Community Engagement and Social Value Guidelines for renewable energy and transmission projects

June 2026

VicGrid

VICTORIA State Government

Energy, Environment and Climate Action

Contents

Acknowledgment of Traditional Owners

We acknowledge and respect Victoria's Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices. We are committed to genuinely partnering and meaningfully engaging with Victoria's Traditional Owners and First Peoples to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

Purpose

This document provides guidance for renewable energy and transmission project developers about ways to engage with and create social value and economic benefits for communities, Traditional Owners, landholders and neighbours in Victoria.

The guidelines are a joint initiative published by the Department of Energy, Environment and Climate Action (DEECA) and VicGrid. They build on the 2021 publication Community Engagement and Benefit Sharing in Renewable Energy Development in Victoria: A guide for renewable energy developers.

Renewable energy projects seeking access to connect to Victoria's declared transmission system and developers tendering to partner with VicGrid to deliver transmission projects as part of the declared shared network should refer to this guidance alongside other project-specific requirements, such as project-specific regulatory, planning, environmental and technical requirements.

Disclaimer

These guidelines are not a substitute for, and should not be read in lieu of, the *National Electricity (Victoria) Act 2005* (Vic) (NEVA) and any other relevant laws, codes, rules, procedures or policies.

Further, the contents of these guidelines do not constitute legal or business advice and should not be relied on as a substitute for obtaining detailed advice about any obligations under the NEVA, the National Electricity (Victoria) Law, the National Electricity Rules, and any other relevant laws, codes, rules, procedures or policies, or any aspect of the National Electricity Market or the electricity industry.

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Message from the Minister

The Hon. Lily D'Ambrosio MP

Minister for Energy and Resources

The Victorian Government is committed to building an energy system that will deliver reliable, affordable and sustainable electricity for all Victorians.

The state's shift to renewable energy is essential to keep power bills as low as possible and meet Victoria's future electricity needs as ageing coal-fired power stations reach end of life and close. It is also crucial that the transition delivers positive outcomes for communities where new energy infrastructure will be built.

This updated Community Engagement and Social Value Guidelines for renewable energy and transmission projects will play a central role by defining how developers engage and create social and economic benefits through their projects in Victoria.

The Victorian Government has legislated targets for renewable generation of 65% by 2030 and 95% by 2035, and nation-leading storage targets of at least 2.6 gigawatts (GW) by 2030 and 6.3GW by 2035. Victoria has also legislated offshore wind energy targets of at least 2GW by 2032, 4GW by 2035 and 9GW by 2040.

This development will bring new projects and significant investment into regional, rural and coastal areas across the state, but can also have impacts that affect people, places and Country. That is why strong community engagement matters.

The Community Engagement and Social Value Guidelines explain what good engagement looks like, set minimum expectations that developers must meet, and also encourage developers to go further and do better.

Importantly, the guidelines have been developed in response to feedback from communities, landholders, neighbours, local government and the energy industry, and by working closely with Traditional Owner Corporations.

For communities and landholders, these guidelines mean a stronger voice and real opportunities to influence projects that affect daily life. They mean being involved early and having access to clear, trusted information.

For Traditional Owners, the guidelines set expectations for early, respectful and culturally safe engagement with Traditional Owners as rights holders. They support self-determination and partnership, and encourage opportunities for caring for Country, economic participation and Traditional Owner-led outcomes.

The guidelines also focus on benefits. They aim to ensure projects deliver genuine long-term value and invest in local priorities, jobs, skills and businesses.

For developers, the guidelines provide clarity and consistency and explain what the Victorian Government expects as a minimum.

Good engagement is essential for well-planned development. It builds trust and understanding, helps manage risks early, and leads to better outcomes for communities, Traditional Owners and projects.

Victoria's energy transition must deliver both reliable, affordable power and strong communities. These guidelines are an important step towards that goal.

Introduction

Ensuring Victorians have a voice through the energy transition

Victoria is moving away from ageing coal-fired power stations to affordable, reliable and sustainable renewable energy sources, such as wind and solar. This change is bringing unprecedented new investment in renewable energy generation, storage and transmission projects.

While the move to renewable energy will provide economic growth opportunities for communities, local businesses and industries, it also presents challenges and impacts.

The Victorian Government and VicGrid are committed to ensuring that Traditional Owners, local communities and landholders have a genuine say in the planning and development of renewable energy, storage and transmission projects, thereby guiding better decision-making and achieving real, lasting benefits from their development.

About these guidelines

These guidelines set the Victorian Government's minimum expectations for how renewable energy, storage and transmission developers engage with and create social value and economic benefits for communities, Traditional Owners, landholders and neighbours through their projects in Victoria.

Community engagement definition: The process through which a developer builds meaningful relationships with local communities, landholders and neighbours to shape the development of a renewable energy, storage or transmission project. It is a general term used to refer to various engagement approaches, including communication, consultation, participation and co-development.

Approaches vary depending on the context, history and priorities of each community.

Traditional Owner engagement definition: A culturally safe, respectful and rights-based process in which developers work in genuine partnership with Traditional Owners as legal and cultural rights holders to shape the development of a renewable energy, storage or transmission project. It supports Traditional Owner self-determination by enabling them to decide if, how and to what extent they wish to engage with developers.

Social value and economic benefit creation definition: The positive social, economic, environmental and cultural outcomes that a project can create by investing in communities, Traditional Owners and landholders. A project developer can drive social and economic development through a program of initiatives. Initiatives can take various forms, including investments in local infrastructure, community projects, community capacity building, community benefit funds or collaborative projects. Section 3 provides further examples of possible initiatives.

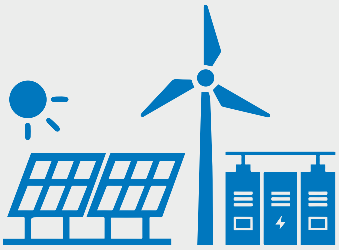
What these guidelines mean for:

Communities, Traditional Owners and landholders: More agency in shaping how the energy transition impacts them and benefits their communities, and more transparency about when and how their input and priorities can influence decisions.

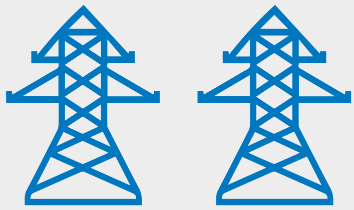
Project developers: Greater clarity of government expectations for community engagement and creating social value and economic benefits, along with increased accountability to deliver on their commitments.

The Victorian Government: A framework for defining minimum expectations and expected outcomes regarding engagement and the creation of social value and economic benefits, by which developer performance can be measured, evaluated and monitored.

Who should use these guidelines



Developers of renewable energy projects, including wind, solar, energy storage systems and hybrid projects, and other generation projects seeking to connect to the declared transmission system



Transmission developers tendering and approved to partner with VicGrid to deliver transmission projects as part of the declared shared network or network services

Communities, Traditional Owners, landholders, neighbours and businesses engaging with renewable energy and transmission project developers

How expectations in these guidelines relate to VicGrid's other publications

The Victorian Access Regime

VicGrid is setting new rules to manage how renewable energy projects gain access to connect to the state's transmission network – known as the declared transmission system.

Introduced through amendments to the National Electricity (Victoria) Act 2005, the new approach – called the Victorian Access Regime – aims to encourage development in renewable energy zones, coordinate development of generation, storage and transmission infrastructure, and give developers more confidence they can supply energy into the market.

The regime is expected to increase transparency about what projects must do to gain access, including meeting government expectations for engagement and creating social value and economic benefits.

When applying for access to the declared transmission system, developers should refer to these guidelines to assist them in meeting the Victorian Government's expectations.

All projects seeking access to the declared transmission system under the Victorian Access Regime will be required to demonstrate how they will meet the expectations and contribute to the outcomes in these guidelines.

