

Impact Analysis Statement

Summary IAS

Details

Lead department	Department of State Development, Infrastructure and Planning (the department)
Name of the proposal	Amendments to the <i>Planning Act 2016</i> to introduce a framework for social impact assessment and community benefit, facilitating the new planning pathway for renewable energy projects
Submission type (<i>Summary IAS / Consultation IAS / Decision IAS</i>)	Summary IAS
Title of related legislative or regulatory instrument	<i>Planning Act 2016</i>
Date of issue	5 March 2025

*Refer to [The Queensland Government Better Regulation Policy](#) for regulatory proposals not requiring regulatory impact analysis (for example, public sector management, changes to existing criminal laws, taxation).

For all other proposals**What is the nature, size and scope of the problem? What are the objectives of government action?**

There are inconsistencies and variations in how renewable energy projects are currently regulated in Queensland. Other similar land uses such as mining or gas extraction involve greater consideration of social impacts, potential cumulative impacts on host communities and community benefits. They also provide more opportunities for community input. These inconsistencies and variations result in varying levels of social impact.

Local governments and communities have raised concerns about increased housing, infrastructure (hard and soft), and workforce pressures from the cumulative impacts and indirect impacts of hosting renewable energy projects. This includes circumstances where they may host multiple projects, be they renewable energy, gas, mining and other large-scale infrastructure projects. These pressures are compounded by limited regulatory frameworks to recognise and mitigate the cumulative and indirect impacts from multiple projects delivered in proximity. While some renewable energy proponents may take steps to analyse, monitor, and manage the social consequences – both positive and negative – of a development, there is no benchmark to ensure these social considerations are incorporated into decision-making for renewable energy projects.

The State lacks a structured approach to ensure local communities receive tangible and lasting benefits from renewable energy projects. The inconsistency in approach between renewable energy developments across Queensland, and when compared to the resource sector, has created challenges in relation to the assessment of social and community impacts. Communities are seeking increased and ongoing engagement, as well as lasting benefits within their community. While the need for broad social impact assessment and enabling community benefit for long term positive legacy is being explored in relation to renewable energy development, their role and function in the Queensland planning framework is being considered generally.

Proposed changes:

To achieve this outcome, Department of State Development, Infrastructure and Planning (DSDIP) proposes amendments to the *Planning Act 2016* (Planning Act) to ensure that renewable energy projects in Queensland require a social impact assessment (SIA) to be carried out and a community benefit agreement (CBA) entered into. This will ensure a consistent standard for SIA and CBA for any new, emerging or evolving land uses where there is currently either a broad or voluntary approach and no minimum obligations with respect to SIA. This will allow the consideration of indirect social impacts and address cumulative impacts for community benefit.

The proposed amendments being considered include:

- requiring a SIA to be carried out and a CBA to be reached by a proponent and Local Government, or in limited circumstances, the State Government;
- the SIA, and execution of a CBA, is to occur prior to lodging a development application and is to be provided to the assessment manager as part of a properly made development application;
- providing powers for the *Planning Regulation 2017* (Planning Regulation) to prescribe the uses and thresholds which would trigger the requirement for a SIA and a CBA (intended to form a further stage of regulatory change and initially apply to wind and solar farm development) prior to lodging a development application;
- providing a framework for a SIA and CBA, including the matters that may be prescribed by the Planning Regulation or other instrument/s;
- providing reserve discretionary powers for the chief executive to accept, assess and decide an application if a CBA is not in effect, subject to criteria;
- providing the power for the chief executive to condition for social impacts, where not already addressed in a CBA.

The objectives of these amendments are to:

- empower Local Government (or the State as required) in decision-making, such as renewable energy projects or other disruptive land uses, without fettering State decision-making powers;
- ensure communities are consulted early and meaningfully, and benefit from these types of projects, such as renewable energy projects; and
- establish clear minimum requirements for SIA and CBA, providing clarity and certainty on minimum obligations for industry.

Objectives of Government Action:

The objectives of government action are to:

- ensure the social impacts of certain types of development that have the potential to impact communities are being adequately identified, considered and managed;
- enable communities that host these developments to receive positive legacy benefits from the developments;
- more closely align assessment processes for renewable energy developments with non-renewable energy and resource projects in Queensland to achieve consistent social impact assessment criteria and by extension community benefit delivery drawing from similar impact thresholds (nature, magnitude, frequency and intensity).

What options were considered?**Option 1: Maintain the status quo and no Government action is pursued.**

This option involves no amendments to the Planning Act and maintains the status quo.

Development applications for solar farms are currently assessed against Local Government Planning Schemes and are decided by the Local Government, through either code or impact assessment. Initial changes for renewable energy commenced on 3 February 2025, making wind farms impact assessable and maintaining their assessment by the State Government through State Assessment and Referral Agency (SARA) in DSDIP.

Other resource related project assessment processes, like mining and gas developments, are typically assessed under pathways that require multiple stages of public consultation, third party submitter appeal rights, landowner appeal rights, local government engagement, both a SIA and community benefit commitment, and typically involve an environmental impact assessment process. The recent changes in Queensland for wind farms has changed the category of assessment under the Planning Act to ensure the development assessment now includes public notification and third party submitter appeal rights.

