

Uralla NSW 2358

12 February 2020

Sam McLean
Executive Director – Secretariat
Independent Planning Commission NSW

Re: New England Solar Farm SSD-9255

Dear Mr McLean,

We are making this submission on behalf of the Community Reference Group that was established to give guidance to UPC Renewables on the proposed Community Benefit Sharing Initiative (CBSI).

During 2018, UPC commissioned Community Power Agency to design and facilitate community engagement and produce the 'Community Benefit Sharing Initiative: Options Paper', which formed part of UPC's submission to the NSW Department of Planning, Industry and Environment.

The Community Reference Group recommendations covered the purpose, geographic scope, and governance model agreed by the community for CBSI funds. As well as covering the primary purpose (directing funds to activities that will benefit the community), the paper included a description of the governance structure recommended for administering the funds.

The Trust structure nominated by the Community Reference Group reflects the community's desire for funds to be administered in an independent, transparent and fair manner with local input into direction and decision making. CBSI funds are viewed to be a community resource that is separate from any corporate sponsorship arrangements that UPC may enter into with organisations within the Uralla Shire.

UPC are promoting the CBSI in the community as per the Options Paper and have publicly stated that the contribution during the construction phase has been increased from a commitment of \$50,000 to \$100,000. While this increase is welcomed, UPC indicated that the funds during construction will be administered through a less structured process, as the formation of a Trust will take time and could delay the flow of money to community groups.

We can appreciate UPC's desire to have a convenient and quick method for dispensing funds during construction, but this approach is counter to the communities expressed position of having a scheme that is (and is perceived to be) independent, transparent and fair. **Plus, there is no way for the community to secure the promised funding until there is a legal entity (such as the Trust) that can execute an agreement with New England Solar Farm.**

Having sought preliminary legal advice on the type of Trust structure that would be suitable for administration of the CBSI, we believe a purpose-based Trust can be established within a 6 to 8-week timeframe. Much of the Options Paper provides the content for the purpose, beneficiaries and guidelines that will be covered in the Trust Deed. Several organisations and professional businesses in the broader Armidale Region have offered pro bono support to enable the Trust establishment and a draft framework is under development.

However, UPC have indicated that they do not have the resources to facilitate the Trust development prior to construction commencing, suggesting, but not committing to, the Trust's establishment within 12 months of construction.

Having approached UPC with our community concerns, UPC has indicated that they will allocate only the first \$50,000 to immediate community initiatives as construction commences, and a Community Reference Group will be reconstituted, to assist in identifying projects for immediate funding. We requested that these projects be assessed against a set of published criteria, monitored during delivery, acquitted at completion to ensure financial probity and checked that outcomes have been delivered.

With the willing participation of UPC and a reconstituted Community Reference Group, we believe a Trust structure can be, and should be, put in place to administer the second tranche of construction phase money (\$50,000) and all subsequent ongoing annual payments for the life of the agreement, and that such a Trust be established as a matter of priority within 6 months of commencement of construction.

One only needs to look to the Federal Sports Grant program to see how the lack of procedural fairness and good governance can destroy a community's trust in grant outcomes. The CBSI will contribute a significant amount of money into the Uralla region and, in developing its recommendations, the original Community Reference Group placed a high priority on nominating a structure that will minimise the risk of division in our community.

We request the Independent Planning Commission, in giving their final approval for the development, require of UPC:

- **the immediate establishment of a reconstituted Community Reference Group for community oversight of distributed funds as verbally agreed**
- **and within a 6-month time frame from the commencement of construction, establishment of the Trust and execution of the funding agreement for the CBSI.**

This request is consistent with the assessment and findings of the NSW Department of Planning and Environment State Significant Development Assessment (SSD 9255), that notes the CBSI is to be implemented in consultation with the local community (page 42).

The contribution of funds for community benefit is not a legislative requirement for approval of the development, hence, the only avenue the community has of ensuring the promised funds are delivered is via the conditions listed for the development approval.

UPC have to date undertaken a constructive and genuine engagement on the CBSI, which is appreciated by the community. However, there is no formal guarantee that the funds will materialise in full, as personnel and project owners will change over time. Therefore, we request that the commitment to the CBSI be formally encompassed in the approval process as we have detailed.

Yours sincerely,



Sandra Eady and Tom O'Connor
Members – Community Reference Group, New England Solar Farm CBSI