In this Act:

5 *acquire* includes acquire by way of issue.

6 *agreement* includes a contract or deed.

7 *ALPA* is short for *Australian Local Power Agency*.

8 *appointed member* means a Board member appointed under
9 section 46.

10 *asset* means:

- 11 (a) any kind of real or personal property; or
12 (b) any legal or equitable estate or interest in real or personal
13 property; or
14 (c) any legal or equitable right.

15 *Australia*, when used in a geographical sense, includes the external
16 Territories.

17 *Board* means the Board of the Australian Local Power Agency.

18 *Board member* means a member of the Board.

19 *CEO* means the Chief Executive Officer of the Australian Local
20 Power Agency.

21 *Chair* means the Chair of the Board.

22 *Chief Financial Officer* means the person employed under
23 section 77.

24 *Climate Change Convention* means the United Nations
25 Framework Convention on Climate Change done at New York on
26 9 May 1992, as in force for Australia from time to time.

Section 4

1 Note: The Climate Change Convention is in Australian Treaty Series 1994
2 No. 2 ([1994] ATS 2) and could in 2021 be viewed in the Australian
3 Treaty Library on the AustLII website (www.austlii.edu.au).

4 **community energy project:** see section 5.

5 **community organisation:** see section 5.

6 **complying investment:** see section 21.

7 **derivative** means a derivative (within the meaning of Chapter 7 of
8 the *Corporations Act 2001*) that is a financial asset.

9 **energy** means electricity.

10 **Finance Minister** means the Minister who administers the *Public*
11 *Governance, Performance and Accountability Act 2013*.

12 **financial asset:** see section 24.

13 **financial assistance** means:

14 (a) grants; or

15 (b) any other kinds of assistance specified under section 6.

16 **financial assistance function:** see section 15.

17 **GFS Australia** means the publication of the Australian Bureau of
18 Statistics known as Australian System of Government Finance
19 Statistics: Concepts, Sources and Methods, as updated from time to
20 time. This updating takes 2 forms:

21 (a) from time to time, a new version of the publication is
22 produced; and

23 (b) from time to time, material in the current version of the
24 publication is updated by other publications of the Australian
25 Bureau of Statistics.

26 **GFS system** has the same meaning as in GFS Australia.

27 **investment** means:

28 (a) any mode of application of money or financial assets for the
29 purpose of gaining a return (whether by way of income,
30 capital gain or any other form of return); or

- 1 (b) without limiting paragraph (a)—giving a guarantee.
- 2 *investment function*: see section 20.
- 3 *Investment Mandate*: see section 25.
- 4 *large renewable energy generation facility*: see section 30.
- 5 *prohibited technology*: see section 23.
- 6 *quarter*: see subsection 81(2).
- 7 *realise* includes redeem or dispose of.
- 8 *renewable energy* means energy produced using renewable energy
9 technologies.
- 10 *renewable energy technologies* has the same meaning as in the
11 *Australian Renewable Energy Agency Act 2011*.
- 12 *responsible Ministers* means:
13 (a) the Minister administering this Act; and
14 (b) the Finance Minister.
- 15 *Secretary* means the Secretary of the Department.
- 16 *section 24 investments*: see section 24.
- 17 *solely or mainly Australian-based*: see section 22.
- 18 *subsidiary* of ALPA means a subsidiary of ALPA for the purposes
19 of the *Public Governance, Performance and Accountability Act*
20 *2013*.
- 21 *vacancy*, in relation to the office of an appointed member, has a
22 meaning affected by subsection 49(3).

23 **5 Meaning of community energy project**

- 24 (1) A project is a *community energy project* if ALPA is satisfied, in
25 accordance with guidelines made under subsection (4), that:
26 (a) the main activity of the project is:
-

Section 5

- 1 (i) generating renewable energy; or
2 (ii) storing energy; or
3 (iii) increasing energy efficiency;
4 in a local community in Australia; and
5 (b) the project is carried out mainly by the community or by
6 community organisations; and
7 (c) the main purpose of the project is to benefit the community
8 or community organisations; and
9 (d) the community has a significant role in decision-making on
10 the project.
- 11 (2) **Community organisation** includes the following:
12 (a) a not-for-profit body corporate or unincorporated association;
13 (b) a local council;
14 (c) a for-profit body corporate or unincorporated association if
15 the main purpose of the body or association is to profit:
16 (i) one or more other community organisations; or
17 (ii) a wide membership consisting exclusively or
18 predominantly of other community organisations or
19 members of the community;
20 (d) any entity or business arrangement (including a partnership
21 or joint venture) controlled (whether directly or indirectly)
22 by:
23 (i) one or more other community organisations; or
24 (ii) a large number of persons, all or most of whom are
25 other community organisations or members of the
26 community.
- 27 (3) For the purposes of determining whether a project is a **community**
28 **energy project**, ALPA must disregard any investment in the project
29 under Division 3 of Part 2 (ALPA's investment function).

30 *Guidelines*

- 31 (4) The Board must, by writing, make guidelines setting out
32 circumstances, conditions or other matters to which ALPA will
33 have regard in satisfying itself that:

- 1 (a) paragraph (1)(a), (b), (c) or (d) apply to a project; or
2 (b) an entity is a community organisation.
- 3 (5) The Board must publish guidelines made under subsection (4) on
4 ALPA's website.
- 5 (6) Guidelines made under subsection (4) are not a legislative
6 instrument.

7 **6 Financial assistance**

8 For the purposes of paragraph (b) of the definition of *financial*
9 *assistance* in section 4, the Minister may, by legislative instrument,
10 specify kinds of assistance.

1 **Part 2—Australian Local Power Agency**

2 **Division 1—Establishment, functions, powers etc.**

3 **7 Establishment**

4 (1) The Australian Local Power Agency is established by this section.

5 (2) The ALPA:

6 (a) is a body corporate; and

7 (b) must have a seal; and

8 (c) may sue and be sued.

9 Note: The *Public Governance, Performance and Accountability Act 2013*
10 applies to ALPA. That Act deals with matters relating to corporate
11 Commonwealth entities, including reporting and the use and
12 management of public resources.

13 (3) ALPA's seal is to be kept in such custody as the Board directs and
14 must not be used except as authorised by the Board.

15 **8 ALPA's functions**

16 ALPA has the following functions:

17 (a) ALPA's financial assistance function (see Division 2);

18 (b) ALPA's investment function (see Division 3);

19 (c) to give advice to the Minister under regulations made for the
20 purposes of subsection 30(1) (community investment in large
21 renewable energy projects);

22 (d) to provide technical expertise (including to governments,
23 community organisations and the public) for the purposes of
24 developing community energy projects;

25 (e) to enter into agreements for the purpose of performing its
26 financial assistance function and to administer such
27 agreements;

28 (f) to collect, analyse, interpret and disseminate information and
29 knowledge relating to community energy projects;

- 1 (g) to provide advice to the Minister relating to community
2 energy projects, including advice about the following:
3 (i) increasing the number of community energy projects in
4 Australia;
5 (ii) increasing the competitiveness of renewable energy
6 supplied by community energy projects in Australia;
7 (iii) ensuring that regional communities share in the benefits
8 of renewable energy;
- 9 (h) to liaise with relevant persons and bodies, including the
10 Australian Renewable Energy Agency, the Clean Energy
11 Finance Corporation, the Clean Energy Regulator, other
12 Commonwealth agencies and State and Territory
13 governments, for the purposes of facilitating:
14 (i) its financial assistance function; or
15 (i) its investment function; or
16 (iii) its function under paragraph (c);
17 (i) any other functions that are prescribed by the regulations;
18 (j) any other functions conferred on ALPA by this Act or any
19 other Commonwealth law;
- 20 (k) to do anything incidental to, or conducive to, the performance
21 of the above functions.

