Impact Analysis Statement

Summary IAS

Details

Lead department	Department of State Development, Infrastructure and Planning (DSDIP)
Name of the proposal	*Planning (Social Impact and Community Benefit) and Other Legislation Amendment Regulation 2025* to support the implementation of the *Planning (Social Impact and Community Benefit) and Other Legislation Amendment Act 2025*.
Submission type	Summary IAS
Title of related legislative or regulatory instrument	*City of Brisbane Regulation 2012* *Economic Development Regulation 2023* *Local Government Regulation 2012* *Planning Regulation 2017*
Date of issue	14 July 2025

Proposal type	Details
Proposals that do not require impact analysis	The changes in this section do not require impact assessment. These changes operationalise the *Planning (Social Impact and Community Benefit) and Other Legislation Amendment Act 2025* (Act) and implement policy intentions sought under the Act. The regulations proposed to be amended: - *City of Brisbane Regulation 2012* (City of Brisbane Regulation) - *Economic Development Regulation 2023* (Economic Development Regulation) - *Local Government Regulation 2012* (Local Government Regulation) - *Planning Regulation 2017* (Planning Regulation) Details of changes: • City of Brisbane Regulation and Local Government Regulation to require reporting on financial contributions and spending as a result of development affected by the new framework • Economic Development Regulation to specify that wind and solar farms are accepted developments in Priority development Areas (PDA) for the purpose of the *Economic Development Act 2012* (Economic Development Act). Assessment is still required under the *Planning Act 2016* (Planning Act). Changes to the Economic Development Regulation remove the potential for duplicate permissions to be required for wind and solar farm development under the Economic Development Act and Planning Act. This will remove regulation reducing the requirements on business and regulators. This will occur as the process for obtaining approval will be simplified with increased certainty that approval for the development is only required under the Planning Act, to be assessed by SARA and against both the SDAP and relevant development instrument under the Economic Development Act.

	Changes to the City of Brisbane Regulation and Local Government Regulation add requirements to existing reporting requirements to ensure transparency in financial reporting by local governments related to the new social benefit system implemented by the Bill. A local government annual report will now have to contain the total amount of financial contributions made to the local government and the total amount spent by a local government in the financial year in relation to: • a community benefit agreement under the Planning Act; or • a condition of a development approval imposed under the Planning Act, section 65AA(3); or • a condition of a development approval imposed under a direction of the planning chief executive under the Planning Act, section 106ZF(2); or (iv) an agreement mentioned in the Planning Act, section 65AA(7). The changes only impact Local Government by ensuring transparency and accountability by requiring reporting on contributions provided through the community benefit agreement. No policy change is occurring, just an update of existing reporting processes to reflect changes in the planning framework.

*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?
Identification of the Problem including nature, size and scope of the problem ***Problem identification*** The current regulatory framework for assessing renewable energy projects in Queensland is inconsistent and lacks uniformity. The existing development assessment process does not comprehensively consider the social impacts on host communities, including local government areas and adjacent regions. Public consultation is insufficient, and there is inadequate consideration of cumulative social impacts compared to other industries like mining or gas extraction. Local Government and communities have raised concerns about increased housing, infrastructure, and workforce pressures from the cumulative impacts of hosting one or multiple renewable energy projects. Dependent on the scale and type of development being proposed, the impacts to the host communities can vary broadly, including having significant direct (such as noise impacts to neighbouring properties) and indirect impacts (such as a lack of housing availability due to the influx of workers). Queensland 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 and other resource sectors has created challenges in assessing social and community impacts. ***Objectives of Government Action:*** The objectives of government action are to: • ensure that renewable energy developments occur in a way that, at minimum, mitigates or appropriately accounts for negative impacts on host communities (e.g. landholders, business operators, and local governments) – or preferably, in a way that yields tangible, net-positive legacy benefits for host communities as well as the state at large; • ensure the social impacts of wind and solar farm 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; • ensure communities are consulted early and meaningfully, and benefit from these types of projects, such as renewable energy projects;

- 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;
- 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: No action, maintain status quo

On 25 June 2025, the Act was passed by the Queensland Parliament to introduce a community benefit system into the Queensland planning framework providing the ability to identify, avoid, manage, mitigate and counterbalance the indirect and cumulative social impacts from specific development uses.

Maintaining the status quo - by undertaking no action to amend to the Planning Regulation - will mean renewable energy developments will continue to be held to a different degree of scrutiny by the public and being subject to misaligned assessment processes and provisions.