Projects will need to obtain the relevant approvals before they can connect:

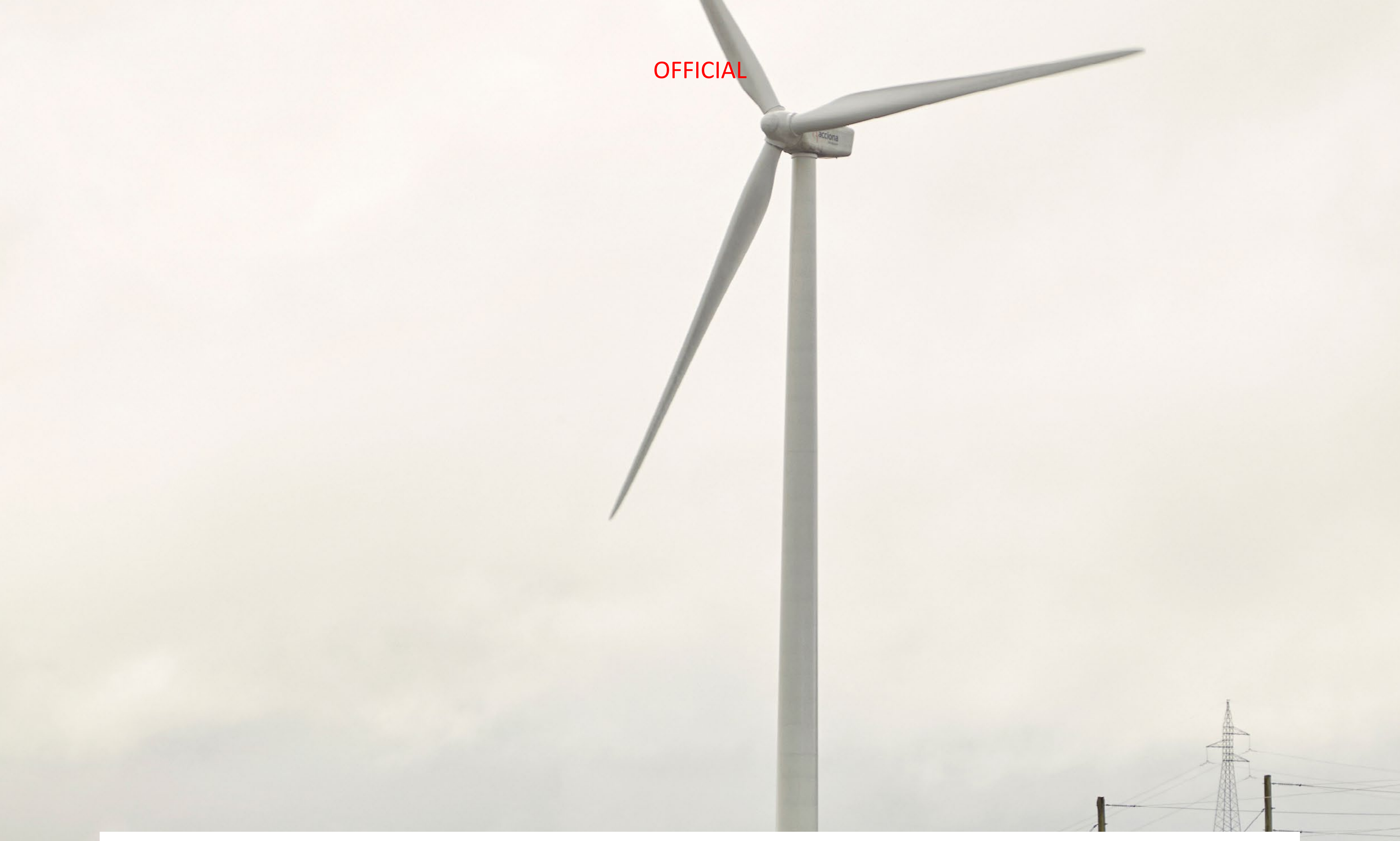
- Projects within a declared renewable energy zone that meet the zone's designated technology type (such as wind, solar or both) must obtain a renewable energy zone authority.
- All other projects must obtain a grid impact authority.

The new Victorian Access Regime will be implemented and administered by VicGrid.

Before the Victorian Access Regime takes effect, VicGrid will set out application requirements for developers. Supporting documents, including the Access and Connections Handbook, renewable energy zone schemes and Grid Impact Assessment Guidelines, will provide detailed guidance on what developers need to submit to demonstrate alignment with these guidelines and how they will be assessed.

VicGrid transmission project and network services procurement

Through its procurement of transmission delivery partners and network services, VicGrid will expect partners to consider these guidelines, alongside other applicable policies, in conjunction with project-specific documents.



How the guidelines relate to other energy projects

VicGrid will set requirements related to these guidelines through the Victorian Access Regime and transmission procurement processes, however the guidelines are also relevant for other energy projects in Victoria.

Projects connecting to a distribution network, distribution network augmentation projects and transmission projects that are not procured by VicGrid can consider these guidelines and use them to inform their engagement approach. VicGrid does not oversee these projects or processes, but encourages a consistent approach across industry.

How these guidelines have evolved

Initially published in 2021, these guidelines have been updated to address the evolving needs of the Victorian energy landscape. In response to community and industry feedback, this update aims to provide clearer guidance on engagement and the design and delivery of social and economic benefits.

These guidelines are intended to assist applicants in understanding and meeting Victorian Government expectations regarding community and Traditional Owner engagement requirements across all aspects of renewable energy development within Victoria.

Additionally, the guidelines, along with the processes for allocating access to the grid and procuring transmission delivery partners, are designed to encourage developers to go beyond the minimum expectations to ensure the social value and economic benefits created by their projects have a lasting positive impact on Traditional Owners, communities, landholders and neighbours.

The Victorian Government will review these guidelines every three years or more frequently as required to ensure they remain aligned with evolving community expectations, industry practices, policy settings and the needs of the energy transition.

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Using these guidelines

An overview of each section

Section 1 sets outcomes and expectations for how project developers engage with the community, landholders and neighbours.

Section 2 sets outcomes and expectations for how project developers recognise the rights of Traditional Owner Corporations and form respectful, collaborative relationships with Traditional Owners.

Section 3 sets outcomes and expectations for how project developers work with communities, Traditional Owners, landholders and neighbours to plan and deliver social value and economic benefits initiatives.

Section 4 provides guidance about preparing documentation and evidence for application processes, and where to find more information, if needed.

The minimum expectations in each section are requirements that projects should meet when developing renewable energy and transmission projects in Victoria.

The outcomes in each section will help support assessments of a project's social performance. They are also intended to encourage developers to go beyond the minimum expectations to build community trust and social acceptance.

Case studies

Case studies are included in these guidelines to showcase different ways the expectations in the guidelines could be implemented, and how they can contribute to positive outcomes.

Policy context and industry standards

Legislation and policy

Existing policies and legislation require a range of activities relevant to community engagement and the creation of social value and economic benefits from generation, storage and transmission developers.

Project developers must consider the following policies and legislation when developing and delivering their approaches:

- *Aboriginal Heritage Act 2006 (Vic)*
- *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)*
- *Charter of Human Rights and Responsibilities Act 2006 (Vic)*
- *Environment Effects Act 1978 (Vic)*
- *Environment Protection and Biodiversity Conservation Act 1999 (Cth)*
- Essential Services Commission (2024 Land Access Code of Practice (Vic)
- First Peoples' Assembly of Victoria and the State of Victoria (2025) Statewide Treaty (Vic)
- Land Acquisition and Compensation Act 1986 (Vic)
- National Electricity (Victoria) Act 2005 (Vic)
- National Electricity (Victoria) Law (Vic)
- National Electricity Rules (Cth)
- Native Title Act 1993 (Cth)
- Planning and Environment Act 1987 (Vic)
- Offshore Electricity Infrastructure Act 2021 (Cth)
- Statewide Treaty Act 2025 (Vic)
- Traditional Owner Settlement Act 2010 (Vic)
- United Nations Declaration on the Rights of Indigenous Peoples 2007 (United Nations)

Best practice and industry standards

These guidelines have been developed to guide best practice. They build on existing industry-recognised guidelines and standards listed below. Developers should refer to these relevant resources during planning.

Government resources

- Australian Energy Infrastructure Commissioner (2022) Commissioner's Observations and Recommendations (updated)
- Department of Energy, Environment and Climate Action (2025) Handbook for the development of renewable energy in Victoria
- Department of Energy, Environment and Climate Action (2025) Traditional Owner and Aboriginal Community Engagement Framework
- First Peoples' State Relations Guidance on Engaging Traditional Owners
- Victorian Map of Registered Aboriginal Parties (RAPs) Includes RAP contact details and websites which contain RAP specific guidance and/or engagement protocols
- Heritage Chairs of Australia and New Zealand (2020) Dhawura Ngilan: A vision for Aboriginal and Torres Strait Islander heritage in Australia and the Best Practice Standards in Indigenous cultural heritage management and legislation
- The National Indigenous Australians Agency (2024) Framework for Governance of Indigenous Data
- Energy and Climate Change Ministerial Council (2024) National Guidelines: Community Engagement and Benefits for Electricity Transmission Projects
- Commonwealth Government (2024) The First Nations Clean Energy Strategy 2024-2030
- Regional Development Victoria's Regional Economic Development Strategies (REDS)
- Victorian Government (2022) Yuma Yirramboi: Victorian Aboriginal Employment and Economic Strategy

First Peoples resources

Traditional Owner Corporation or Registered Aboriginal Party documentation such as Whole of Country Plans, organisational strategies, engagement, value-sharing and negotiation protocols, and renewable energy statements/strategies/plans

First Nations Clean Energy Network (2022) Aboriginal and Torres Strait Islander Best Practice Principles for Clean Energy Projects

First Nations Clean Energy Network (2022) Clean Energy Negotiations Guide for First Nations

First Nations Clean Energy Network, Clean Energy Council, KPMG (2023) Leading Practice Principles: First Nations and Renewable Energy Projects

Responsible Investment Association Australasia (October 2021) Investor Toolkit – An Investor Focus on Indigenous Peoples' Rights and Cultural Heritage Protection

The Energy Charter (2024) First Nations Better Practice Community Engagement Toolkit

Community resources

Community Power Agency (2025) Guide to Regional Benefit Sharing

Community Power Agency (2026) Power in Partnership: A guide to developing a community stake in renewable energy

Country Fire Authority (2023) CFA Design Guidelines and Model Requirements for Renewable Energy Facilities, v4

Country Fire Authority (2025) CFA Fire Safety Studies for Battery Energy Storage Systems Guidelines, v1

Renewable Energy Alliance (2025) Refurbishment, repowering or retirement. What happens when renewables approach end of life?