22 **9 General rules about performance of functions**

- 23 In performing its functions, ALPA must:
- 24 (a) act in a proper, efficient and effective manner; and
25 (b) if appropriate:
26 (i) act collaboratively with other persons, organisations and
27 governments (including international organisations and
28 foreign governments); and
29 (ii) promote the sharing of information and knowledge
30 about community energy projects.

Section 10

1 **10 Minister may direct ALPA to provide advice**

- 2 (1) The Minister may, in writing, direct ALPA to provide advice to the
3 Minister in relation to a matter mentioned in paragraph 8(g).
- 4 (2) ALPA must comply with the direction.

5 **11 Constitutional limits**

- 6 (1) ALPA may perform its functions only:
- 7 (a) for purposes relating to a corporation to which
8 paragraph 51(xx) of the Constitution applies; or
- 9 (b) for purposes related to external affairs, including:
- 10 (i) giving effect to the Climate Change Convention,
11 including by performing functions in relation to
12 renewable energy technologies that could reasonably be
13 expected to control, reduce or prevent anthropogenic
14 emissions of greenhouse gases; or
- 15 (ii) giving effect to another international agreement to
16 which Australia is a party; or
- 17 (iii) addressing matters of international concern; or
- 18 (iv) by way of the performance of its functions in a place
19 outside Australia; or
- 20 (c) for purposes relating to the collection of statistics; or
- 21 (d) for purposes relating to trade and commerce:
- 22 (i) between Australia and places outside Australia; or
- 23 (ii) among the States; or
- 24 (iii) within a Territory, between a State and a Territory or
25 between 2 Territories; or
- 26 (e) by way of the use of a postal, telegraphic, telephonic or other
27 like service within the meaning of paragraph 51(v) of the
28 Constitution; or
- 29 (f) by way of the provision of service, or financial assistance, to:
- 30 (i) the Commonwealth; or
- 31 (ii) an authority of the Commonwealth;
32 for a purpose of the Commonwealth; or

- 1 (g) for purposes relating to the granting of financial assistance to
2 a State; or
3 (h) in, or for purposes relating to, a Territory; or
4 (i) in or with respect to a Commonwealth place (within the
5 meaning of the *Commonwealth Places (Application of Laws)*
6 *Act 1970*); or
7 (j) for purposes relating to the implied power of the Parliament
8 to make laws with respect to nationhood; or
9 (k) for purposes relating to the executive power of the
10 Commonwealth; or
11 (l) for purposes relating to matters incidental to the execution of
12 any of the legislative powers of the Parliament or the
13 executive power of the Commonwealth.

- 14 (2) This section does not apply in relation to ALPA's function of
15 giving advice to the Minister under regulations made for the
16 purposes of subsection 30(1) (community investment in large
17 renewable energy projects).

18 Note: See section 31 (constitutional basis of Division 4).

19 **12 Powers**

- 20 (1) ALPA has power to do all things necessary or convenient to be
21 done for or in connection with the performance of its functions.
- 22 (2) ALPA's powers include, but are not limited to, the following
23 powers:
- 24 (a) the power to enter contracts;
- 25 (c) the power to acquire, hold and dispose of real and personal
26 property; and
- 27 (c) the power to accept gifts, grants, bequests and devises made
28 to it.

29 **13 ALPA does not have privileges and immunities of the Crown**

30 ALPA does not have the privileges and immunities of the Crown in
31 right of the Commonwealth.

Section 14

1 **14 Taxation**

2 ALPA is not subject to taxation under a law of the Commonwealth
3 or of a State or Territory.

1 **Division 2—ALPA's financial assistance function**

2 **15 ALPA's financial assistance function**

3 ALPA's *financial assistance function* is to provide financial
4 assistance for:

- 5 (a) research into community energy projects; or
6 (b) the development, commercialisation or deployment of
7 community energy projects; or
8 (c) the storage and sharing of information and knowledge about
9 community energy projects.

10 **16 General rule about performance of financial assistance function**

11 In performing its financial assistance function, ALPA must ensure
12 that decisions about the provision of financial assistance are based
13 on merit.

14 **17 Provision of financial assistance to be in accordance with general
15 strategy**

16 ALPA must not enter into an agreement for the provision of
17 financial assistance unless the financial assistance provided for is
18 in accordance with the general strategy that is in force under
19 Subdivision A of Division 2 of Part 3 at the time when the
20 agreement is entered into.

21 **18 Minister may request ALPA to consider funding for specified
22 projects**

- 23 (1) The Minister may, in writing, request ALPA to consider providing
24 financial assistance for a particular project specified in the request.
25 (2) ALPA must consider the request.

Section 19

1 **19 Ministerial approval where grants exceed \$50 million**

2 ALPA must not, without the written approval of the Minister, make
3 grants totalling more than \$50 million for a particular project.

4 Note: Guidelines for grant programs enabling grants exceeding \$15 million
5 for a particular project must be approved by the Minister under
6 section 40.

1 **Division 3—ALPA's investment function**

2 **Subdivision A—ALPA's investment function**

3 **20 Investment function**

- 4 (1) ALPA's *investment function* is to invest, directly and indirectly, in
5 community energy projects.
- 6 (2) Without limiting subsection (1), ALPA may perform its investment
7 function by doing any or all of the following:
8 (a) investing in businesses or projects for the development or
9 commercialisation of community energy projects;
10 (b) investing in businesses that supply goods or services needed
11 to develop or commercialise, or needed for use in,
12 community energy projects.
- 13 (3) ALPA may perform its investment function by making investments
14 itself (including as a participant in partnerships, trusts, joint
15 ventures or similar arrangements), through subsidiaries or other
16 investment vehicles or by any combination of these means.
- 17 (4) An investment may be an investment for the purposes of ALPA's
18 investment function, regardless of the means by which it is made.

19 **21 Complying investments**

- 20 (1) The Board must take all reasonable steps to ensure that investments
21 for the purposes (or purportedly for the purposes) of ALPA's
22 investment function are at all times complying investments.
- 23 (2) *Complying investments* are investments that are:
24 (a) in community energy projects (see section 5); and
25 (b) solely or mainly Australian based (see section 22); and
26 (c) not in a prohibited technology (see section 23).
- 27 (3) As soon as practicable after the Board becomes aware that an
28 investment for the purposes (or purportedly for the purposes) of

Section 22

- 1 ALPA's investment function has ceased to be, or never was, a
2 complying investment, the Board must give the responsible
3 Ministers a written statement:
- 4 (a) informing the responsible Ministers; and
5 (b) setting out the action that the Board proposes to take in order
6 to ensure that all investments made for the purposes of
7 ALPA's investment function are complying investments.
- 8 (4) If the responsible Ministers are satisfied that an investment has
9 ceased to be, or was never, a complying investment, the
10 responsible Ministers may (whether or not the Board has given the
11 Minister a statement under subsection (3)), by written notice given
12 to the Board, direct the Board:
- 13 (a) to give the responsible Ministers, within a period specified in
14 the notice, a written explanation; and
15 (b) to take action specified in the notice, within a period
16 specified in the notice, in order to ensure that all investments
17 for the purposes of ALPA's investment function are
18 complying investments.
- 19 (5) The Board must comply with a direction under subsection (4).
- 20 (6) The fact that an investment has ceased to be, or never was, a
21 complying investment, does not affect the validity of any
22 transaction.
- 23 (7) A direction under subsection (4) is not a legislative instrument.