The effect of this option will mean that:

- existing inconsistencies and variations in the assessment of renewable and non-renewable energy projects by State and Local Governments will continue;
- no indirect social impacts for any land use can be assessed, or community benefits delivered as a minimum obligation for specifically identified development types that have cumulative social impacts on communities (such as renewable energy development);
- development approvals under the Planning Act will continue to be bound by current 'reasonable and relevant' conditioning tests, which limit conditioning to direct social impact matters triggered by a development.

This option does not align with the objective to require all renewable energy projects to be subject to the same approval processes as other resource projects, or to deliver positive community benefit for specific development types identified as having wider, indirect or cumulative social impacts on communities.

Option 2: Proposed amendments to the Planning Act to ensure that identified development types (such as renewable energy projects) are subject to the similar regulatory and approval processes.

The proposed amendments will more closely align pre-development application stages for renewable energy projects with other non-renewable energy and resource projects, such as mining. This includes multiple stages of community engagement (community consultation and public notification), third party submitter rights, landowner appeal rights, Local Government engagement, introduction of a SIA and CBA, and, depending on the scale and location of the project, may involve or occur concurrently with environmental impact assessment process.

Amendments to introduce a SIA and CBA would significantly enhance the regulatory approval process to the benefit of local communities and Local Governments. A SIA is a process-driven tool used to systematically identify, assess, and monitor social consequences, then manage and mitigate impacts of a project. The findings of an SIA inform the negotiation of a CBA, which delivers a structured benefit-sharing mechanism. This ensures local communities directly receive social and economic benefits from large-scale projects.

Adding these tools would enable full recognition and evaluation of social impacts, including both cumulative or indirect impacts, and provide a rigorous distribution of community benefits. This process involves steps that require the participation of local communities and Local Governments, ensuring their voices are heard and their needs are addressed. These benefits may include financial contributions, in-kind contributions, or both, payable by the proponent. Delivering these amendments at the state level sets a predictable and consistent benchmark that communities, Local Governments, and proponents can follow across jurisdictions and development types of a certain scale (i.e. renewable, gas, mining, infrastructure projects). This option aligns with the processes in other jurisdictions, such as Victoria and New South Wales, where large-scale renewable energy projects undergo an SIA and are subject to a benefit sharing.

Option 3: Consideration of social impacts and addressing community benefit is addressed as part of the development assessment framework.

Social impacts and community benefits could be considered within the development assessment framework. The framework includes requirements for public notification, allowing individuals to submit properly made submissions. However, under the current parameters of the Queensland planning framework, this process would involve a significantly reduced scope for social impact assessment.

A range of parameters under the Queensland planning framework place limitations on matters considered reasonable and relevant to a development. This includes limiting the assessment and condition of development to the direct impacts or development only, applying scoped criteria throughout the development assessment process as to what an assessment manager can consider in decision making and limiting the grounds on which submissions and appeals can be made. Amending the planning framework to remove these current parameters would fundamentally alter the current system of development assessment in Queensland.

Additionally, this option could not require that community benefit be agreed between the proponent and local government beyond voluntary agreements entered into outside the development assessment process. Any financial or in-kind contributions triggered through assessment would need to be conditions of development approval, and the conditioning of identified social impacts would be limited to direct impacts of development and exclude indirect or cumulative impacts. This option would also result in inconsistencies between renewable energy projects and other resource activities regarding the timing of when social impact assessment is undertaken within the overall project lifecycle.

The 'front-loading' of social impact assessment, and by extension the building of social licence with a community, is typically undertaken prior to assessment and regulatory processes. Undertaking social impact assessment during development assessment would make these considerations a subset of overall detailed development assessment, requiring it to be balanced with a range of other detailed and operational approval matters, rather than addressed upfront in the project lifecycle.

What are the impacts?

The amendments to the Planning Act will likely involve the following impacts:

Benefits

Introducing SIA and CBA provisions into the Planning Act, and initially aligning renewable energy developments more closely with non-renewable energy and resource developments, offers several benefits, including:

- proponents building social licence with a community prior to regulatory processes for a proposed development;
- considering social impacts and negotiating community benefits of development prior to development assessment;
- providing multiple stages of community engagement including consultation outside of formal statutory development assessment processes;
- Local Government empowerment on making decisions where there are impacts to local and regional communities and their social infrastructure; and
- not altering current triggers, processes or the interface with other legislation for environmental impact assessment.

Impacts on industry

Subjecting specific development types, initially being renewable energy development, to requirements such as a SIA and CBA may be perceived negatively by industry as increasing regulation and costs of development for specific development types.