This would occur as a result of this option because the Act requires amendments to the Planning Regulation to implement components of it, such as specifying the types of development that the new Social Impact Assessment (SIA) process will apply to and the requirements for SIA.

This option does not align with the objectives of government action, as outlined above.

Option 2 – Amend the Planning Regulation to only prescribe the development to which the community benefit system applies (wind and solar farm development)

The Act introduces a new community benefit system to the Queensland planning framework and provides that the Planning Regulation 2017 may prescribe the development to which community benefit system applies.
The Act also provides new heads of power for the Planning Regulation to operationalise the new system, including:

- provide for pre-existing applications (made but not decided on commencement) for development to which a social impact assessment is required (i.e. transitional provisions)
- requirements about social impact assessment reports, including what must be considered
- procedures and matters to be given when the Chief Executive gives a notice which provides for an exemption from the social impact or community benefit system.

The Planning Act also provides that the Planning Regulation 2017 may set the level of assessment for development, prescribe the assessment manager and assessment benchmarks.

It would be possible to amend the Planning Regulation 2017 and limit the amendments to providing that the community benefit system applies to solar and wind farm development. However, this approach does not align with the policy intent to make such renewable energy development 'impact assessment' and does not provide the clarity, transparency or accountability with regards to how the new community benefit system will be implemented.

This option would limit amendments to the Planning Regulation will apply the new community benefit system to solar farm development with a capacity to generate 1MW or more of electricity (large-scale solar farm) and wind farm development.

Applying the community benefit framework to large-scale solar farm and wind farm development would have a mandatory requirement for proponents to conduct a SIA and enter into a community benefit agreement (CBA) which would enhance the regulatory approval process to the benefit of communities and local governments without creating wholesale changes to Queensland's planning framework.

A SIA is a process-driven tool used to systematically identify, assess, and monitor social consequences. The findings of a SIA can inform the negotiation of a social impact management plan, or a CBA which can then deliver a structured benefit-sharing mechanism. This approach would ensure that local communities directly receive social and economic benefits from large-scale projects commensurate with these projects' impacts. Projects that are captured by this community benefit system would be subject to consideration of the nature and scale of the development and the level of impact on the community, noting that each project is unique and their impacts require consideration on a case-by-case basis.

The process in the proposed option 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 and expectations 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 will ensure industry can continue to invest with confidence once familiar with the new statewide framework and guidance. This option aligns with the processes in other jurisdictions, such as Victoria and New South Wales, where large-scale renewable energy projects undergo SIA and are subject to some degree of formalised benefits-sharing.

However, the Act does not prescribe the SIA process and provides that the Planning Regulation may prescribe a guideline to be followed in providing a SIA Report. This option does not provide the necessary clarity, transparency or accountability measures for carrying out a social impact assessment or for publishing benefits received through the community benefit system. It also does not address the government's commitment that renewable energy is impact assessable.

This option would not effectively and efficiently support the implementation of the Act as intended.

Option 3 – Amend the Planning Regulation to implement a new community benefit system for wind and solar farm development and all operational changes

This option implements further changes to the Planning Regulation in addition to those outlined in Option 2, by ensuring the Planning Regulation provides clarity and transparency about how the new community benefit system will operate. It also achieves the government's policy intent that solar farm development is impact assessable.

Option 3 provides amendments to the Planning Regulation 2017 to:

- prescribe development the community benefit system including social impact assessment applies to all wind farms and solar farm development that has a maximum instantaneous electricity output of 1MW or more
- prescribe solar farm development as impact assessable
- prescribe the Chief Executive as assessment manager for solar farm development that has a maximum instantaneous electricity output of 1MW or more
- introduce a new fee for solar farms assessed by the State Assessment and Referral Agency (SARA)
- give effect to updated State Development Assessment Provisions (SDAP) for the new State Code 26: Solar farm development and updated State Code 23: Wind farm development, which is used by SARA in development assessment and publicly available
- give effect to updated Development Assessment Rules (DA Rules), which is amended to set out the process where the community benefit system applies
- prescribe the new SIA Guideline to which social impact assessment must be carried out
- provide that the Department is the public sector entity which may enter into community benefit agreement (CBA) with a proponent
- introduce the new land use definition of a solar farm to include development ancillary to a solar farm (such as workforce accommodation), consistent with the existing wind farm definition; and clarify that Battery Energy Storage System (BESS) is included in the definition where ancillary to the solar farm or wind farm
- provide that pre-existing wind farm applications and solar farm applications that have a maximum instantaneous electricity output of 1MW or more will not be taken to be properly made

- provide that a development application subject to a call-in or direction by the Planning Minister will paused until a social impact assessment and community benefit agreement is provided; or unless an exemption is provided by the chief executive stating this is not required.