24 **22 Australian based investments**

- 25 (1) An investment for the purposes of ALPA's investment function is
26 *solely or mainly Australian based* if the Board is satisfied, in
27 accordance with guidelines made under subsection (2), that the
28 investment is solely or mainly Australian based.
- 29 (2) The Board must, by writing, make guidelines setting out
30 circumstances, conditions or other matters to which the Board will
31 have regard in satisfying itself that an investment is solely or
32 mainly Australian based.

- 1 (3) The guidelines must not be inconsistent with the Investment
2 Mandate.
- 3 (4) The Board must publish guidelines made under subsection (2) on
4 ALPA's website.
- 5 (5) Guidelines made under subsection (2) are not a legislative
6 instrument.

7 **23 Prohibited technology**

- 8 An investment for the purposes of ALPA's investment function is
9 an investment in a *prohibited technology* if it is an investment in a
10 project involving:
- 11 (a) carbon capture and storage (within the meaning of the
12 *National Greenhouse and Energy Reporting Act 2007*); or
13 (b) nuclear technology; or
14 (c) nuclear power; or
15 (d) coal or gas power.

16 **Subdivision B—Performance of investment function**

17 **24 Financial assets**

- 18 (1) Investments for the purposes of ALPA's investment function,
19 made directly by ALPA or directly by a subsidiary of ALPA
20 (*section 24 investments*), must only be made by way of acquisition
21 of financial assets.
- 22 (2) A reference in this Act to a *financial asset* is a reference to:
- 23 (a) an asset that, in accordance with GFS Australia, is treated as
24 a financial asset for the purposes of the GFS system in
25 Australia; or
26 (b) an asset specified in regulations made for the purposes of this
27 paragraph;
- 28 but does not include a reference to an asset that, under the
29 regulations, is taken to be a non-financial asset for the purposes of
30 this Act.

Section 25

1 Note: For specification by class, see subsection 13(3) of the *Legislation Act*
2 *2003*.

- 3 (3) If an asset held by ALPA for the purposes of ALPA's investment
4 function ceases to be, or never was, a financial asset:
- 5 (a) ALPA must realise the asset as soon as practicable after
6 ALPA becomes aware that the asset has ceased to be, or
7 never was, a financial asset; and
- 8 (b) this Act (other than this subsection) applies in relation to the
9 asset (including in relation to the realisation of the asset) as if
10 the asset had been, or had remained, a financial asset, and an
11 investment for the purposes of ALPA's investment function,
12 at all times until the realisation.
- 13 (4) Subsection (3) applies to a subsidiary of ALPA in the same way as
14 it applies to ALPA.

15 **25 Investment Mandate**

- 16 (1) The responsible Ministers may, by legislative instrument, give the
17 Board directions about the performance of ALPA's investment
18 function, and must give at least one such direction. The directions
19 together constitute the *Investment Mandate*.

20 Note: For variation and revocation, see subsection 33(3) of the *Acts*
21 *Interpretation Act 1901*.

- 22 (2) In giving a direction, the responsible Minister must have regard to
23 the object of this Act and any other matters the responsible
24 Ministers consider relevant.
- 25 (3) Without limiting subsection (1), a direction may set out the policies
26 to be pursued by ALPA in relation to any or all of the following:
- 27 (a) matters of risk and return;
- 28 (b) technologies, projects and businesses that are eligible for
29 investment;
- 30 (c) the allocation of investments between the various classes of
31 community energy projects;
- 32 (d) making investments on concessional terms;

- 1 (e) the types of financial instruments in which ALPA may
2 invest;
- 3 (f) the types of derivatives which ALPA may acquire;
- 4 (g) the nature of the guarantees ALPA may give and the
5 circumstances in which they may be given;
- 6 (h) broad operational matters relating to ALPA's investment
7 function;
- 8 (i) other matters the responsible Ministers consider appropriate
9 to deal with in a direction under subsection (1).

10 **26 Limits on Investment Mandate**

11 The responsible Ministers must not give a direction under
12 subsection 25(1):

- 13 (a) that has the purpose, or has or is likely to have the effect, of
14 directly or indirectly requiring the Board to, or not to, make a
15 particular investment; or
- 16 (b) that is inconsistent with this Act (including the object of this
17 Act).

18 **27 Board to be consulted on Investment Mandate**

- 19 (1) Before giving the Board a direction under subsection 25(1), the
20 responsible Ministers must:
- 21 (a) send a draft of the direction to the Board; and
- 22 (b) invite the Board to make a submission to the responsible
23 Ministers on the draft direction within a reasonable time limit
24 specified by the responsible Ministers; and
- 25 (c) consider any submission that is received from the Board
26 within that time limit.
- 27 (2) If:
- 28 (a) the responsible Ministers give the Board a direction under
29 subsection 25(1); and
- 30 (b) the Board made a submission to the responsible Ministers on
31 a draft of the direction within the time limit specified by the
32 responsible Ministers;

Section 28

1 the submission is to be tabled in each House of the Parliament with
2 the direction.

3 Note: For tabling of the direction, see section 38 of the *Legislation Act 2003*.

4 **28 Compliance with Investment Mandate**

5 (1) The Board must take all reasonable steps to ensure that ALPA and
6 its subsidiaries comply with the Investment Mandate.

7 (2) As soon as practicable after the Board becomes aware that ALPA
8 or one of its subsidiaries has failed to comply with the Investment
9 Mandate, the Board must give the responsible Ministers a written
10 statement:

11 (a) informing the responsible Ministers; and

12 (b) setting out the action that the Board proposes to take in order
13 to ensure that ALPA or subsidiary complies with the
14 Investment Mandate.

15 (3) If the responsible Ministers are satisfied that ALPA or one of its
16 subsidiaries has failed to comply with the Investment Mandate, the
17 responsible Ministers may (whether or not the Board has given the
18 Minister a statement under subsection (2)), by written notice given
19 to the Board, direct the Board:

20 (a) to give the responsible Ministers, within a period specified in
21 the notice, a written explanation; and

22 (b) to take action specified in the notice, within a period
23 specified in the notice, in order to ensure that ALPA or
24 subsidiary complies with the Investment Mandate.

25 (4) The Board must comply with a direction under subsection (3).

26 (5) A failure to comply with:

27 (a) the Investment Mandate; or

28 (b) a direction under subsection (3);

29 does not affect the validity of any transaction.