'Front loading' the requirement to build social licence and demonstrate positive legacy benefit of proposed development with communities before a development application is made to an assessment manager provides certainty to industry and community on what the minimum requirements are to advance to regulatory and assessment processes, such as development assessment under the Planning Act. It also sets a minimum standard and obligation on industry and a minimum benchmark for communities across Queensland, aligned with other land uses that have similar impacts on communities due to their nature, scale or function (e.g. gas, mining and infrastructure projects). Whilst SIA and CBA is a new concept under the Planning Act, other assessment processes in Queensland already require social impacts and/or community benefits assessment, for example coordinated projects under the *State Development and Public Works Organisation Act 1971* and the *Strong and Sustainable Resource Communities Act 2017*.

The increase in regulation is being considered only to the extent considered reasonable to better manage social impacts on communities, to provide certainty of outcomes and to ensure delivery of positive legacy benefits. Currently, there are a broad range of approaches renewable energy proponents are taking to build social licence in communities, with some proponents not undertaking any actions. The anticipated impacts on industry, being the time and cost of longer proposal development phases while a SIA is prepared and a CBA being negotiated are considered proportionate to the level of social impacts from renewable energy development, and the lack of community benefit being captured in the context of those impacts.

Furthermore, renewable energy proponents delivering projects in other jurisdictions are likely to be familiar with the process of preparing a SIA and negotiating a community benefit commitment. For example, in New South Wales large-scale renewable energy projects are typically required to undertake a SIA and develop a benefit-sharing arrangement to disburse a financial amount or equivalent of community benefits based on renewable energy generation thresholds.

Impacts on Local Government and State Government

Negatively impacted Local Governments have sought increased assessment rigour around renewable energy projects, as it provides the ability to assess, avoid, manage, mitigate and offset social impacts on communities and establish a method to capture community benefit.

Local Governments may have challenges with ensuring the resources and organisational capacity required to negotiate community benefits with proponents, as well as any compliance or enforcement relating to a CBA. To mitigate these challenges, it will be necessary to establish clear, minimum requirements that need to be met by local governments and proponents. The opportunity to prepare supporting guidance materials, or provide other state assistance such as capability support or training, has also been identified as impact offset opportunities. The local government could also potentially charge a fee to the proponent to cover any resourcing or associated costs to prepare the CBA.

There is the potential that establishing minimum standards for SIA and CBA may disincentivise some proponents, such as smaller and less experienced proponents, from proceeding with renewable energy development. Even if the introduction of SIA and CBA results in a short-term reduction or delay in renewable energy projects coming online while industry adjusts and adapts to new minimum industry standards, this would not compromise the overall renewable energy capacity in Queensland. For example, if all sixteen wind farms approved in Queensland since 2018 that have not yet commenced construction are built, wind farm energy generation in Queensland would increase tenfold. This demonstrates that there is a renewable energy capacity pipeline available.

Impacts on community

No compliance or cost impacts have been identified to the community, other than interested community members voluntarily choosing to commit time to participate in SIA processes.

Who was consulted?

Targeted consultation with relevant stakeholders has commenced to ensure that those subject to the proposed requirements have the opportunity to comment and participate in the regulatory development process, and to inform and support the drafting of legislative amendments

Relevant stakeholders include:

- State Government Departments such as including Department of the Premier and Cabinet, Queensland Treasury, the Department of Local Government, Water and Volunteers, the Department of Transport and Main Roads, the Department of Natural Resources and Mines, Manufacturing and Regional Rural Development and the Department of Environment, Tourism, Science and Innovation (where renewables as a State interest sit);
- Local Governments hosting wind farm and solar farm projects;
- peak industry bodies such as Local Government Association of Queensland; and
- energy peak industry bodies such as Queensland Renewable Energy Council.

What is the recommended option and why?

Option 2 is the recommended option and considered a comprehensive and balanced response to ensure all renewable energy projects are more closely aligned with the rigorous approval processes as other non-renewable energy developments and resource projects with respect to social impact identification and community benefit capture

In the past community benefit was not a priority or well-executed for resource, energy or infrastructure development projects, such as the coal seam gas industry. There is risk to communities and government in failing to formalise a process for social impact assessment and community benefit capture for renewable energy development, or any yet to emerge disruptive land uses and development types. This may result in a material negative change for communities, including increased social impacts and no delivery of positive legacy benefits.

The proposed amendments to the Planning Act as per option 2 will improve the consistency of how renewable energy projects are assessed and ensure that there are positive legacy impacts for local communities.

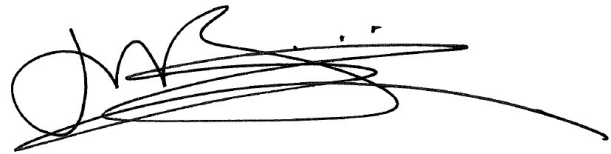
Impact assessment

At this stage of designing the changes to the planning framework, it is too premature to accurately determine the resourcing and cost impost. This is because both solar and windfarm proposals are already subject to development application fees, and it will be critical to understand what the changes in the assessment are to determine if any change in fees are required proportionate to increased resourcing and complexity of the new assessment parameters.

Signed



John Sosso
Director-General
Department of State Development, Infrastructure
and Planning
Date: 4/03/2025



Jarrod Bleijie MP
Deputy Premier, Minister for State Development,
Infrastructure and Planning and Minister for
Industrial Relations
Date: 5/03/2025