Local engagement protocols, community and council readiness studies and place-based plans or programs. Developers should reach out to the relevant local councils and organisations for the most recent renewable energy zone readiness studies and place-based strategies or plans.

Industry resources

Clean Energy Council (2019) A Guide to Benefit Sharing Options for Renewable Energy Projects

Infrastructure Sustainability Council (2023) Legacies that last: Creating social value through Australia's infrastructure and built environment

The Energy Charter (2023) Better Practice Social Licence Guideline: Co-existence and shared value opportunities for transmission and agricultural landholders

Australian Standard 10002:2022 Complaints Handling based on ISO 20002:2028, guidance on complaint management

International Association of Public Participation resources

Public participation spectrum

Core values

Quality assurance standard

Key terms used in these guidelines

The table below provides plain English definitions of key terms commonly used in these guidelines. These definitions are to ensure consistency and clarity in how these key terms are applied and to promote a shared understanding. These definitions do not override meanings assigned to terms through legislation.

Table A Definitions of key terms

Term	Definition
Community	Groups, stakeholders and organisations that are directly or indirectly affected by, or have an interest in, a project as determined by the project's size, scale, location and impacts.
Declared transmission system	The declared transmission system, as defined under section 30 of the *National Electricity (Victoria) Act 2005*, means a transmission system or a part of a transmission system declared by Order. In general terms, this means the interconnected high-voltage powerlines and shared terminal stations that transport large amounts of electricity from where it is generated to where it is needed across Victoria. The DTS is often referred to in this document as the 'transmission system'.
First Peoples	First Peoples or First Nations people refers to peoples or nations of people connected to an area prior to colonisation. These terms have some general acceptance but may not be the term preferred by individuals or specific groups of Aboriginal and/or Torres Strait Islander peoples.
Host landholders	Those who host generation, storage and transmission infrastructure (private or as part of the transmission system).
Neighbours	Those directly adjoining the land hosting project infrastructure, and those within close proximity. These will be different for every project and need to reflect the project's size, scale, location and impacts.
Project developer	A company developing a renewable energy generation, storage, connection or transmission project.
Registered Aboriginal Party	Under the *Aboriginal Heritage Act 2006* (Vic), Registered Aboriginal Parties are appointed by the Victorian Aboriginal Heritage Council. They are the primary custodians and keepers of Indigenous ecological knowledge, and are responsible for protecting and managing Aboriginal cultural heritage. Where there is a Registered Aboriginal Party, developers are required under legislation to engage with them on cultural heritage protection.
Renewable energy project	Renewable energy generation, storage and hybrid projects, including private transmission and connection assets needed to connect the project to the declared transmission system.
Renewable energy zones	Areas declared by the Minister for Energy and Resources as the best place to host wind, solar and battery projects.
Social performance	How well a project developer is delivering on expectations related to engagement and creation of social, economic, environmental and cultural value.
Traditional Owner Corporation	A Traditional Owner Corporation is a legally incorporated Aboriginal organisation that represents Traditional Owners or First Peoples of a particular area or Nation, often established to manage cultural heritage, land rights, Native Title, settlement agreements, community governance, and broader social, economic or cultural interests. Traditional Owner Corporations may hold various legal statuses (such as Registered Aboriginal Party, Native Title body, or Registered Corporation) depending on their recognition under different laws or agreements.
Traditional Owners	An Aboriginal person or group with ancestral, cultural, spiritual and historical connection to a specific area of Country, recognised through traditional laws, customs, kinship, and ongoing responsibility for caring for that land, waters and cultural heritage. Traditional Owners are the original custodians of their Country and hold enduring rights, interests and obligations regardless of contemporary legal recognition frameworks.
Transmission project	New transmission infrastructure under development that is considered part of the declared shared network.
Victorian Access Regime	The Victorian Access Regime, once in effect, will set out the requirements that renewable generation and storage projects must meet to gain access to and connect to Victoria's transmission network.

Objectives of the guidelines

These guidelines set the minimum expectations and outcomes for how energy generation, storage and transmission projects engage with and create economic and social value for communities, Traditional Owners, landholders and neighbours. The guidelines have been informed by feedback from these groups about what is important to them.

The outcomes and expectations in the guidelines are designed to deliver the following objectives. These objectives describe the meaningful change the Victorian Government expects to see in the delivery of energy generation, storage and transmission projects across Victoria.

Table B Intended objectives

Objective	Description
Enhanced communication, engagement and knowledge sharing	Effective communication, including sharing clear, accessible and timely information and incorporating shared knowledge and perspectives. This fosters greater collaboration with communities, Traditional Owners and landholders and leads to informed feedback and better project outcomes. Engagement opportunities meet community needs and ensure a wide range of voices and perspectives are heard and considered.
Fair and transparent negotiations	Landholders, Traditional Owners and neighbours are empowered to negotiate fair and reasonable agreements with developers. This is supported by transparent and fair negotiation processes, which give all parties clearer insights into the terms, impacts and benefits, and enables open discussions and informed decision-making.
Traditional Owner self-determination and participation	Traditional Owners have a stronger voice in the decision-making processes that affect them, community, Country and Sea Country. Their rights, values and interests are recognised and integrated into project design and development, supporting greater agency and control over their cultural heritage, land management and responsibilities, and enabling participation and benefit from self-determined agreement-making.
Equitable relationships and shared influence	Community, Traditional Owners and landholders are empowered to make decisions in their best interests and provide informed feedback and input that can shape project outcomes where appropriate. They are assured of developer accountabilities and the long-term impacts of projects on community, Country and Sea Country. Relationships are established early and support ongoing collaboration.
Tailored solutions address impacts and risks	Projects address specific local needs and concerns, resulting in developments that are responsive to community, Country and Sea Country, and avoid, minimise or manage impacts. This includes addressing local concerns regarding environmental hazards, such as fire risks and flooding, through project design and mitigation measures that improve safety and reduce risk for communities.
Coordinated social value and economic benefit opportunities	Projects deliver tangible and lasting social value and economic benefits for communities, Traditional Owners and landholders, which are proportionate to impacts and responsive to local needs and priorities. Developers collaborate with communities, Traditional Owners, industry and other organisations to coordinate the planning and delivery of these benefits, ensuring they maximise their positive impacts. Projects also support local industry and workforce participation by creating meaningful opportunities for local businesses and workers to contribute to project delivery.

Section 1

Engagement expectations

This section sets out expectations for how project developers will engage with the community, landholders and neighbours.

Effective, considered community engagement is fundamental to community support for renewable energy and transmission projects and is expected by Victorian communities and is required at various stages of project planning under relevant legislation and regulatory frameworks.

Defining your project's community

Developers should engage with the following groups, at a minimum:

- Communities surrounding the project, including the local government of the project area
- Host landholders
- Neighbouring and nearby landholders
- Traditional Owners

The following sub-sections detail the minimum expectations for each of these groups, aside from Traditional Owners. For details on Traditional Owner engagement, see Section 2.

Engaging with communities surrounding the project

When developing an engagement plan, developers should define their project's surrounding community. This will be different for every project. The geographical area will depend on the project's size, scale, location and impacts.

In developing a community profile for the project, consider the extent of both negative and positive impacts (direct and indirect).

Developers are expected to identify the groups and stakeholders making up their project's surrounding community as part of engagement planning. This should also include organisations and peak bodies that represent the community's interests and needs.

Project developers are expected to, where reasonably practicable, engage groups including, but not limited to:

- Communities surrounding the project, including First Peoples communities,[1] culturally and linguistically diverse groups and other diverse community cohorts
- Cross-organisation and government partnerships
- Charitable community foundations
- Civic and representative groups, including groups that are involved in informing community benefits initiatives
- Local government
- Country Fire Authority brigades and relevant emergency services
- Commercial fishing and other marine users in the context of offshore wind energy

Expected outcomes for communities

Projects are expected to contribute to the following outcomes for communities.