Consequential amendments to the City of Brisbane Regulation 2012 and Local Government Regulation 2012 are included to ensure that Local Government annual reporting provides financial information about contributions made under a CBA.

Consequential amendments to the Economic Development Regulation 2023 are also necessary to reflect the intent that large scale solar farms and wind farms in a Priority Development Area (PDA) are impact assessable by SARA, and the relevant development instrument for the PDA and the SDAP applies in development assessment.

What are the impacts?

Option 1: No action, maintain status quo

Costs

- *Baseline administration costs* – Option 1 maintains the current and expected levels of expenditure on administration and assessment of development applications.
- *Social licence risk* – communities are already expressing dissatisfaction with the degree to which the impacts of renewable energy developments are being mitigated, and to which the benefits are being distributed within communities and across the state. Option 1 relies on market forces to resolve this dissatisfaction; however, there is no guarantee that such a resolution will be achieved or be achieved in a timely or consistent manner. A resulting lack of social licence or community acceptance could hamper the rollout of renewable energy infrastructure across Queensland and jeopardise the growth, affordability, security, and sustainability of the energy sector.
- *Confusion in the planning framework* – without amendments to the Planning Regulation the changes proposed by the Bill will not be given effect. This may lead to confusion in the planning system as stakeholder attempt to understand why the new framework was introduced into legislation but not the Planning Regulation. This may lead to increased resources being required to explain, prepare and assess development applications and SIA/CBA processes.
- *Unmitigated impacts risk* – where projects do proceed, inconsistencies in the assessment of impacts are anticipated to lead to ineffective or non-existent mitigations, which will likely have adverse economic, social, and environmental impacts for Queensland and Queenslanders.
- *Failure to address existing concerns* – this option would result in the continued inconsistencies between renewable energy projects and other resource activities regarding the timing of when social impact assessment is undertaken within the overall project lifecycle. Additionally, 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.

Benefits

- *Baseline administration benefits* – Option 1 maintains the current and expected levels of public value derived from the administration and assessment of development applications.
- *Limited devolution of powers* – Local governments retain a significant degree of autonomy in deciding how to assess renewable energy development (excluding wind farms).

Option 2 – Amend the Planning Regulation to only prescribe the development to which the new community benefit system applies (wind and solar farm development)

Costs

- *Confusion in the planning framework* – without amendments to the Planning Regulation the changes proposed by the Bill will not be given effect. This may lead to confusion in the planning system as stakeholder attempt to understand why the new framework was introduced into legislation but not the Planning Regulation. This may lead to increased resources being required to explain, prepare and assess development applications and SIA/CBA processes.

- *Unmitigated impacts risk* – where projects do proceed, inconsistencies in the assessment of impacts are anticipated to lead to ineffective or non-existent mitigations, which will likely have adverse economic, social, and environmental impacts for Queensland and Queenslanders.

Benefits

- *Mandatory community engagement and benefit-sharing* – provision of community benefit will need to be demonstrated for a development application to proceed, which will assist industry (and possibly government) in building social licence, and assuage community concerns.
- *Empowerment of local governments* – local governments are empowered to guide developments and secure the appropriate benefits for their community through making decisions where there are impacts to local and regional communities and their social infrastructure.
- *Consistency with other jurisdictions* – SIAs and community benefit agreements (or similar) for renewable energy projects are typically required in both New South Wales and Victoria; Option 3 brings Queensland into alignment with the investment and project development environments in these jurisdictions, which reduces compliance burden for some proponents to some degree.
- *Consistency with other industries* – SIAs and community benefit agreements (or similar) are typically required for other major developments, including 'traditional' resource sectors such as mining and gas. Harmonising these requirements across sectors creates a degree of consistency and incentivises knowledge transfer – likely greater than in Option 2 – with benefits for both proponents and impacted communities.
- *Not fettering existing powers and processes* – frontloading the requirements for social impact consideration and community benefit commitment ensures there is no amendment to current triggers, processes or the interface with other legislation for environmental impact assessment.