30 (6) A direction under subsection (3) is not a legislative instrument.

1 **29 Derivatives**

2 (1) ALPA may only acquire a derivative for the purpose of:

3 (a) protecting the value of an investment of ALPA (other than a
4 derivative); or

5 (b) protecting the return on an investment of ALPA (other than a
6 derivative); or

7 (c) achieving indirect exposure to financial assets (other than
8 derivatives) for a purpose in connection with ALPA's
9 investment function; or

10 (d) achieving transactional efficiency for a purpose in connection
11 with ALPA's investment function;

12 but must not acquire a derivative for the purpose of:

13 (e) speculation; or

14 (f) leverage.

15 (2) The acquisition of a derivative under subsection (1) must be
16 consistent with the investment strategy embodied in a policy
17 formulated by the Board under subsection 44(1).

- 1 (5) Without limiting subsection (1), the regulations may provide for
2 any of the following:
3 (a) the matters that ALPA must take into account in giving the
4 advice mentioned in paragraph (1)(b);
5 (b) delegation of the Minister's power to approve a project;
6 (c) review of a decision not to approve a project;
7 (d) penalties, not exceeding 1,000 penalty units, for offences
8 against regulations made for the purposes of that subsection;
9 (e) pecuniary penalties, not exceeding 10,000 penalty units, for
10 contravening civil penalty provisions in regulations made for
11 the purposes of that subsection.

12 *Approval required from 1 July 2023*

- 13 (6) This section applies to a project if the project starts to be carried
14 out on or after 1 July 2023.
15 (7) The first regulations establishing a scheme for the purposes of
16 subsection (1) must be made on or before 1 July 2022.

17 **31 Constitutional basis of this Division**

18 This Division applies to a project involving the construction,
19 modification or expansion of a large renewable energy generation
20 facility if:

- 21 (a) the project is carried out by a corporation to which
22 paragraph 51(xx) of the Constitution applies; or
23 (b) the facility is located in:
24 (i) a place that is external to Australia for the purposes of
25 paragraph 51(xxix) of the Constitution; or
26 (ii) a Commonwealth place (within the meaning of the
27 *Commonwealth Places (Application of Laws) Act 1970*);
28 or
29 (iii) a Territory; or
30 (c) energy generated by the facility is intended to be supplied in
31 trade or commerce:
32 (i) among the States; or

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Division 4 Community investment in large renewable energy projects

Section 31

- 1 (ii) within a Territory, between a State and a Territory or
2 between 2 Territories.

1 **Part 3—Board of ALPA**

2 **Division 1—Establishment and functions**

3 **32 Establishment**

4 There is to be a Board of the Australian Local Power Agency.

5 **33 Functions of the Board**

6 (1) The functions of the Board are:

7 (a) the functions the Board has under Division 2 relating to
8 general strategies, guidelines, work plans and investment
9 policies; and

10 (b) to decide the other strategies, objectives and policies to be
11 followed by ALPA; and

12 (c) to ensure that ALPA complies with this Act.

13 (2) The Board has the power to do all things necessary or convenient
14 to be done for or in connection with the performance of its
15 functions.

16 (3) Anything done in the name of, or on behalf of, ALPA by the
17 Board, or with the authority of the Board, is taken to have been
18 done by ALPA.

1 **Division 2—General strategy, guidelines and work plans**

2 **Subdivision A—General strategy**

3 **34 General strategy**

- 4 (1) The Board must, for the 2021-2022 financial year and each later
5 financial year, develop a strategy for:
- 6 (a) the provision of financial assistance under this Act; and
 - 7 (b) the collection, analysis, interpretation and dissemination of
8 information and knowledge relating to community energy
9 projects by ALPA; and
 - 10 (c) the provision of technical expertise by ALPA for the
11 purposes of developing community energy projects; and
 - 12 (d) anything else prescribed by the regulations.
- 13 (2) The general strategy for the 2021-2022 financial year must be
14 developed as soon as practicable after the start of that year. A
15 general strategy for a later financial year must be developed during
16 the previous financial year.
- 17 (3) A general strategy must:
- 18 (a) be in writing; and
 - 19 (b) be expressed to relate to the financial year for which the
20 strategy is developed and the next 2 financial years; and
 - 21 (c) state ALPA's principal objectives and priorities for the
22 matters mentioned in subsection (1) during the financial year
23 for which the strategy is developed and the next 2 financial
24 years.
- 25 (4) A general strategy must not require financial assistance,
26 information or technical expertise to be provided to a particular
27 person, or for a particular project.

1 **35 Approval of general strategy**

- 2 (1) As soon as practicable after developing a general strategy for a
3 financial year, the Board must give a copy of the strategy to the
4 Minister for approval.
- 5 (2) A general strategy developed by the Board and approved by the
6 Minister is a legislative instrument made by the Minister on the
7 day on which the strategy is approved, but section 42
8 (disallowance) of the *Legislation Act 2003* does not apply to a
9 general strategy.

10 **36 When a general strategy for a year is in force**

- 11 (1) A general strategy for a financial year comes into force at the later
12 of the following times:
13 (a) the time when the Minister approves the strategy;
14 (b) the start of the financial year.
- 15 (2) A general strategy for a financial year ceases to be in force when
16 the general strategy for the next financial year comes into force.

17 **37 Variation of general strategy**

- 18 (1) The Board must, during a financial year, regularly review the
19 general strategy that is in force for the year and consider if any
20 variations should be made to the strategy.
- 21 (2) The Board may vary a general strategy.
- 22 (3) A variation must be in writing.
- 23 (4) As soon as practicable after developing a variation, the Board must
24 give a copy of the variation to the Minister for approval.
- 25 (5) A variation comes into force at the later of the following times:
26 (a) the time when the Minister approves the variation;
27 (b) the commencement time specified in the instrument of
28 variation (not being a time before the instrument is made).

Section 38

- 1 (6) A variation developed by the Board and approved by the Minister
2 is a legislative instrument made by the Minister on the day on
3 which the variation is approved, but section 42 (disallowance) of
4 the *Legislation Act 2003* does not apply to a variation.

5 **38 General strategy to be published on ALPA’s website**

6 The Board must ensure that the general strategy that is in force
7 from time-to-time under this Subdivision is published on ALPA’s
8 website.

9 **Subdivision B—Guidelines**

10 **39 Guidelines**

- 11 (1) Subject to subsection (2), the Board may:
12 (a) develop guidelines for the provision of financial assistance
13 under this Act; and
14 (b) vary or revoke such guidelines.
- 15 (2) The Board must develop guidelines for a grant program if, under
16 the program, the total of all grants for a particular project could
17 exceed \$15 million.
- 18 (3) Guidelines, or a variation or revocation of guidelines, must be in
19 writing.
- 20 (4) Unless section 40 applies, guidelines, or a variation or revocation
21 of guidelines, come into force at the commencement time specified
22 in the instrument making, varying or revoking the guidelines (not
23 being a time before the instrument is made).
- 24 (5) None of the following are legislative instruments:
25 (a) guidelines;
26 (b) a variation or revocation of guidelines.

