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File: 13/03/010

Dear Francisco,

Re: Benefit-Sharing Framework

The Councils represented as signatories write in regard to the proposed benefit-sharing framework for the Western Victoria Transmission Network Project (WVTNP). Collectively, we wish to see a fair and transparent process around benefit-sharing that will not further exasperate social license issues in the community, and ensures a true benefit is delivered and not one that simply serves AusNet Services (AusNet) business interests.

We understand Ausnet has proposed a $4.8M one-off disbursement for benefit sharing purposes. Currently there is a significant issue with trust around the project that may be insurmountable in regard to what benefit sharing activities may be successfully deployed on the ground. Trust is a keystone for achieving positive community engagement and associated social outcomes such as deployment of benefit-sharing. This must be factored in going forward, particularly where there may be significant overlap with AusNet's business interests and a benefit-sharing program, such as in regards to a mini grid program. How such programs would be delivered on the ground would need significant consideration given the poor brand that Mondo has in the Area of Interest (AOI).

There is also complexity and potential equity issues around the fairness of disbursement with regards to how impact is assessed and how that is factored into compensation portions, the neighbourhood areas of most impact and the different contexts and different community needs across the AOI. Community consultation with the impacted neighbourhood zones will need to occur once a route is finalised, therefore the decisions around what exactly should the projects and programs be as part of the Benefit-Sharing Framework must wait until the route is clarified, to ensure they are fit for purpose.

Any Benefit Sharing Program development should include the following key factors:

- **Transparency:** Benefit sharing is managed in a transparent and accountable way that involves local stakeholders. Benefits are given for the sake of sharing the proceeds of the project and building positive relationships. Benefit sharing should not come with conditions of silence or consent.
- **Representation:** Having broad community representation of local stakeholders and demographics, particularly from the neighbourhoods of most impact.
- **Fair process:** Having a trained facilitator, clear terms of reference that include deliberation and input/ advice on aspects of project design and benefit, and meeting from the early stages of project planning through to implementation.

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The signatory Councils have certain expectations as to what should be inside the scope for the Benefit Sharing Framework, as opposed to what should be delivered as part of best practice project development. To make clear that distinction, the following table defines what could be included in the entire Benefit-Sharing Framework, and what should be either out of scope or included in the $4.8M *Community Benefit Package*. The following concepts are ones that have been discussed with AusNet, they are not fully exhaustive and are just early representations for discussion.

Concept	Overview	Within 4.8M Community Benefit Package	AusNet/Mondo Project Development
Establishment and admin-istration of benefit-sharing program	Will primarily be associated with staff resources and administration to establish and administer, as well as the other regional economic development aspects such as local procurement.	No	The costs of implementing should be in-house as part of development and construction process.
Training and local procure-ment	When considering employment, training and procurement programs as part of a development, it is important to give the community significant notice to allow them to prepare for and make the most of the opportunities. Steps to consider include: - Establishing local procurement policies for the project and considering the inclusion of a target percentage of local spend in the project budget. - Promoting available opportunities at each stage of the development cycle and communicating budgets and realistic timelines. - Developing a register (e.g. online) where local contractors and suppliers can sign up for updates on upcoming contract opportunities. - Providing briefings or training to support local suppliers' ability to respond and meet the project's needs. - Partnering with local education and training providers to develop education opportunities to encourage skill development, apprenticeships and employment pathways. - Establish a trainee, apprenticeship and/or scholarship program and tying this in with the project development timeline. - Advertising locally for contracts and jobs. - Including local procurement preferences or requirements in the EPC contract for development. This could include a target spend for local content. - Could link in and leverage other opportunities such as partnering with local education and training providers like Federation University.	No	Should be part of the develop-ment and construction process and link with the Victorian Industry Participation Policy (VIPP) and the Industry Capability Network (ICN). The VIPP encourages procurement of local content, which is defined as content coming from Australia and New Zealand in an added-value capacity. This could include AusNet putting forward a regional minimum local content target for the Council areas of impact, and submit a local industry development plan, a local investment plan and a major project skills guarantee.

Concept	Overview	Within 4.8M Community Benefit Package	AusNet/Mondo Project Development
Mini grids	Mini grids which have a precedent with the Dundonnell mini grid project which was deployed on Powercor low voltage and 22kV lines in partnership with Mondo. The Ubi software technology could be brought to this partnership. This could work to create cheaper electricity and enhance grid reliability along the most impacted neighbourhood zones. May be able to leverage Solar Victoria subsidies for solar and battery PV to significantly reduce the cost of hardware and deploy a larger project.	Only the 'kit' of hardware, software etc. would be included within the $4.8M, may be as a portion of fund specifically for neighbourhood areas.	In-kind project development resourcing should be provided as part of Mondo's mini grid business's contribution to the project.
Locally specific neighbourhood of impact projects	This would be co-developed with the most impacted areas to develop locally specific projects or programs that best suit their needs. Could include a revolving fund.	Would be included within the $4.8M, may be as a portion of fund specifically for most impacted areas.	
Broader regional legacy programs	Legacy initiatives are delivered in partnership with local Councils and organisations and are larger and longer-term programs aimed at delivering a strategic local benefit to a local community. For example, it might be used to develop a program in conjunction with local service providers that addresses structural social issues affecting at-risk populations (e.g. unemployed, homeless or marginalised people).	Would be included within the $4.8M, may be as a portion of fund specifically for legacy initiatives.	
Compliance related benefits	Compliance related benefits refers to the potential overlapping activities such as screening, telecommunication towers and offsetting. For the development of the project, AusNet may need to build telecommunications towers as part of 3G connectivity requirements. These should not be accounted for in the available pool of funds for the community. The opportunity for purchasing local offsets should be explored through a conversation with key stakeholders as a dedicated initiative with a preferential geographic boundary. Offsetting locally is called "in-setting". In simple terms, in-setting can be anything from procuring local existing offset opportunities, through to co-designing and implementing an offset in the local community.	No	Compliance activities are part of the development process and ensuring they are tailored to the local context is part of best practice development.

Concept	Overview	Within 4.8M Community Benefit Package	AusNet/Mondo Project Development
	In-setting in the context of this project could encompass: - Working with local revegetation groups on tree planting credits. - Working with local landowners for conservation agreements. - Setting a boundary for the in-setting in that the neighbourhood area is the preferred zone where possible for local insets.		

Thank you for your time and we look forward to exploring this further with you in the coming months.

Yours sincerely,

Derek Madden
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Kelvin Tori
Chief Executive Officer, Melton City Council

Evan King
Chief Executive Officer, Hepburn Shire Council

Janet Dore
Chief Executive, Ballarat City Council