- The project builds trust and connection between the community and the developer.
- The project uses community feedback to inform decisions, helping address community needs and priorities.

1 Noting this refers to the broader Aboriginal and Torres Strait Islander communities and representative bodies, distinct from Traditional Owners who hold specific rights and are addressed in Section 2.

Minimum expectations for engaging with communities surrounding the project

Developers are expected to meet the following expectations when engaging with communities.

1. Engage early in the planning process, before the submission of planning permit applications or referrals under the *Environment Effects Act 1978* or *Environment Protection and Biodiversity Conservation Act 1999*.
2. Provide timely and transparent information at the earliest opportunity about how the project will be planned, its impacts and risks, what can and can't be influenced through negotiation, when decisions will be made, and the role of consultation.
3. Integrate community feedback, interests and concerns (including about environmental hazards such as fire risks, flooding and biosecurity) into project development and plans for creating social value and economic benefits.
4. Provide diverse, regular and ongoing engagement opportunities, supported by locally accessible staff, and tailor communication and engagement approaches to reflect local context, priorities and community needs. Examples could include, but are not limited to, having a project hotline that is always staffed, a project-specific website where people can lodge concerns and offering in-person drop-in days, community events and meetings to share information at key project stages and as requested by communities.
5. Coordinate engagement across industry and through shared networks where possible, to increase knowledge-sharing and reduce consultation fatigue for communities.
6. Respect community members' requests about whether they would like to be contacted and their preferred method of communication.
7. Establish and implement processes for enquiries, complaints management and dispute resolution.
8. Ensure communities know how their contributions have been used to influence outcomes.

> The International Association for Public Participation's (IAP2s) Spectrum of Public Participation (see Appendix A) is an industry-recognised tool that can support developers in determining the appropriate level of engagement.

Engaging local government

Developers of renewable energy generation, storage and transmission projects are expected to engage with local government in the early stages of a project, throughout planning and on designing social and economic benefits.

The role of local government

Engaging local government is important because:

- Local governments can facilitate engagement, help developers connect with local stakeholders and Traditional Owners, and contribute local context to the design of economic benefit and social value initiatives.
- Councils can advocate for local priorities and help ensure that developments contribute meaningfully to more strategic and regionally significant initiatives, and deliver broader social outcomes such as economic participation, equity and long-term regional resilience.
- Local governments are often the first point of contact for residents who want to find out more information about a potential project.
- Local governments have land-use planning roles related to residential land, workforce housing and industrial land.
- The *Planning and Environment Act 1987* requires the relevant local council to be notified of planning permit applications for which the Minister for Planning is the responsible authority. Any comments or recommendations made by the council must be considered by the Minister for Planning, or their delegate, when deciding on a planning permit application.
- When the Minister for Planning issues a planning permit, the respective local government is responsible for enforcing planning permit conditions unless the planning permit specifies otherwise.

Engaging with host landholders

Host landholders play a crucial role in the energy transition. Host landholders, in the context of these guidelines, are those who host generation, storage and transmission infrastructure (private or as part of the transmission system).

The expectations in this section apply to all host landholder negotiations and agreements related to hosting generation infrastructure, transmission line easements, construction access and road access.

Developer requirements and landholder rights can vary by project type and are subject to various legislation and regulations. These guidelines are designed to complement legislation and regulations that govern engagement and contractual arrangements between developers and landholders, including the *Land Acquisition and Compensation Act 1986* and the Land Access Code of Practice under the *Essential Services Commission Act 2001*.

Expected outcomes for host landholders

Projects are expected to contribute to the following outcomes for host landholders.

- Landholders are empowered to negotiate fair and reasonable agreements to host renewable energy and transmission projects.
- The relationship between landholders and developers is equitable, with landholders able to influence project design and development.

Minimum expectations for host landholder engagement

Developers are expected to meet the following expectations when engaging with landholders.

9. Negotiate transparently with and between landholders and prevent contractual clauses from unreasonably restricting landholders from discussing details of the project with other community members.

10. Provide adequate support to landholders, including sufficient time to consider commercial agreements, and cover reasonable costs incurred by landholders in accessing independent legal, financial, tax and insurance advice before entering into any agreement.

11. Provide timely and transparent information at the earliest opportunity about key project features and potential impacts to enable landholders to make informed contributions and decisions about the project design and how impacts are managed.

12. Ensure preliminary agreements do not place long-term obligations on landholders beyond what was originally intended. For example, preliminary licence agreements should not commit landholders to host the infrastructure or limit them from sharing information with other parties.

13. Ensure agreements are clear and fair regarding renewals or extensions, and include provisions that allow landholders to terminate the agreement for valid reasons once the agreed-upon term has ended.

14. Clarify who is responsible for paying increased costs or new costs associated with hosting the infrastructure, such as insurance premiums, rates, levies, land taxes or duties.

15. Specify the developer's responsibilities and commitments on decommissioning, remediation and any other end-of-life arrangements through host landholder agreements. This process should include negotiation of landholder protections and financial safeguards, including in the circumstances the developer or project owner becomes insolvent or is otherwise wound up before the end of project life.

The Victorian Government and VicGrid recognise landholders have asked for more detailed guidance for new renewable energy generation and storage projects about what decommissioning, remediation and end-of-life plans should include, and what best-practice financial safeguards should be provided by developers. Work is underway nationally to assess current decommissioning requirements for renewable energy infrastructure across Australia. This work aims to identify better practices for managing risks related to late-life assets, decommissioning and financial responsibility.

Case study:

The Wimmera Southern Mallee Regional Energy Collaboration

The Wimmera Southern Mallee Regional Energy Collaboration is hosted by Wimmera Southern Mallee Development with Traditional Owner partners, local businesses and energy proponents, and supported by the Energy Charter.

The collaboration brings industry and community to one table to drive economic development across the Wimmera Southern Mallee and ensure the region benefits from the energy transition. Through a 6-month co-design process, partners agreed on a Collaboration Framework and are delivering Collective Action Projects.

Current workstreams include research and development, fire safety and response, workforce development, youth career pathways, and local energy constraints and opportunities.

Through the collaboration, energy organisations are working with community groups to improve engagement coordination, minimise impacts on farming and neighbours, share information across projects, and track commitments through a public register.

Wimmera Southern Mallee Development hosts the collaboration and tracks commitments. It does not allocate company benefits or advocate for any project.

Engaging with neighbours and nearby landholders

Neighbouring and nearby landholders are those both directly adjoining the land hosting project infrastructure, and those within close proximity. These will be different for every project and need to reflect the project's size, scale, location and impacts.

Engaging early with neighbouring and nearby landholders can increase opportunities to minimise impacts through project design and identify appropriate mitigations for unavoidable impacts.

Expected outcomes for neighbours and nearby landholders

Projects are expected to contribute to the following outcomes for neighbours and nearby landholders.

- The project builds trust and collaboration between developers and neighbours.
- Neighbours and nearby landholders have early and ongoing opportunities to participate in project design and development, are supported to understand potential impacts and options, and can see how their input has been considered to avoid, reduce or manage impacts on them and their property.

Minimum expectations for neighbouring and nearby landholder engagement

Developers are expected to meet the following expectations when engaging with neighbouring and nearby landholders.

16. Provide timely and transparent information at the earliest opportunity about the project's impacts and risks, what can and can't be influenced through negotiation, and the role of consultation.

17. Consult with neighbouring and nearby landholders on potential environmental, physical and operational impacts and risks, and seek to address these and related concerns (including about amenity and land use) through project design and delivery, including ways to minimise, mitigate and manage them.

18. Consult with neighbouring landholders on addressing insurance matters, and provide transparent information on any perceived or potential implications and risks.

19. Inform neighbours about planning scheme requirements, including setbacks, and discuss any implications and impacts.

20. Consult with neighbours on how agreements regarding impacts and benefits will be managed, including how agreements are developed, and where appropriate, formalised.

Minimum expectation for landholder public liability

The Victorian Government has heard landholder concerns about public liability risk when neighbouring or hosting renewable energy infrastructure. VicGrid has engaged with representatives of the energy industry, insurance sector and landholder groups to develop a policy that sets consistent expectations for developers and provides strong protections for landholders.

Developers are expected to meet the following expectations in relation to landholder public liability:

21 Make sure host landholders and neighbouring landholders do not face an increased liability position as a result of new renewable energy or transmission projects.