1 **40 Approval of guidelines for financial assistance in excess of \$15**
2 **million**

- 3 (1) The Board must give to the Minister, for his or her approval:
4 (a) guidelines for a grant program referred to in
5 subsection 39(2); and
6 (b) any variation of such guidelines, unless the variation is of a
7 minor nature (a *minor variation*); and
8 (c) any revocation of such guidelines.

9 Note: Grants totalling more than \$50 million for a particular project must be
10 approved by the Minister under section 19.

- 11 (2) If the Board makes a minor variation, the Board must inform the
12 Minister of the variation.
- 13 (3) Guidelines, or a variation or revocation, referred to in
14 subsection (1) come into force at the later of the following times:
15 (a) the time when the Minister approves the guidelines, or the
16 variation or revocation (unless the variation is a minor
17 variation);
18 (b) the commencement time specified in the instrument making,
19 varying or revoking the guidelines (not being a time before
20 the instrument is made).

21 **41 Guidelines to be published on ALPA's website**

22 The Board must ensure that guidelines that are in force from
23 time-to-time under this Subdivision are published on ALPA's
24 website.

1 **Subdivision C—Work plans**

2 **42 Work plan**

- 3 (1) The Board must, for the 2021-2022 financial year and each later
4 financial year, develop a work plan and give it to the Minister.
- 5 (2) The work plan for the 2021-2022 financial year must be developed
6 as soon as practicable after the start of that year. A work plan for a
7 later financial year must be developed during the previous financial
8 year.
- 9 (3) Subject to subsection (4), a work plan for a financial year must set
10 out details of:
- 11 (a) how the general strategy in force under Subdivision A of this
12 Division for the year is proposed to be implemented during
13 the year; and
- 14 (b) without limiting paragraph (a)—the main activities proposed
15 to be undertaken by ALPA and the Board during the year,
16 and how they are proposed to be undertaken.
- 17 (4) A work plan must not deal with carrying out ALPA's investment
18 function.
- 19 (5) The Board may, in writing, vary a work plan.
- 20 (6) Before finalising a work plan, or a variation of a work plan, the
21 Board must:
- 22 (a) prepare a draft of the plan or variation and give it to the
23 Minister; and
- 24 (b) have regard to any comments or requests made by the
25 Minister in relation to the draft.
- 26 (7) A work plan, or a variation of a work plan, comes into force at the
27 commencement time specified in the instrument making or varying
28 the work plan (not being a time before the instrument is made).
- 29 (8) A work plan is not a legislative instrument.

1 **43 Work plan to be taken into account**

- 2 (1) When performing functions and exercising powers in a financial
3 year, ALPA, the Board and the CEO must take into account the
4 work plan for that financial year.
- 5 (2) Subsection (1) does not apply in relation to ALPA's investment
6 function.

7 **Subdivision D—Investment policies**

8 **44 Investment policies**

- 9 (1) The Board must formulate written policies to be complied with by
10 ALPA in relation to the following matters:
- 11 (a) the investment strategy of ALPA;
- 12 (b) benchmarks and standards for assessing the performance of
13 ALPA's investments and of ALPA itself;
- 14 (c) risk management for:
- 15 (i) ALPA's investments; and
- 16 (ii) ALPA itself, in relation to ALPA's investment function;
- 17 (d) a matter specified in the regulations.

18 Note: For variation and revocation, see subsection 33(3) of the *Acts*
19 *Interpretation Act 1901*.

- 20 (2) The Board must ensure that the policies are consistent with the
21 Investment Mandate.
- 22 (3) The Board must cause copies of the policies to be published on
23 ALPA's website.
- 24 (4) The Board must ensure that the first policies are published as soon
25 as practicable and in any event no later than 1 July 2022.
- 26 (5) The Board must conduct periodic reviews of the policies.
- 27 (6) If there is a change in the Investment Mandate, the Board must
28 review any affected policies.
- 29 (7) ALPA must comply with the policies.

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Division 2 General strategy, guidelines and work plans

Section 44

- 1 (8) A failure to comply with a policy does not affect the validity of any
2 transaction.
- 3 (9) A policy formulated under subsection (1) is not a legislative
4 instrument.

1 **Division 3—Board members**

2 **45 Membership**

3 The Board consists of:

- 4 (a) up to 6 appointed members; and
5 (b) the Secretary.

6 **46 Appointment of Board members**

- 7 (1) Board members (other than the Secretary) are to be appointed:
8 (a) by the Minister by written instrument; and
9 (b) on a part-time basis.

- 10 (2) In appointing the members (other than the Secretary), the Minister
11 must ensure that the Board (taken as a whole) has experience or
12 knowledge of the following:

- 13 (a) community energy projects;
14 (b) regional development;
15 (c) Indigenous community development;
16 (d) development or commercialisation of renewable energy
17 businesses;
18 (e) environmental and natural resource management.

19 **47 Chair**

20 The Minister must, by written instrument, appoint one Board
21 member to be the Chair.

22 **48 Term of appointment**

- 23 (1) An appointed member holds office for the period specified in the
24 instrument of appointment. The period must not exceed 2 years.

25 Note: An appointed member is eligible for reappointment: see section 33AA
26 of the *Acts Interpretation Act 1901*.

Section 49

- 1 (2) A person must not hold office as an appointed member for a
2 continuous period of more than 6 years.

3 **49 Acting appointments**

- 4 (1) The Minister may, by written instrument, appoint a Board member
5 to act as the Chair:
6 (a) during a vacancy in the office of Chair (whether or not an
7 appointment has previously been made to the office); or
8 (b) during any period, or during all periods, when the Chair:
9 (i) is absent from duty or from Australia; or
10 (ii) is, for any reason, unable to perform the duties of the
11 office.
- 12 (2) The Minister may, by written instrument, appoint a person to act as
13 an appointed member:
14 (a) during a vacancy in the office of an appointed member
15 (whether or not an appointment has previously been made to
16 the office); or
17 (b) during any period, or during all periods, when an appointed
18 member:
19 (i) is absent from duty or from Australia; or
20 (ii) is, for any reason, unable to perform the duties of the
21 office.

22 Note: For rules that apply to acting appointments, see sections 33AB and
23 33A of the *Acts Interpretation Act 1901*.

- 24 (3) For the purposes of a reference in:
25 (a) this Act to a **vacancy** in the office of appointed member; or
26 (b) the *Acts Interpretation Act 1901* to a **vacancy** in the
27 membership of a body;
28 there are taken to be 6 offices of appointed member.

29 **50 Remuneration**

- 30 (1) An appointed member is to be paid, by the Commonwealth, the
31 remuneration that is determined by the Remuneration Tribunal. If

1 no determination of that remuneration by the Tribunal is in
2 operation, the member is to be paid, by the Commonwealth, the
3 remuneration that is prescribed by the regulations.

4 (2) An appointed member is to be paid, by the Commonwealth, the
5 allowances that are prescribed by the regulations.

6 (3) Subsections 7(9) and (13) of the *Remuneration Tribunal Act 1973*
7 do not apply in relation to the office of an appointed member.

8 Note: The effect of this subsection is that remuneration or allowances of an
9 appointed member will be paid out of money appropriated by an Act
10 other than the *Remuneration Tribunal Act 1973*.

11 (4) This section has effect subject to the *Remuneration Tribunal Act*
12 *1973* (except as provided by subsection (3)).