Option 3 – Amend the Planning Regulation to implement a new community benefit system for wind and solar farm development and all operational changes

The costs and benefits identified under Option 2, also apply to Option 3. The following costs and benefits also apply to Option 3:

Costs

- *Baseline administration costs* – instead of Local Government, SARA will be the assessment manager for solar farms under 1MW. Cost recovery for the additional workload will be partially achieved through the new solar farm development application fee, prescribed by the *Planning (Social Impact and Community Benefit) and Other Legislation Amendment Regulation 2025* (Amendment Regulation). A development application fee is currently provided to Local Government for a solar farm development application.
- *Impacts on industry sentiment* – as with any legislative change, an adjustment period is expected while industry, Local Government and industry become familiar with the new requirements to build social licence with host communities (although some are currently voluntarily taking such actions). The Amendment Regulation and operational clarity proposed in the Planning Regulation will help create a consistent and comprehensive assessment processes for wind and solar farms.

Benefits

- *Greater stakeholder involvement and social licence* – consideration of social impacts, reaching agreements on community benefits to provided, mandatory public consultation and the inclusion of third-party appeal rights for solar farm development (now proposed to be impact assessable) will enhance transparency and community involvement in the decision-making process. This increased community engagement fosters trust and ensures that projects are developed with broader social support, which can lead to smoother project implementation and long-term success.
- *Proportionate assessment requirements* – Introducing that SARA is the assessment manager and a new State Code 26 for large-scale solar farms will ensure that all solar farms that have significant impacts on individuals and communities, the environment or infrastructure and services will be subject to an Impact assessment. This will ensure the best possible outcomes for communities. Specifying this information in the Planning Regulation is consistent with how other uses that are assessed by SARA are specified, to provide a consistent framework for stakeholders.

- *Reduced regulatory requirements for local government* - This option would mean that local governments are no longer the assessment manager for specified solar farm development. This will reduce the demand on under resourced councils to assess these complex and high impact developments. However, SARA is able to seek third-party advice from Local Governments in development assessment.
- *Consistency in assessment* – Including that large-scale solar farm development will be Impact assessable, means that the assessment process for these types of developments and wind farms is consistent in terms of both the development assessment process and SIA/CBA process introduced by the Bill. This will contribute to proportional assessment and provide a consistent and clear process for stakeholders.
- *Requirements for pre-existing applications* – The Amendment Regulation provides that pre-existing applications not yet decided are to be deemed not properly made and therefore subject to the community benefit system. Although this option will mean that applicants will have to re-lodge applications, the process will ensure that the benefits to communities generated by the community benefit framework introduced by the Bill will be provided to as many communities as possible. Additionally, the requirements prescribe that pre-existing solar farm applications will be made Impact assessable to help ensure the best possible outcomes. The Act also recognises there may be circumstances in which a social impact assessment or CBA is not necessary and provides that an exemption from the community benefit system may be sought from the Chief Executive.

It will also mean there is no competitive advantage for proponents that have existing applications lodged and will not encourage proponents to quickly lodge low quality applications in order to avoid the regulatory changes introduced by the new community benefit framework.

Who was consulted?

The Amendment Regulation (drafted as per Option 3), DA Rules and SDAP were provided for public consultation between Tuesday 6 May to Tuesday 3 June 2025.

During this period the following community engagement initiatives were undertaken:

- A dedicated *Improvements to Queensland's planning framework* page on the DSDIP 'Have Your Say' website and the Queensland Government's Renewable energy website which included:
  - *Themed fact sheets covering the Overview of the Bill, Supporting instruments, Social Impact Assessment, Community Benefit Agreement and Solar farms*
  - *Key consultation material including the proposed Regulation amendment, Social Impact Assessment Guidelines, new State Code 26: Solar farm development and the Draft Development Assessment (DA) Rules.*

In response to feedback, amendments were made to the Amendment Regulation where appropriate, including clarifying land use definitions.

What is the recommended option and why?

***Option 3 – Amend the Planning Regulation to implement a new community benefit system for wind and solar farm development and all operational changes* is the preferred option**

Option 1: Without amending the Planning Regulation, the community benefit system will not be in effect. This means renewable energy developments will continue to be held to a different degree of scrutiny by the public and being subject to misaligned assessment processes and provisions.

Option 2: This option limits amendments to the Planning Regulation to prescribe that the community benefit system applies to all wind farm development and solar farms over 1MW. This would not achieve the government's policy intent of making solar farm development impact assessable (enabling public notification) and continue inconsistencies in assessment processes as each local council assess development applications against their planning scheme.

There would also be uncertainty about how the new community benefit framework will be introduced without the clarifying matters provided in the regulation such as information on pre-existing requirements (transitional provisions) and lack of provisions to provide transparency, certainty and accountability about how the new system operates.

Option 3: The proposed amendments to the Planning Regulation as per Option 3 ensure that social licence is built with host communities on renewable energy projects and ensure that there are positive legacy impacts for local communities as intended by the Act and government commitments.