To meet this expectation, project developers should:

- **Limit what they can claim from landholders.** If an eligible landholder accidentally causes damage to the project, the developer is expected to not recover costs from the landholder beyond the landholders' public liability insurance limit. If a landholder doesn't have public liability insurance, the developer is expected not to pursue them for costs.
- **Give this commitment in writing.** Developers are expected to inform all eligible landholders in writing about this commitment to limit recovery rights as early as reasonably possible before construction starts.
- **Ensure their own insurers honour this commitment.** The developer is expected to take all reasonable steps to ensure their insurance company agrees to the same limits of recovery rights.

Detailed guidance about the expectations is set out in Appendix B.

The expectations and detailed guidance will be reviewed within 24 months or earlier in response to any significant changes in standard practices within the insurance industry, including alignment of industry practices with a national approach to address landholder public liability concerns.

Developer Rating Scheme

The Commonwealth Government is establishing a Developer Rating Scheme for renewable energy developers, as recommended by the Australian Energy Infrastructure Commissioner's 2024 Community Engagement Review.

The voluntary scheme aims to improve industry standards and provide local communities with greater transparency about companies that are proposing renewable energy and transmission projects in their area.

VicGrid will monitor how the scheme is implemented and consider whether there is a role for the ratings in the Victorian Access Regime through a potential future update to these guidelines.

Case study:

Supporting neighbours and local businesses at the Mortlake South Wind Farm

The Mortlake South Wind Farm Neighbourhood Benefit Program was the first of its kind in the industry, offering a unique method to distribute the economic benefits of the wind farm with impacted neighbours.

The program is aimed at eligible households located within 4 km of a wind turbine. Pre-loaded EFTPOS cards (between the value of $500 - $2,000, proximity dependent) are distributed on an annual basis. The cards can be used to purchase goods and services at local participating businesses within Mortlake, Noorat and Terang.

During the anticipated 10-year lifespan of the program, the expected cumulative investment will total more than a million dollars. This funding is being directly reinvested back into local businesses through the Neighbourhood Benefit Cards while providing ongoing support to neighbouring households.

Section 2

Engaging with Traditional Owners

Traditional Owners have rights and responsibilities for Country and Sea Country. All partnerships and engagement activities undertaken by developers are expected to be culturally safe and informed by Traditional Owner self-determination so they can shape, participate in and benefit from the renewable energy transition, as determined by them.

This section sets out minimum expectations for how project developers will recognise the rights and responsibilities of Traditional Owners and engage respectfully and genuinely. These expectations have been shaped by feedback through engagement with Traditional Owner Corporations.

Traditional Owner Corporations may have their own relevant engagement, decision-making and agreement-making processes. Accordingly, the expectations regarding Traditional Owner engagement in these guidelines are intended to support, rather than prescribe or limit, self-determined processes led by Traditional Owner Corporations.

Each Traditional Owner Corporation is unique, and a tailored approach should be applied. It is up to Traditional Owner Corporations to determine whether, how and at what level they wish to engage with developers.

Rights of Traditional Owners

Traditional Owners' cultural and legal rights must be upheld under the *Traditional Owner Settlement Act 2010*, the *Aboriginal Heritage Act 2006*, the *Charter of Human Rights and Responsibilities Act 2006* (VIC) and the *Native Title Act 1993* (Cth).

Article 32 of the United Nations Declaration on the Rights of Indigenous Peoples describes the rights of Indigenous peoples in relation to developments affecting their lands or resources.

Project developers should negotiate with Traditional Owner Corporations as rights holders, establish a dialogue between equal parties to address concerns and interests, and arrive at solutions or come to an agreement that all parties are satisfied with.

Traditional Owner Corporations have distinct roles and recognition. Developers may need to engage with more than one entity depending on the matter:

- Registered Aboriginal Parties manage and protect Aboriginal cultural heritage within their appointed areas under the *Aboriginal Heritage Act 2006* (Vic). Developers must engage with Registered Aboriginal Parties on cultural heritage matters, including Cultural Heritage Management Plans and permits.
- Prescribed Body Corporates and Traditional Owner Group Entities represent Traditional Owner groups in relation to Native Title and Settlement Rights. Developers must engage with these bodies on procedural rights, compensation and benefit sharing. These rights are separate from any social and economic benefit initiatives expected in these guidelines.

In some cases, Traditional Owner groups may not have formal recognition. In this situation, developers should take a respectful approach by identifying relevant groups, engaging early and allowing time for Traditional Owners to determine how they wish to be represented.

Project developers should be aware that Traditional Owner engagement in any particular process does not imply agreement or support.

Expected outcomes for Traditional Owners

Projects should aim to contribute to the following outcomes for Traditional Owners.

- Traditional Owner rights, values and interests are recognised and integrated into project design and development, and they share in the social value and economic benefits of the project, through self-determined processes.

Minimum expectations for Traditional Owner engagement

The following minimum expectations have been grouped under two categories of expectations. Self-determined engagement and agreement-making is the overarching expectation. The respectful and informed engagement expectations establish the baseline behaviours required of developers, ensuring engagement is culturally appropriate, transparent and well-informed.

Minimum expectation for self-determined Traditional Owner engagement and agreement-making

Project developers are expected to meet the following expectation when engaging with Traditional Owners.

22 Prioritise working in genuine partnership with the Traditional Owner Corporation to support self-determined engagement and agreement-making, ensuring decisions that affect their rights, interests and connection to Country and Sea Country are led by Traditional Owners.

Examples of what self-determined engagement and agreement-making looks like in good practice

- **Enabling self-determined engagement approaches**, including adequate time for Traditional Owner Corporation consideration, negotiation and decision-making processes.
- **Establishing open and ongoing dialogue with Traditional Owner Corporations** to understand and address concerns and interests, arrive at solutions or come to an agreement that all parties are satisfied with.
- **Seeking to establish genuine and respectful partnerships with Traditional Owner Corporations**, including through formalised agreements, where Traditional Owners seek this. Examples of potential agreements that may be negotiated include, but are not limited to, engagement, cultural advisory, project, economic participation and benefit agreements.
- **Place Traditional Owners at the centre of decision-making** on matters that affect their rights, interests and connection to Country and Sea Country. This includes cultural heritage, land and water management, and social and economic outcomes.
- **Embedding Traditional Owner knowledge and values in project design and delivery**, including taking steps to avoid or reduce impacts on Country and Sea Country through project design and delivery.

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Minimum expectations for respectful and informed engagement with Traditional Owners

Project developers are expected to meet the following expectations to engage respectfully and in an informed way with Traditional Owners.

23 Research and understand the rights, interests, aspirations and protocols of Traditional Owner Corporations as expressed through Whole of Country Plans, organisational strategies, renewable energy statements, and engagement protocols.

24 Undertake cultural safety and cultural competency training and education appropriate to the Traditional Owners on whose lands the project is intended to be developed.

25 Before engaging, research best practice and industry standards for Traditional Owner engagement and social value creation. For references, see page 8.

26 Recognise and uphold the legislated rights of Traditional Owners.

27 Engage early in the project planning stage to understand the level of engagement, collaboration and participation with Traditional Owners. Engagement is expected to include relevant Traditional Owner Corporations and may also include Traditional Owners who are not formally recognised but assert connection to the area.

28 Provide timely and transparent information at the earliest opportunity about the project, including about impacts, risks and opportunities, and how Traditional Owner input can influence decisions.

29 Undertake engagement and knowledge-sharing with Traditional Owners in alignment with principles of data sovereignty.

30 Support Traditional Owners with flexible resourcing to participate in engagement in ways that best meet their priorities.

31 Provide appropriate remuneration where Traditional Owners are engaged. This may be through partnership, expertise, knowledge and/or services.

32 Explore opportunities with the Traditional Owner Corporation for collaboration on social value and economic benefits within broader First Peoples communities, including local community-controlled organisations, chambers of commerce, health organisations, support services or education, training and employment providers.

Section 3

Creating social value and economic benefits

Social value and economic benefits in renewable energy projects are created by investing in communities, Traditional Owners, landholders and neighbours. They are delivered through a program of initiatives and supporting local economic development. Initiatives can take various forms, including investments in local infrastructure, community projects, community capacity building, community benefit funds or collaborative projects.

Delivering social value and economic benefit initiatives

This section sets out expectations for how project developers will develop and deliver initiatives that contribute to long-term positive social, economic, environmental and cultural outcomes for local communities, landholders, Traditional Owners and neighbours.

Determining the reach of social value and economic benefits

Project developers are expected to consider to whom and how far their social value and economic benefits initiatives should extend. To determine this, developers should identify the scale and nature of a project's impacts on surrounding communities, Traditional Owners, landholders and neighbours in consultation with those groups.

Developers should consider the various levels of geographic, economic and social communities relating to a particular area. Initiatives may be designed for landholders immediately adjacent to a renewable energy project, Traditional Owners of Country and Sea Country where the project is proposed, the neighbouring townships and population centres, and/or the broader region in which the project is being developed. In the context of offshore wind development, consideration also needs to be given to commercial fishing and other marine users.