13 **51 Leave of absence**

14 *Chair*

15 (1) If the Chair is an appointed member, the Minister may grant leave
16 of absence to the Chair on the terms and conditions that the
17 Minister determines.

18 *Other appointed members*

19 (2) The Chair may grant leave of absence to any other appointed
20 member on the terms and conditions that the Chair determines.

21 (3) The Chair must notify the Minister if the Chair grants an appointed
22 member leave of absence for a period that exceeds 3 months.

23 **52 Disclosure of interests to the Minister**

24 (1) A disclosure by a Board member under section 29 of the *Public*
25 *Governance, Performance and Accountability Act 2013* (which
26 deals with the duty to disclose interests) must be made to the
27 Minister.

28 (2) Subsection (1) applies in addition to any rules made for the
29 purposes of that section.

Section 53

- 1 (3) For the purposes of this Act and the *Public Governance,*
2 *Performance and Accountability Act 2013*, the Board member is
3 taken not to have complied with section 29 of that Act if the
4 member does not comply with subsection (1) of this section.

5 **53 Resignation of appointed members**

- 6 (1) An appointed member may resign his or her appointment by giving
7 the Minister a written resignation.
- 8 (2) The resignation takes effect on the day it is received by the
9 Minister or, if a later day is specified in the resignation, on that
10 later day.

11 **54 Termination of appointment of appointed members**

- 12 (1) The Minister may terminate the appointment of an appointed
13 member:
14 (a) for misbehaviour; or
15 (b) if the member is unable to perform the duties of his or her
16 office because of physical or mental incapacity.
- 17 (2) The Minister may terminate the appointment of an appointed
18 member if:
19 (a) the member:
20 (i) becomes bankrupt; or
21 (ii) applies to take the benefit of any law for the relief of
22 bankrupt or insolvent debtors; or
23 (iii) compounds with his or her creditors; or
24 (iv) makes an assignment of his or her remuneration for the
25 benefit of his or her creditors; or
26 (b) the member is absent, except on leave of absence, from 3
27 consecutive meetings of the Board.

28 Note: The appointment of an appointed member may also be terminated
29 under section 30 of the *Public Governance, Performance and*
30 *Accountability Act 2013* (which deals with terminating the
31 appointment of an accountable authority, or a member of an
32 accountable authority, for contravening general duties of officials).

1 **55 Other terms and conditions of appointed members**

2 An appointed member holds office on the terms and conditions (if
3 any) in relation to matters not covered by this Act that are
4 determined by the Minister.

1 **Division 4—Meetings of the Board**

2 **56 Convening meetings**

3 (1) The Board must hold such meetings as are necessary for the
4 efficient performance of its functions.

5 (2) Meetings are to be held at the times and places that the Board
6 determines.

7 Note: See also section 33B of the *Acts Interpretation Act 1901*, which
8 contains extra rules about meetings by telephone etc.

9 (3) The Chair:

10 (a) may convene a meeting at any time; and

11 (b) must convene at least 6 meetings each calendar year; and

12 (c) must convene a meeting within 30 days after receiving a
13 written request to do so from:

14 (i) 3 or more other Board members; or

15 (ii) the Minister.

16 **57 Secretary may nominate alternate to attend Board meetings**

17 (1) The Secretary may, by writing, nominate a specified person who is
18 an SES employee or acting SES employee in the Department to
19 attend a particular meeting, or all meetings, of the Board at which
20 the Secretary is not present.

21 (2) A person so nominated may attend a meeting to which the
22 nomination applies and, if the person does so, he or she is taken to
23 be a Board member.

24 **58 Presiding at meetings**

25 (1) The Chair must preside at all meetings at which he or she is
26 present.

27 (2) If the Chair is not present at a meeting, the other Board members
28 present must appoint one of themselves to preside.

1 **59 Quorum**

2 (1) At a meeting of the Board, a quorum is constituted by a majority of
3 the members of the Board.

4 (2) However, if:

5 (a) a Board member is required by rules made for the purposes
6 of section 29 of the *Public Governance, Performance and*
7 *Accountability Act 2013* not to be present during the
8 deliberations, or to take part in any decision, of the Board
9 with respect to a particular matter; and

10 (b) when the member leaves the meeting concerned there is no
11 longer a quorum present;

12 the remaining members at the meeting constitute a quorum for the
13 purpose of any deliberation or decision at that meeting with respect
14 to that matter.

15 **60 Voting at meetings**

16 (1) A question arising at a meeting is to be determined by a majority of
17 the votes of the Board members present and voting.

18 (2) The person presiding at a meeting has a deliberative vote and, in
19 the event of an equality of votes, a casting vote.

20 **61 Conduct of meetings**

21 The Board may, subject to this Division, regulate proceedings at its
22 meetings as it considers appropriate.

23 **62 Minutes**

24 The Board must keep minutes of its meetings.

25 **63 Decisions without meetings**

26 (1) The Board is taken to have made a decision at a meeting if:

Section 63

- 1 (a) without meeting, a majority of the Board members entitled to
2 vote on the proposed decision indicate agreement with the
3 decision; and
4 (b) that agreement is indicated in accordance with the method
5 determined by the Board under subsection (2); and
6 (c) all the Board members were informed of the proposed
7 decision, or reasonable efforts were made to inform all the
8 members of the proposed decision.
- 9 (2) Subsection (1) applies only if the Board:
10 (a) has determined that it may make decisions of that kind
11 without meeting; and
12 (b) has determined the method by which Board members are to
13 indicate agreement with proposed decisions.
- 14 (3) For the purposes of paragraph (1)(a), a Board member is not
15 entitled to vote on a proposed decision if the member would not
16 have been entitled to vote on that proposal if the matter had been
17 considered at a meeting of the Board.
- 18 (4) The Board must keep a record of decisions made in accordance
19 with this section.

1 **Division 5—Committees**

2 **64 Committees**

- 3 (1) The Board may establish committees to advise or assist in the
4 performance of ALPA’s functions or the Board’s functions.
- 5 (2) A committee may be constituted:
6 (a) wholly by Board members; or
7 (b) wholly by persons who are not Board members; or
8 (c) partly by Board members and partly by other persons.
- 9 (3) The Board may determine, in relation to a committee established
10 under this section:
11 (a) the committee’s terms of reference; and
12 (b) the terms and conditions of appointment of the members of
13 the committee; and
14 (c) the procedures to be followed by the committee.

15 **65 Remuneration and allowances**

- 16 (1) This section applies if a committee is established under section 64.
- 17 (2) A committee member is to be paid, by the Commonwealth, the
18 remuneration that is determined by the Remuneration Tribunal. If
19 no determination of that remuneration by the Tribunal is in
20 operation, the member is to be paid, by the Commonwealth, the
21 remuneration that is prescribed by the regulations.
- 22 (3) A committee member is to be paid, by the Commonwealth, the
23 allowances that are prescribed by the regulations.
- 24 (3) Subsections 7(9) and (13) of the *Remuneration Tribunal Act 1973*
25 do not apply in relation to the office of a committee member.

26 Note: The effect of this subsection is that remuneration or allowances of a
27 committee member will be paid out of money appropriated by an Act
28 other than the *Remuneration Tribunal Act 1973*.

