

Planning (Social Impact and Community Benefit) and Other Legislation Amendment Bill 2025

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Mr Jim McDonald MP
Chair, State Development, Infrastructure and Works Committee
Queensland Parliament
Lodged online

20 May 2025

To Mr McDonald,

**Planning (Social Impact and Community Benefit) and Other Legislation Amendment Bill
2025**

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the State Development, Infrastructure and Works Committee (the Committee) on the Planning (Social Impact and Community Benefit) and Other Legislation Amendment Bill 2025 (the Bill).

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE operates an asset fleet which includes renewables, gas-powered generation, diesel peakers, and battery energy storage systems. ENGIE also provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

ENGIE understands the importance of community engagement and delivering positive outcomes for communities hosting renewable energy projects. ENGIE already conducts social impact analysis of its projects and engages with local communities to ensure they receive real benefits from projects located in their region. For example, as part of ENGIE's proposed Hills of Gold Wind Farm project in New South Wales it has committed to a Voluntary Planning Agreement with both Tamworth Regional Council and Upper Hunter Shire Council, which will provide a contribution of 1.5 per cent Capital Investment Value to administer local and regional enhancement projects.¹

While ENGIE supports the Queensland Government formalising existing project development practices, ENGIE is concerned that the proposed implementation of the reforms in the Bill could result in delays in the development application process and create unnecessary uncertainty and additional costs for renewable energy project proponents. In this submission, ENGIE provides recommendations on alternative

¹ ENGIE, Hills of Gold Wind Farm, available at; <https://engie.com.au/about-us/our-generation-activities/wind-farms/hills-of-gold>

implementation options that formalise community engagement processes while not slowing the energy transition and deterring renewable energy investment in Queensland.

ENGIE also supports the Clean Energy Investor Group's recommendation for the creation of a dedicated body to oversee and coordinate planning and environmental assessments across relevant agencies, which would be supported by clear and enforceable timeframes at each stage of the process.

The CBA should be able to be progressed in parallel with a development application

ENGIE considers there is merit in the Queensland Government formally clarifying the exact form of the Social Impact Assessment (SIA) and Community Benefit Agreement (CBA) that it expects from renewable energy project proponents. ENGIE's primary concern with the proposed Bill is the requirement that a renewable energy project proponent completes a SIA and executes a legally binding CBA before it can lodge a development application. Introducing mandatory steps that must be completed before a development application can be lodged and assessed will likely introduce additional delays, costs and uncertainty to renewable energy project development.

To partly mitigate these risks, ENGIE recommends that the Bill allow renewable energy project proponents to complete a SIA and execute a legally binding CBA in parallel with the assessment of a development application. ENGIE understands that a key principle of the reform is that proponents undertake engagement with local communities prior to regulatory approval processes. This principle could be achieved by requiring that proponents commence their pre-engagement before lodging the development application.

The CBA negotiation process requires clear guidance and defined processes to reduce risks to proponents

Despite the mitigation discussed above, the proposed requirement to execute a legally binding CBA will likely introduce significant procedural risks and costs for proponents. In its current form, the proposed CBA negotiation process creates a risk of indefinite delays and ability for local governments to request unrealistic amounts of benefit-sharing, which effectively provides local governments with the ability to block a project from finalising its development assessment. ENGIE considers there are differing incentives for proponents and local governments and the Bill does not provide sufficient incentive for local governments to promptly negotiate and reach agreement with a proponent on a CBA. To address these risks, ENGIE recommends that the Bill:

- define specific timeframes for the CBA negotiation process and introduce fair dispute resolution mechanisms to ensure proponents and local governments engage meaningfully and in good faith; and
- include an indexed maximum value for benefit-sharing, which would help ensure that community benefits are proportionate and that proponents can factor these amounts into financial modelling.

ENGIE notes that the New South Wales Government has provided guidance on maximum values of benefit-sharing for renewable energy projects in their state through a 'Benefit-Sharing Guideline'.² ENGIE considers the New South Wales Government's guidance is helpful in providing clarity and certainty to project developers, communities and local governments. The Committee could draw upon the New South Wales Government's work in this area when considering a maximum value for benefit-sharing in Queensland.

The proposed CBA negotiation process may also create risks for proponents in relation to their international anti-bribery obligations, which could be triggered by payments or other benefits provided before development approval of the renewable energy project.

It is not good regulatory practice to require pre-existing applications to restart the assessment process

The Bill's proposal to consider all pre-existing development applications as not properly made or accepted would require those proponents to restart the assessment process and comply with the new SIA and CBA requirements. ENGIE does not support this proposal and considers that the retrospective application of rules creates regulatory uncertainty for participants and negatively impacts on proponents that have engaged in the development assessment process in good faith.

Requiring proponents to effectively recommence a development application that was properly made and lodged in accordance with the existing rules could add significant delays and costs to those projects.

ENGIE recommends that the Bill include transitional arrangements that enable pre-existing applications to be assessed in line with the rules that applied at the time that the development application was lodged.

Appeal rights should be restricted to parties with clear interests in the project

While ENGIE is supportive of third-parties not being able to appeal a renewable energy project solely based on matters related to the SIA and CBA, the broad appeal rights in the Bill may result in unnecessary litigation by parties that are not impacted by the project.

ENGIE supports the Clean Energy Investor Group's recommendation that appeal rights be restricted to parties with a clear and direct interest in the renewable energy project and that clear guidance is provided on how the appeal processes will operate. ENGIE agrees that this would help minimise the legal risks and project delays that can arise from appeal processes.

Concluding remarks

ENGIE welcomes the Committee's consideration of the matters raised by industry in relation to the implications for renewable energy development in Queensland from the progression of the Bill in its current

² New South Wales Department of Planning, Housing and Infrastructure 2024, Benefit-Sharing Guideline, November, p. 24, available at: <https://www.planning.nsw.gov.au/sites/default/files/2024-11/benefit-sharing-guideline.pdf> Page 3

form. ENGIE considers that targeted amendments to the Bill could minimise the risks of significant project development delays and investor uncertainty.

Should you have any queries in relation to this submission please do not hesitate to contact me on, telephone, [REDACTED].

Yours sincerely,

[REDACTED]

Matthew Giampiccolo

Manager, Regulation and Policy