The project-level social value and economic benefits developed under these guidelines are separate from and in addition to benefits that will be delivered through the legislated Renewable Energy Zone Community Energy Fund and Traditional Owners Fund. For more information on these funds, see the box below.

Renewable Energy Zone Community Energy Fund and Traditional Owners Fund

Under the *National Electricity (Victoria) Act 2005*, VicGrid must establish and maintain a Renewable Energy Zone Community Energy Fund and a Traditional Owners Fund.

The **Community Energy Fund** is designed to support regionally significant programs and initiatives that:

- Improve the reliability, efficiency or affordability of electricity for businesses, communities and households
- Support regional projects that assist in Victoria's transition to a net-zero emissions electricity system and allow regional communities to benefit from the transition
- Support biodiversity outcomes across Victoria, including biodiversity research and programs

The Community Energy Fund is designed to deliver investment that is in addition to project-level benefits developed under these guidelines.

More information, including governance, administration and application arrangements for the Community Energy Fund, will be finalised and communicated in the Renewable Energy Zone Community Benefit program guidelines to be published under s93 of the Act, subject to Ministerial approval.

The **Traditional Owners Fund** is designed to provide benefits to Traditional Owners impacted by the development and operation of renewable energy and transmission projects. The Traditional Owners Fund does not preclude further project-level benefit arrangements to be negotiated and agreed between individual project developers and Traditional Owner Corporations.

Expected social value and economic benefit outcomes

Projects are expected to contribute to the following social value and economic benefit outcome.

- Transparent, coordinated and locally aligned social value and economic benefits that address the needs and priorities of host and impacted communities, Traditional Owners, landholders and neighbours, and are shared in a way that is responsive and proportional to impacts.

Minimum expectations for creating social value and economic benefits

Developers are expected to meet the following expectations in the design and delivery of social value and economic benefits.

33 Work with communities to design a mix of initiatives that respond to their priorities and deliver both immediate and strategic or long-term social value and economic benefits.

34 Engage with Traditional Owner Corporations following a self-determined approach to co-design initiatives that respond to their priorities for immediate and strategic or long-term social value and economic benefits.

35 Develop community capacity, including through opportunities that build on local strengths, assets, capabilities and resources.

36 Design social value and economic benefits that consider the needs, project impacts, priorities and strategies identified by local communities, government, community foundations, industry and research.

37 Collaborate with other developers, local industry, community and government to achieve collective impact, including coordinating on resourcing, initiatives, information-sharing and engagement, and leveraging project opportunities, economies of scale and shared networks. This may include opportunities to coordinate with the Renewable Energy Zone Community Energy Fund or existing community foundations to deliver benefits. For more information about the Renewable Energy Zone Community Energy Fund, see the box on page 26.

38 Provide transparent information to the community about the project's social value and economic benefit commitments, including by publishing a Social Value and Economic Benefits Plan.

Examples of social value and economic benefit initiatives

A project developer's social value and economic benefits program could, for example, include the following types of initiatives.

- Community energy initiatives: supporting initiatives that improve energy affordability, efficiency, reliability, access and resilience.
- Community-owned energy investments: designing co-ownership schemes that enable community members to invest in renewable energy projects.
- Community infrastructure and services: contributing to building community resilience through investment in housing, healthcare, recreational or other legacy infrastructure and services.
- Community benefit funds and community foundations: delivering grants, sponsorships or donations to community organisations.
- Caring for and healing Country, biodiversity and climate: supporting Traditional Owners and community projects to care for, protect and restore Country, ecosystems and biodiversity, and support community climate action initiatives.
- Skilled and professional services: providing pro bono or discounted technical skills and expertise for community projects, including engineering, planning, business cases and feasibility studies.
- Community capability and capacity building: support community capacity and resourcing in areas such as local leadership, community planning and organising, emergency response, volunteerism, energy literacy, collaboration, governance and innovation.

Existing obligations, compensation, fees and rates

The social value and economic benefits initiatives developed under these guidelines are in addition to, not in place of, the following statutory compensation, obligations, fee or rates payments:

- Payment of fair market value for acquisition of freehold land or easements over land.
- Compensation arrangements for *Traditional Owners under the Traditional Owner Settlement Act 2010 and the Native Title Act 1993* (Cth).
- Landholder payments for hosting new transmission infrastructure as defined in the *National Electricity (Victoria) Act 2005*.
- Cultural heritage works and management plans contracted to fulfil obligations under the *Aboriginal Heritage Act 2006* (VIC).
- Renewable energy zone scheme (access) fees paid by renewable energy zone projects.
- Payments in Lieu of Rates (PiLoR) stipulated by or negotiated under the *Electricity Industry Act 2000* (Vic) and the guidelines stipulated in the Order in Council under Section 94, published in the Government Gazette Issue G9, 29 February 2024.
- Negotiated outcomes where fishing operations are materially affected under the *Offshore Electricity Infrastructure Act 2021* (Cth).
- Environmental offsets required under Victorian or Commonwealth legislation.

Guidance for determining an appropriate budget for social value and economic initiatives

When determining an appropriate budget for social value and economic benefits initiatives, project developers are expected to engage with communities, Traditional Owners, landholders and neighbours and should consider the following factors:

- Design of the project, including size (in megawatts and area), technology type and expected operational life
- Local context, priorities and conditions
- Impacts on surrounding communities, Traditional Owners, landholders and neighbours, including degree of visual amenity, social, economic and environmental impacts, and how these impacts change or accumulate over time (for example, during construction, operation and decommissioning)
- Project costs, investment risks, market conditions, regulatory guidance, and impacts on consumer power bills

The following guidance could also be considered when determining appropriate contributions to project-level social value and economic benefits initiatives.

- Design initiatives to benefit various groups, including nearby communities, Traditional Owners, landholders and neighbours.
- Index financial contributions to inflation in cases where initiatives are delivered over time.
- Compare your budget to the guidance and expectations used in other states.
- Exclude project expenditure that a development would need to incur to receive approvals and run its operations.

Timeframes for social value and economic initiatives

Planning and commitments for social value and economic benefit initiatives should allow for flexibility, iteration, and change over time, as agreed between projects and benefit recipients.

Social value and economic benefit initiatives should be delivered to align to key phases of the project, such as planning, development, construction and operation. For example, in some cases upfront investment in a significant initiative may align with community priorities, while in other cases an annual investment may be preferred.

The timeframe for delivering initiatives may take into account the expected timing of a project's final investment decision.

The delivery of initiatives should consider periods of high impact on communities, such as the construction and decommissioning phases.

For transmission project delivery partners: Social value and economic benefit initiatives for transmission infrastructure will be determined through the tendering process. VicGrid will work with transmission delivery partners in line with project requirements, impacts, scale and regulatory guidance.

Further guidance

Feedback on the draft of these guidelines from communities, landholders, Traditional Owners and industry called for further dollar-value guidance for budgeting to be provided, to support transparency, benchmarking and fair negotiation. Further analysis and targeted engagement is being undertaken to support the release of further guidance about budgeting for project-level benefits as part of the final Renewable Energy Zone Community Benefits Plan.

Supporting local economic development

Supporting local industry is an important way projects can deliver social value and economic benefits. Local economic development is about growing the economic capacity of the communities where a project is located, particularly through local industry participation and workforce development.

This section sets out expectations for how project developers engage local industries and workforces.

Expected outcome for local industry engagement

Projects are expected to contribute to the following outcome from local industry engagement.

- Developers, where possible, enhance the capacity of and create meaningful opportunities for local industry and workforce participation in the delivery of the project.

Minimum expectations for local industry engagement

Developers are expected to meet the following expectations.

39 Engage with government agencies (including Regional Development Victoria), local industry, Traditional Owner Corporations, neighbouring landholders and other relevant stakeholders to understand local capabilities and identify opportunities to procure local content and social and First Peoples procurement opportunities.

40 Communicate early with the local industry, Traditional Owner Corporations and relevant stakeholders about procurement and workforce opportunities that will be available at each stage of the development cycle.

41 Consider opportunities, in the context of partnership agreements, to offer right of first refusal to Traditional Owner Corporation enterprises to deliver works and services on Country as part of your procurement processes, such as for activities during construction, operation and decommissioning.

42 Engage with local suppliers and, where appropriate, other developers to explore opportunities to support local suppliers' capacity to participate.

43 Collaborate with stakeholders, including education and training providers, to explore opportunities for vocational education and workforce development.

Local workforce development activity guidance

Local workforce development refers to a variety of activities aimed at building a renewable energy workforce in the community where the project is located.

Developers should undertake workforce development activities, whether as part of new or existing initiatives.