Section 65

- 1 (4) This section has effect subject to the *Remuneration Tribunal Act*
2 *1973* (except as provided by subsection (3)).

1 **Part 4—Chief Executive Officer, staff and**
2 **consultants**

3 **Division 1—Chief Executive Officer of ALPA**

4 **66 Establishment**

5 There is to be a Chief Executive Officer of the Australian Local
6 Power Agency.

7 **67 Role**

- 8 (1) The CEO is responsible for the day-to-day administration of
9 ALPA.
- 10 (2) The CEO has power to do all things necessary or convenient to be
11 done for or in connection with the performance of his or her duties.
- 12 (3) The CEO is to act in accordance with policies determined by the
13 Board.
- 14 (4) The Board may give written directions to the CEO about the
15 performance of the CEO's responsibilities.
- 16 (5) The CEO must comply with a direction under subsection (4).
- 17 (6) A direction under subsection (4) is not a legislative instrument.

18 **68 Appointment**

- 19 (1) The CEO is to be appointed by the Minister on the
20 recommendation of the Board.
- 21 (2) The CEO is to be appointed:
22 (a) by written instrument; and
23 (b) on a full-time basis.

Section 69

- 1 (3) The CEO holds office for the period specified in the instrument of
2 appointment. The period must not exceed 3 years.

3 Note: A CEO is eligible for re-appointment: see section 33AA of the *Acts*
4 *Interpretation Act 1901*.

- 5 (4) The Minister must not appoint a Board member as the CEO.

6 **69 Acting appointments**

- 7 (1) The Minister may, by written instrument, appoint a person
8 (including an appointed member) to act as the CEO:
9 (a) during a vacancy in the office of the CEO (whether or not an
10 appointment has previously been made to the office); or
11 (b) during any period, or during all periods, when the CEO:
12 (i) is absent from duty or from Australia; or
13 (ii) is, for any reason, unable to perform the duties of the
14 office.

- 15 (2) If the Minister appoints an appointed member to act as the CEO,
16 the member is to be appointed to act on a part-time basis.

17 Note: Sections 33AB and 33A of the *Acts Interpretation Act 1901* have rules
18 that apply to acting appointments.

19 **70 Outside employment**

20 The CEO must not engage in paid work outside the duties of his or
21 her office without the Minister's approval.

22 **71 Remuneration**

- 23 (1) The CEO is to be paid, by the Commonwealth, the remuneration
24 that is determined by the Remuneration Tribunal. If no
25 determination of that remuneration by the Tribunal is in operation,
26 the CEO is to be paid, by the Commonwealth, the remuneration
27 that is prescribed by the regulations.
- 28 (2) The CEO is to be paid, by the Commonwealth, the allowances that
29 are prescribed by the regulations.

1 (3) Subsections 7(9) and (13) of the *Remuneration Tribunal Act 1973*
2 do not apply in relation to the office of an appointed member.

3 Note: The effect of this subsection is that remuneration or allowances of the
4 CEO will be paid out of money appropriated by an Act other than the
5 *Remuneration Tribunal Act 1973*.

6 (4) This section has effect subject to the *Remuneration Tribunal Act*
7 *1973* (except as provided by subsection (3)).

8 **72 Leave**

9 (1) The CEO has the recreation leave entitlements that are determined
10 by the Remuneration Tribunal.

11 (2) The Minister may grant the CEO leave of absence, other than
12 recreation leave, on the terms and conditions as to remuneration or
13 otherwise that the Minister determines.

14 **73 Disclosure of interests to the Minister**

15 (1) A disclosure by the CEO under section 29 of the *Public*
16 *Governance, Performance and Accountability Act 2013* (which
17 deals with the duty to disclose interests) must be made to the
18 Minister.

19 (2) Subsection (1) applies in addition to any rules made for the
20 purposes of that section.

21 (3) For the purposes of this Act and the *Public Governance,*
22 *Performance and Accountability Act 2013*, the CEO is taken not to
23 have complied with section 29 of that Act if the CEO does not
24 comply with subsection (1) of this section.

25 **74 Resignation**

26 (1) The CEO may resign his or her appointment by giving the Minister
27 a written resignation.

Section 75

- 1 (2) The resignation takes effect on the day it is received by the
2 Minister or, if a later day is specified in the resignation, on that
3 later day.

4 **75 Termination of appointment**

- 5 (1) The Minister may terminate the appointment of the CEO:
6 (a) for misbehaviour; or
7 (b) if the CEO is unable to perform the duties of his or her office
8 because of physical or mental incapacity.
- 9 (2) Before the Minister terminates the appointment of the CEO under
10 subsection (1) the Minister must consult the Board.
- 11 (3) The Minister may terminate the appointment of the CEO if:
12 (a) the CEO:
13 (i) becomes bankrupt; or
14 (ii) applies to take the benefit of any law for the relief of
15 bankrupt or insolvent debtors; or
16 (iii) compounds with his or her creditors; or
17 (iv) makes an assignment of his or her remuneration for the
18 benefit of his or her creditors; or
19 (b) the CEO is absent, except on leave of absence, for 14
20 consecutive days or for 28 days in any 12 months; or
21 (c) the CEO fails, without reasonable excuse, to comply with
22 section 29 of the *Public Governance, Performance and*
23 *Accountability Act 2013* (which deals with the duty to
24 disclose interests) or rules made for the purposes of that
25 section; or
26 (d) the CEO engages, except with the Minister's approval, in
27 paid work outside the duties of his or her office (see
28 section 70).

29 **76 Other terms and conditions**

30 The CEO holds office on the terms and conditions (if any) in
31 relation to matters not covered by this Act that are determined by
32 the Minister.

1 **Division 2—Staff and consultants**

2 **77 Chief Financial Officer**

- 3 (1) ALPA may employ a person to perform chief financial officer
4 functions in ALPA.
- 5 (2) The person is to be employed on the terms and conditions that
6 ALPA determines in writing.

7 **78 Other staff**

- 8 (1) The other staff necessary to assist ALPA are to be persons engaged
9 under the *Public Service Act 1999* who are:
10 (a) employed in the Department; and
11 (b) made available for the purpose by the Secretary.
- 12 (2) ALPA must not otherwise engage or employ such staff.
- 13 (3) The Secretary must make available persons employed in the
14 Department to assist ALPA.

15 **79 Consultants**

- 16 (1) ALPA may engage consultants to provide technical and specialist
17 advisory services to assist ALPA in the performance of its
18 functions.
- 19 (2) The consultants are to be engaged on the terms and conditions that
20 ALPA determines.
- 21 (3) A person must not be engaged as a consultant to perform
22 operational or administrative duties of a kind that are performed, or
23 are capable of being performed, by the staff referred to in
24 section 78.

1 **Part 5—Miscellaneous**
2

3 **80 Matters relating to subsidiaries**

- 4 (1) ALPA must not incorporate or otherwise form a subsidiary:
5 (a) for purposes other than the purposes of ALPA’s investment
6 function; or
7 (b) in a place other than Australia.
- 8 (2) In making investments for the purposes of ALPA’s investment
9 function, a subsidiary of ALPA must:
10 (a) only make complying investments; and
11 (b) take all reasonable steps to comply with the Investment
12 Mandate, to the extent to which the Investment Mandate is
13 capable of applying to the activities of the subsidiary; and
14 (c) comply with policies formulated by the Board under
15 section 44, to the extent to which the policies are capable of
16 applying to the activities of the subsidiary; and
17 (d) only acquire derivatives for a purpose for which ALPA may
18 do so under section 29.