The proposed amendments to the Planning Regulation will ensure that renewable energy projects in Queensland require a SIA to be carried out and a CBA entered into, providing clear requirements and processes for how the new community benefit system is to be carried out for solar farm and wind farm development in Queensland.

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 Act and Amendment Regulation introduces new regulation that is 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.

The potential impacts on Local Governments, being resources and organisational capacity and compliance or enforcement relating to a SIA and CBA will be navigated through the establishment of clear, minimum requirements that need to be met by local governments and proponents. Additionally the increased role that the State will have in assessing development applications will reduce the resources required by local government to assess these types of applications.

Other actions to support SIA processes will include a SIA statutory guideline prescribed the Planning Regulation which includes processes and matters that must be considered by a proponent, supporting non-statutory guidance material. Under the Act, Local Government will also be provided the ability to charge a fee to the proponent to cover any resourcing or associated costs to consider a SIA, prepare the CBA, and engage in mediation. This allows local governments that do not have the capacity to consider a SIA, prepare the CBA, and engage in mediation with companies investing in the local government area. The cost recovery fee should be commensurate to the resourcing and cost burden associated with these activities.

The new assessment role of SARA for solar farm development over 1MW will see the introduction of a fee to recover costs associated with the process. As previously identified the increased role of SARA and the associated cost recovery fee is being considered through a separate IAS. Assessment will be against the new SDAP State Code 26: Solar farm development, which is publicly available.

While a transition and adjustment period is expected with the Act and Amendment Regulation, it is considered that these disadvantages are outweighed by the social, economic, and potential environmental benefits of a consistent regulatory environment and greater levels of community engagement and benefit-sharing occurring prior to development assessment.

Any potential impact on competition of renewable energy projects may be experienced where smaller companies do not have the capacity to prepare a SIA and/or negotiate a CBA or where their ability to provide for community benefit is limited, and therefore larger or major companies may be favoured or be more capable of undertaking a SIA and/or CBA. This matter is addressed as the Act provides that the Chief Executive reserve powers to give a notice stating that a SIA and/or CBA is not required, with the Amendment Regulation prescribing the matters that must be considered in such a decision. The community benefit is to be commensurate to the social impacts from the development or provided to a higher standard in order to obtain social licence, or provided to offset social impacts, which mitigates potential impacts on competition and provides for greater benefits to the community than the costs where there is the potential restriction on competition.

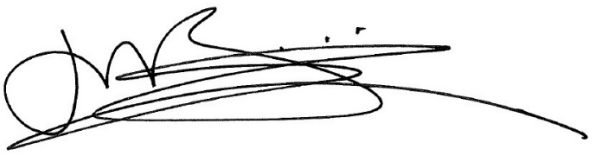
Impact assessment

All proposals – complete [do not delete]:

	First full year	First 10 years**
Direct costs – *Compliance costs**	Direct costs cannot be quantified at this time. Justification is provided in the body of the IAS. A Cabinet Budget Review Committee submission will seek approval for additional funding and resourcing necessary for DSDIP to undertake assessment of, and charge fees for the assessment of, wind farm and large-scale solar farm development where the Chief Executive (SARA) is the assessment manager. The submission will further seek funding for the establishment of compliance and enforcement officers within DSDIP for the purposes of development requiring a SIA where the Chief Executive (SARA) is the assessment manager, which did not previously form part of consideration by Cabinet.	Direct costs cannot be quantified at this time. Justification is provided in the body of the IAS. A Cabinet Budget Review Committee submission will seek approval for additional funding and resourcing necessary for DSDIP to undertake assessment of, and charge fees for the assessment of, wind farm and large-scale solar farm development where the Chief Executive (SARA) is the assessment manager. The submission will further seek funding for the establishment of compliance and enforcement officers within DSDIP for the purposes of development requiring a SIA where the Chief Executive (SARA) is the assessment manager, which did not previously form part of consideration by Cabinet.
Direct costs – *Government costs*	As above.	As above

* The *direct costs calculator tool* (available at www.treasury.qld.gov.au/betterregulation) should be used to calculate direct costs of regulatory burden. If the proposal has no costs, report as zero. **Agency to note where a longer or different timeframe may be more appropriate.

Signed

 John Sosso **Director General** Department of State Development, Infrastructure and Planning Date: 14/07/2025	 Jarrod Bleijie **Deputy Premier** Minister for State Development, Infrastructure and Planning and Minister for Industrial Relations Date: 14/07/2025