These may include:

- Collaborating with secondary, vocational and tertiary education providers.
- Sharing information on career pathways and requirements.
- Supporting job-readiness and employment of priority and disadvantaged jobseekers.
- Collaborating with or supporting local training pathways and workforce transition programs.
- Planning and collaboration on workforce accommodation and housing.
- Planning and recruiting for inclusive workforces, including First Peoples employment.
- Providing support or scholarships for vocational and tertiary education students.

Developers can also create opportunities for local industry and workforce and contribute to positive outcomes for communities through their plans for managing infrastructure at the end of its life. Developers should engage with communities and Traditional Owners about their priorities for end-of-life management, and consider supporting and developing circular economy initiatives, recycling pathways and local processing options.

For transmission delivery partners: Delivery partners will be expected to comply with policies including but not limited to the Local Jobs First Policy and Social Procurement Framework in delivering social value for their respective projects, therefore those policies may supersede guidance provided here.

For offshore wind developers: Offshore wind projects seeking government support through Victoria's first offshore wind auction will also be required to comply with more rigorous local workforce and procurement requirements including the Local Jobs First Policy and Social Procurement Framework, therefore those policies supersede guidance provided here.

Case study:

Industry collaboration to build an offshore wind workforce in Gippsland

Several offshore wind project developers are collaborating with the Gippsland community to support workers transitioning from coal-fired electricity generation and to provide career pathways for the next generation of energy workers.

Initiatives include:

- Partnering with the Asia Pacific Renewable Energy Training Centre to establish a Gippsland campus at Federation University
- Scholarships for energy-related studies through Federation University
- Participation in the Jobs Victoria New Energy Project to help priority jobseekers gain work in the energy sector
- Partnering to establish the Australian Renewables Academy to train and mentor renewable energy workers, and to advocate for workforce development in renewable energy
- Publishing a series of jobs guides to engage workers and suppliers about workforce opportunities in offshore wind
- Supporting the establishment of the Australian Centre for Offshore Wind Energy to develop Gippsland's workforce pipeline
- Supporting the development of a Clean Energy Workforce Course Guide with TAFE Gippsland
- Enabling transitional pathways for workers in other industries, including fossil fuels

Social and First Peoples procurement guidance

Project developers should aim to generate positive social impact above and beyond the value of the goods, services or construction being procured.

In planning for social procurement, developers should consider setting targets, designing accessible contract packages, engaging sub-contractors, designing accountability methods and building the capacity of social enterprise partners.

In planning First Peoples procurement opportunities, developers should first engage with Traditional Owner Corporations, and in doing so also explore opportunities within broader First Peoples communities.

Developers can search the following directories to identify social enterprises, Victorian First Peoples businesses and disability enterprises that may assist:

- Social Traders
- Kinaway Chamber of Commerce
- Supply Nation
- BuyAbility
- Indigenous Business Australia
- Office of the Registrar of Indigenous Corporations
- Industry Capability Network Victoria
- Relevant local First Peoples business and social procurement networks and directories, and lists maintained by individual Traditional Owner groups

Section 4

Guidance on preparing documentation

This section outlines the key documentation developers should prepare to demonstrate how their engagement and development of social value and economic benefits align with the outcomes and expectations in these guidelines. Developers of renewable energy and storage projects seeking to connect to the declared transmission system need to prepare documentation in line with this section. Documentation should include direct evidence of how the project is meeting each of the minimum expectations and contributing to each of the outcomes.

For transmission project delivery partners:
The documents you will need to prepare in line with these guidelines will be outlined in the project-specific tender documents. When procuring, VicGrid will ensure that transmission project developers are accountable for community engagement and social and economic benefit commitments made to communities affected by transmission projects. This includes publication of social and economic benefit commitments, social performance assessment during procurement, and social performance reporting through state economic development policy frameworks.

For projects applying for access through the Victorian Access Regime

As set out in the *National Electricity (Victoria) Act 2005*, project proponents are required to prepare and submit a Consultation and Engagement Plan as part of applying for access under the Victorian Access Regime.

The Consultation and Engagement Plan submitted should include each of the components detailed in this section and provide direct evidence for how the project will meet each of the minimum expectations and contribute to each of the outcomes set out in these guidelines.

Applications for access will be assessed by VicGrid against a range of criteria, including social performance. This includes evaluation of the design and delivery of community and Traditional Owner engagement, as well as proposed social value and economic benefit initiatives.

The assessment will not require all engagement outcomes to be finalised at the point of access application. VicGrid will assess whether the proponent's proposed approach is designed to meet the expectations and contribute to the outcomes in these guidelines over the life of the project, weighing up scale, complexity and readiness.

In assessing social performance, VicGrid reserves the right to verify the information submitted in documents and consult with community, Traditional Owners, landholders and local government when making its decision on whether to grant access or not.

More information about the assessment process will be provided in documentation that will be released as part of the Victorian Access Regime.

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Factors to consider when preparing documentation

Proportionality

The documentation should be prepared in a manner that is proportional to the scale, technology and impacts of the project.

Alignment to prior work

Where documentation has already been prepared for another process, project developers may use those documents. However, they may need to be amended, supplemented, or updated to address any gaps in meeting the expectations or outcomes of these guidelines. For example, a developer may submit an engagement strategy that was prepared for an Environment Effects Statement.

Traditional Owner documentation requirements

Traditional Owner Corporations may have their own expectations of developer documentation concerning ongoing engagement, agreements and monitoring. Where documents have been prepared to address Traditional Owner requirements, developers may use those documents in place of the guidance in this section. However, these may need to be supplemented with additional information to ensure any gaps in expectations or outcomes are addressed.

Documenting past and future activities

In preparing social performance documentation, a project developer should detail both past and planned future activities.

Phased engagement

In planning for engagement and social value and economic benefits initiatives, a project developer may submit phased engagement strategies and social value and economic benefits programs that take into consideration such factors as project stages, milestones and decision points.

Iteration and adaption

Engagement documentation should reflect the most up-to-date information at the time of application, however plans can also reflect an iterative and adaptive approach to engagement, and social value and economic benefits development.

Document requirements

In preparing each of the documents detailed in this section, developers should prepare separate documents for:

- Community, landholder and neighbour engagement
- Traditional Owner engagement and partnership development

Engagement strategies

What is an engagement strategy?

An engagement strategy communicates how the project developer will involve, collaborate with and empower rights holders or stakeholders in designing and developing the project.

A strategy should clearly set out objectives, rights holders or stakeholders, activities, timelines, risks, roles and responsibilities and budget.

Preparing an engagement strategy

Engagement strategies should provide details about how the project developer plans to meet expectations as set out in Section 1 and 2 of these guidelines.

Information that should be included in an engagement strategy is presented in Table C below.

Table C Information to be included in engagement strategies (continued on next page)

	Community, landholder and neighbour engagement strategy	Traditional Owner engagement and partnership development strategy
1. General	• Purpose and objectives of engagement • Use of the IAP2 public participation spectrum (see Appendix A) to communicate commitment to engagement at various project stages and by group • Description of community, landholder and neighbour considerations and interests in relation to the development • Engagement negotiables an non-negotiables (relevant to project stages)	• Purpose and objectives of engagement • Description of Traditional Owner considerations and interests in relation to the development • Engagement negotiables and non-negotiables (relevant to project stages) • Each Traditional Owner group is unique and may have their own expectations of engagement planning, which should be reflected in this strategy
2. Identify groups	• Details of the identified community, landholder and neighbour stakeholders, including the method used to define each group, and an analysis of the influence, impact and interests of each group • Summary of likely social impacts (positive and negative) across different stakeholder groups	• Details of Traditional Owner group(s) and First Peoples groups • Description of Traditional Owner considerations, interests and impacts in relation to the development, including consideration of Traditional Owner Whole of Country Plans, organisational strategies, renewable energy statements and engagement protocols • Summary of likely Traditional Owner and cultural heritage impacts (positive and negative)

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Table C Information to be included in engagement strategies (continued from previous page)

	Community, landholder and neighbour engagement strategy	Traditional Owner engagement and partnership development strategy
3. Summary of engagement completed to date	• Activities undertaken to date to engage community, landholders and neighbours, how the approach aligns with expectations in these guidelines, and responses (positive and negative) • Evidence of project responsiveness to key issues raised by community, landholders and neighbours and how feedback has influenced project planning, design and delivery	• Activities undertaken to date to engage Traditional Owner group(s), and how the approach aligns with expectations in these guidelines • Verification of Traditional Owner engagement, which may include agreements, letters of engagement, letters of support or other evidence • Evidence of project responsiveness to key issues raised by Traditional Owners and how feedback has influenced project planning, design and delivery
4. Planned communication and engagement approaches	• Details of project phases and engagement opportunities • Details of planned activities, tools and channels for each key group identified in these guidelines (and any others specific to the project) • Key contact points and channels for the public, stakeholders and landholders and Traditional Owners • Enquiries, complaints and dispute resolution systems and processes • Description of how the planned approaches will deliver on the outcomes and expectations listed in these guidelines	• Details of project phases and engagement opportunities • Details of planned activities • Key contact points and channels for Traditional Owners • Enquiries, complaints and dispute resolution systems and processes • Description of how the planned approaches will deliver on the outcomes and expectations listed in these guidelines
5. Budget and resourcing	• Details of the budget and resourcing for the delivery of the engagement plan, and associated activities • Outline of the approach for ensuring sufficient and appropriately skilled delivery teams	• Details of the budget and resourcing for the delivery of the engagement plan, and associated activities • Outline of the approach for ensuring sufficient and appropriately skilled delivery teams
6. Reviewing the strategy	• Description of how the strategy will be reviewed and updated throughout the project lifecycle, including triggers for review	• Description of how the strategy will be reviewed and updated throughout the project lifecycle, including triggers for review

Additional resources

The International Association of Public Participation (IAP2) Quality Assurance Standard for Community and Stakeholder Engagement should be considered by developers as an essential tool in guiding the development of engagement plans.