19 **81 Publication of investment reports**

- 20 (1) ALPA must, within one month after the end of each quarter,
21 publish a report on its website for the quarter:
22 (a) containing a general summary of each investment made in
23 that quarter for the purposes of ALPA’s investment function,
24 including at least the following:
25 (i) the form of the investment;
26 (ii) the value of the investment or the amount invested;
27 (iii) when the investment was made; and
28 (iv) the length and expected rate of return of the investment;
29 and
30 (v) for a guarantee—the fee for the guarantee; and

1 (vi) the place or places where the main activities to which
2 the investment relates are carried out; and

3 (c) setting out any other matters ALPA considers appropriate.

4 Note: ALPA must also publish these reports about investments made by its
5 subsidiaries: see subsection 80(2).

6 (2) A *quarter* is a period of 3 months ending on:

7 (a) 31 March; and

8 (b) 30 June; and

9 (c) 30 September; and

10 (d) 31 December.

11 **82 Publication of reports etc.**

12 (1) Either of the responsible Ministers may publish, on the internet or
13 in any other way the Minister considers appropriate, a report,
14 document or information given to the responsible Ministers, or to
15 the Finance Minister in his or her capacity as Finance Minister,
16 under paragraph 19(1)(b) of the *Public Governance, Performance
17 and Accountability Act 2013*.

18 (2) The Minister must omit from the published report, document or
19 information any information that the Board is satisfied in
20 accordance with subsection (3) is commercial-in-confidence.

21 (3) The Board may be satisfied that information is
22 commercial-in-confidence if a person demonstrates to the Board
23 that:
24 (a) release of the information would cause competitive detriment
25 to the person; and
26 (b) the information is not in the public domain; and
27 (c) the information is not required to be disclosed under another
28 law of the Commonwealth, a State or a Territory; and
29 (d) the information is not readily discoverable.

Section 83

1 **83 Extra matters to be included in annual report**

- 2 (1) The annual report prepared by the Board and given to the Minister
3 under section 46 of the *Public Governance, Performance and*
4 *Accountability Act 2013* for a period must include the following:
5 (a) particulars of each request given to ALPA by the Minister
6 under section 18, during the period;
7 (b) particulars of each direction given to ALPA by the Minister
8 under section 10, during the period;
9 (c) for each person to whom financial assistance has been
10 provided, or committed, under an agreement during the
11 period, particulars of:
12 (i) the name of the person; and
13 (ii) the nature and amount of the financial assistance
14 provided or committed; and
15 (iii) the clean energy projects to which the assistance relates;
16 (d) an assessment of the extent to which agreements for the
17 provision of financial assistance entered into during the
18 period have progressed, or are expected to progress, the
19 principal objectives and priorities as stated in the general
20 strategy in force under Subdivision A of Division 2 of Part 3
21 for the period;
22 (e) state the total value of section 24 investments as at the end of
23 the period, by reference to the class of community energy
24 projects to which the investments relate;
25 (f) set out details of the realisation of any section 24 investments
26 in the period;
27 (g) state the total value of concessions given by ALPA in the
28 period;
29 (h) include a balance sheet setting out, as at the end of the
30 period, the assets and liabilities of ALPA and a statement of
31 cash flows;
32 (i) set out the remuneration and allowances of Board members
33 and senior staff of ALPA for the period;
34 (j) set out ALPA's operating costs and expenses for the period;

- 1 (k) benchmark ALPA's operating costs and expenses for the
2 period against the operating costs and expenses of other
3 comparable entities for that period;
- 4 (l) set out details of any procurement contracts to which ALPA
5 is party that are in force at any time in the period and have a
6 value of more than \$80,000.
- 7 (2) An annual report must also do the things referred to in
8 paragraphs (1)(e) to (h) in relation to each subsidiary of ALPA in
9 existence at the end of the period.

10 **84 Delegation by ALPA**

- 11 (1) ALPA may, in writing under its seal, delegate all or any of its
12 powers or functions under this Act to:
- 13 (a) a Board member; or
14 (b) the CEO.
- 15 (2) In exercising any powers or performing any functions under the
16 delegation, the delegate must comply with any directions of ALPA.

17 **85 Delegation by Board**

- 18 (1) The Board may, in writing, delegate to a Board member or the
19 CEO any of its powers or functions under this Act, other than
20 Subdivision A of Division 2 of Part 3 (general strategy).
- 21 (2) In exercising any powers or performing any functions under the
22 delegation, the delegate must comply with any directions of the
23 Board.
- 24 (3) A delegation under this section:
- 25 (a) may be revoked by the Board (whether or not constituted by
26 the Board members who constituted the Board when the
27 power was delegated); and
28 (b) continues in force even if the membership of the Board
29 changes.

1 **86 Subdelegation by CEO**

- 2 (1) If ALPA or the Board delegates a power or function under
3 subsection 84(1) or 85(1) to the CEO, the CEO may, in writing,
4 subdelegate the power or function to:
5 (a) the Chief Financial Officer; or
6 (b) a member of staff referred to in section 78 who:
7 (i) is an SES employee or acting SES employee in the
8 Department; or
9 (ii) is an APS employee in the Department who is classified
10 as Executive Level 2, or is acting in a position usually
11 occupied by an APS employee who is so classified.
- 12 (2) In exercising any powers or performing any functions under the
13 subdelegation, the subdelegate must comply with any directions of
14 the CEO.
- 15 (3) Sections 34AA, 34AB and 34A of the *Acts Interpretation Act 1901*
16 apply in relation to the subdelegation in a corresponding way to the
17 way in which they apply in relation to a delegation.

18 **87 Disclosure of information to Australian Renewable Energy**
19 **Agency or Clean Energy Finance Corporation**

20 ALPA may disclose information to the Australian Renewable
21 Energy Agency or the Clean Energy Finance Corporation if the
22 disclosure will enable or assist the Australian Renewable Energy
23 Agency or the Clean Energy Finance Corporation to perform or
24 exercise any of its functions or powers.

25 **88 Review of operation of Act**

- 26 (1) The Minister must arrange for an independent review of the
27 operation of this Act to be undertaken as soon as practicable after
28 1 July 2025 by an appropriately qualified person or persons.
- 29 (2) The review must include a review of the effectiveness of ALPA in
30 facilitating increased flows of finance into the community energy
31 sector.

- 1 (3) The review must make provision for public consultation.
- 2 (4) The person or persons who undertake the review must give the
3 Minister a written report of the review.
- 4 (5) The Minister must cause a copy of the report to be tabled in each
5 House of the Parliament within 15 sitting days of the day the report
6 is given to the nominated Minister.

7 **89 Regulations**

- 8 The Governor-General may make regulations prescribing matters:
- 9 (a) required or permitted by this Act to be prescribed; or
- 10 (b) necessary or convenient to be prescribed for carrying out or
11 giving effect to this Act.