Social value and economic benefits program

What is a social value and economic benefits program?

A social value and economic benefits program outlines how the project developer intends to create positive social, economic, environmental and cultural outcomes for individuals, communities and regions.

Preparing a social value and economic benefits program

A social value and economic benefits program should show how planned initiatives meet the minimum expectations of these guidelines.

Information that should be included in a social value and economic benefits program is presented in Table D.

Table D Information to include in a social value and economic benefits program

	Community program	Traditional Owners program
1. Program overview	• Overview of the approach to developing the initiatives • Community needs, aspirations and impacts • Summary of any engagement to date to inform initiatives	• Overview of the approach to developing the initiatives • Traditional Owner-identified needs, aspirations and impacts • Summary of any engagement to date to inform initiatives
2. List of social and economic benefit initiatives	• Description of existing or planned community and landholder social value and economic benefit initiatives • Description of how the initiatives address negative impacts and enhance positive impacts • Indication of value (budget or in-kind) • Description of beneficiaries and outcomes • Status and timing of initiatives • How initiatives deliver against the expectations and outcomes listed in these guidelines	• Description of Traditional Owner social value and economic benefit initiatives • Description of how the initiatives address negative impacts and enhance positive impacts • Indication of value (budget or in-kind) • Description of beneficiaries and outcomes • Status and timing of initiatives • How initiatives deliver against the expectations and outcomes listed in these guidelines
3. Governance	• Information on governance model(s), delivery and administration	• Information on governance model(s), delivery and administration
4. Reviewing the program	• Description of how the program will be reviewed and updated throughout the project lifecycle, including triggers for review	• Description of how the program will be reviewed and updated throughout the project lifecycle, including triggers for review

Local industry engagement plan

What is a local industry engagement plan?

A local industry engagement plan describes the project developer's approach to providing opportunities for local businesses and workers.

Preparing a local industry engagement plan

A local industry engagement plan should align with the expectations set out in Section 3 of these guidelines. In preparing their plan, developers should consult relevant government agencies, such as Regional Development Victoria, before engaging local industry where possible.

In this context of a local industry engagement plan, 'local' refers to the towns, communities and regional areas located closest to the project site that are most likely to experience the project's direct economic and social impacts.

Information that should be included in a local industry engagement plan is presented in Table E.

Table E Information to include in local industry engagement plan

	Community program	Traditional Owners program
1. Local industry consultation	• Description of identified local industry engagement opportunities, with consideration of potential local economic impacts from the project (positive and negative) • Description on how local industry will be engaged on project supply opportunities (including any engagement to date)	• Description of identified Traditional Owner and First Peoples industry engagement opportunities, with consideration of potential local economic impacts from the project (positive and negative) • Description on how Traditional Owners will be engaged on project supply opportunities (including any engagement to date)
2. Local industry and workforce activities	• Details on local industry and workforce activities • Details of any partnerships (existing or planned) to deliver local industry and workforce activities	• Details on industry and workforce activities • Details of any partnerships (existing or planned) to deliver local industry and workforce activities
3. Local industry commitments, and how they deliver against the expectations and outcomes described in these guidelines	Initiatives may include: • Employing local workers • Procuring from local enterprises • Inclusive workforce (for example, First Peoples workers, women workers, trainees and apprentices)	Initiatives may include: • Employing Traditional Owner workers • Procuring from Traditional Owner Corporation enterprises • Social procurement and First Peoples procurement • Inclusive workforce (for example, First Peoples workers, women workers, trainees and apprentices)
4. Reviewing the strategy	Description of how the plan will be reviewed and updated throughout the project lifecycle, including triggers for review	Description of how the plan will be reviewed and updated throughout the project lifecycle, including triggers for review

Monitoring, evaluation and reporting plan

What is a monitoring, evaluation and reporting plan?

Monitoring and evaluating community engagement, social value and economic benefits, and local industry participation throughout the project's lifecycle identifies where success has been achieved and where improvements and/or modifications need to be made.

Preparing a monitoring, evaluation and reporting plan

Monitoring, evaluation and reporting plans should be regularly reviewed and updated in line with any changes to the engagement strategies, and the social and economic benefits programs.

Information that should be included in a monitoring, evaluation and reporting plan is presented in Table F.

Table F Information to include in a monitoring, evaluation and reporting plan

	Community program	Traditional Owners program
1. Methodology	Description of monitoring and evaluation framework • Description of the measures and tools • Outline the role of engagement in monitoring and evaluation activities • Frequency and timing • Roles and responsibilities • How transparency and accountability will be enabled • Approach to ensuring the plan can be adapted over time	Description of monitoring and evaluation framework • Description of the measures and tools • Acknowledge the rights of Traditional Owners and outline their role in monitoring and evaluation • Frequency and timing • Roles and responsibilities • How transparency and accountability will be enabled • Approach to ensuring the plan can be adapted over time
2. Monitoring metrics	• Key performance indicators (quantitative or qualitative), these should include metrics that measure social outcomes and impacts	• Key performance indicators (quantitative or qualitative), these should include metrics that measure Traditional Owner outcomes and impacts
3. Reporting	• Information on how commitments made in each of the engagement and social value and economic benefit strategies and plans are being delivered • Information that will be provided as evidence of performance against the expectations and outcomes in the guidelines	• Information on how commitments made regarding Traditional Owner engagement and benefits are being delivered • Information that will be provided as evidence of performance against the expectations and outcomes in the guidelines

Additional resources

Existing measurement frameworks, such as the Australian Social Value Bank's metrics for assessing social value creation, can help guide the development of plans.

Additional evidence of social performance

In addition to preparing a Consultation and Engagement Plan, developers should consider other relevant information from external sources that could be provided as evidence of their company and project's social performance, where required.

These may include:

- Agreements, letters of support, letters of engagement, or other evidence of support provided by community organisations and local governments
- Agreements, letters of engagement or other evidence provided by Traditional Owner Corporations
- A social impact assessment
- Infrastructure Sustainability Rating Scheme certifications
- Clean Energy Council Best Practice Charter signatory submissions and reports
- Information relating to ratings obtained through the Commonwealth Government Developer Rating Scheme (upon commencement of the scheme)
- Social value certifications, including B-Corp certification, Social Traders certification
- Reconciliation Action Plan, formally endorsed by Reconciliation Australia
- Pre-assessment certificate issued by the Fair Jobs Code Unit

Appendix A

IAP2 Public participation spectrum

The International Association for Public Participation's (IAP2's) public participation spectrum positions a community engagement approach along a spectrum from 'informing' to 'empowering' as described in Table G.

The level of engagement can vary across stakeholders and project phases and should be considered alongside project negotiables and non-negotiables. Where engagement phases are described the desired level of engagement should also be identified.

The Victorian Government expects that project developers will view the 'involve' level as the overall minimum. Developers are strongly encouraged to move beyond this and demonstrate community 'collaboration' and 'empowerment', where appropriate.

'Empower' is the appropriate level for engagement with Traditional Owner groups if they seek this and where it is appropriate.

Approaches for community engagement are presented in Table G.

Table G: Approaches for community engagement

There is increasing influence on decisions across the different approaches outlined below, from Inform to Empower.

Increasing impact on the decision

	Inform	Consult	Involve	Collaborate	Empower
Promise to the public	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
Public participation goal	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. We will seek your feedback on drafts and proposals.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will work together with you to formulate solutions and incorporate our advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Minimum requirement (Involve)

Note: Stronger levels of engagement are encouraged and will be assessed favourably.

Appendix B Appendix B Landholder public liability – detailed guidance

To read the Appendix B, visit
vicgrid.com.au/community/community-engagement-and-social-value-guidelines

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