

Community Benefit Agreements

Guidance for Local Governments and Proponents

July 2025

The Department of State Development, Infrastructure and Planning connects industries, businesses, communities and government (at all levels) to leverage regions' strengths to generate sustainable and enduring economic growth that supports well-planned, inclusive and resilient communities.

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Introduction

A Community Benefit System forms part of Queensland's planning framework, contained in Part 6B of the *Planning Act 2016* (Planning Act). It requires proponents of developments, as prescribed under Section 51F of the *Planning Regulation 2017* (Planning Regulation), to identify and address social impacts on communities prior to entering the formal development assessment process.

This Community Benefit Agreement Guidance (Guidance) is a non-statutory resource developed to assist proponents and Local Governments in understanding, negotiating, and executing Community Benefit Agreements (CBA).

This Guidance is structured into five key parts:

- Part 1 – Purpose of the Community Benefit System
- Part 2 – General requirements for a Community Benefit Agreement
- Part 3 – Preparing and entering into a Community Benefit Agreement
- Part 4 – Requirements for development assessment
- Part 5 – Reporting and publication requirements.

This Guidance is intended to support the interpretation and application of the Planning Act, the Planning Regulation, and the Development Assessment Rules (DA Rules). In the event of any inconsistency with this Guidance, the provisions of the legislation and statutory instruments prevail.

Part 1 – Purpose of Community Benefit System

The purpose of a Community Benefit System is twofold:

1. to avoid, manage, mitigate and counterbalance the social impacts of certain types of uses on host communities
2. to provide a mechanism for community benefit as a result of certain development types.

The introduction of the Community Benefit System requires that proponents of developments requiring Social Impact Assessment (SIA), as prescribed under Section 51F of the Planning Regulation, to undertake community and stakeholder engagement with the community and engage with Local Government in advance of development assessment processes.

The Community Benefit System comprises two core components including a SIA and CBA.

Figure 1 provides a visual overview of the process and components of the Community Benefit System and its relationship to the Development Assessment and Dispute Resolution Systems.

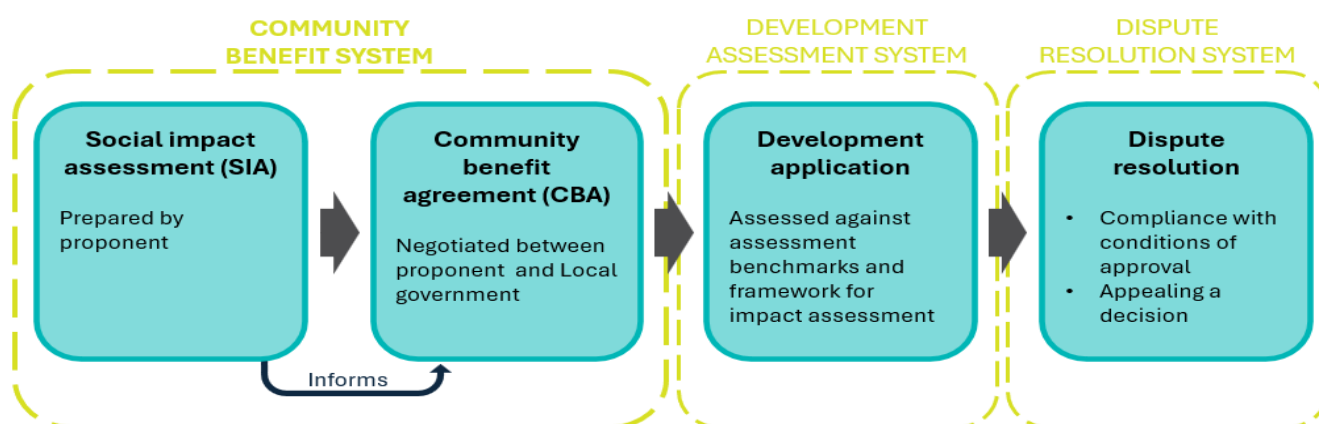


Figure 1 - Overview of the community benefit system process

The SIA process includes community consultation and culminates in the negotiation of a CBA between parties. Importantly, the Community Benefit System ensures that community benefits are agreed upon between the proponent and the Local Government (or other relevant and appropriate parties) prior to lodging a development application.

The planning framework sets out mandatory requirements and minimum standards to ensure proponents engage meaningfully with communities and stakeholders by preparing a SIA. The SIA is to be completed in accordance with the SIA Guideline, the Planning Act and Planning Regulation.¹ An SIA evaluates five critical areas to ensure comprehensive analysis and planning. These areas include community and stakeholder engagement, workforce management, housing and accommodation, local business and industry procurement, and health and community well-being. Together, these elements provide a holistic framework for assessing and managing social impacts.

A CBA is a legally binding agreement between a proponent and the relevant Local Government, intended to ensure that development delivers tangible, place-based community benefits. It is expected that a CBA will be informed by a preceding SIA to ensure that benefits are targeted towards the specific needs of the communities most likely to be affected by the proposed development.

¹ s.106W(2) is the head of power for the chief executive to make a guideline about preparing a SIA report.

Part 2 – General requirements for a Community Benefit Agreement

CBAs are intended to be flexible and place-based, able to reflect the unique characteristics of each development, including its location and the priorities of the host community. Rather than adopting a one-size-fits-all approach, CBAs are shaped through negotiation and designed to respond to the specific social context of the project.

A CBA may identify community benefits that directly address identified social impacts or deliver broader contributions that support a positive and lasting legacy for the community.

The scope and content of community benefits in a CBA should be determined collaboratively by the parties involved and generally informed by:

- » the scale and nature of the proposed development,
- » the social impacts and management measures identified in the SIA, and
- » the needs and aspirations of the host community.

2.1 Identifying community benefits

A community benefit may be determined in several different ways, including but not limited to:

- » **Social Impact Assessment:** The SIA should identify the social impacts of the development and the appropriate measures to mitigate, manage, avoid or counterbalance them. It is expected that the CBA will be meaningfully linked to the outcomes of the SIA.
- » **Strategic Planning or Government Investigations:** Local or State Governments may already have identified community needs or priorities at a local or regional level documented in policies, strategies and/or plans. A CBA may include contributions toward these needs, either proportionate to the development's impacts or at a rate negotiated between the parties.

2.1.1 Identifying community benefits from a Social Impact Assessment

A SIA is an effective method to enable community and stakeholder engagement prior to the development assessment process. It is used to identify, evaluate, and manage impacts, ensuring that the voices and needs of local communities are meaningfully considered. It typically involves:

- » identifying, analysing, and assessing the social impacts of the development across key focus areas,
- » developing management measures to avoid or mitigate potential negative impacts and enhance positive impacts,
- » recommending strategies to monitor, review, and update those measures throughout the project lifecycle, where relevant, and
- » documenting findings in a comprehensive SIA Report.

The resulting SIA Report includes mitigation measures for negative impacts as well as benefit enhancement measures, which are collectively called management measures.

Parties involved in negotiating a CBA should consider the management measures when determining community benefit types and allocation.

2.2 Types of community benefits

The types of community benefits in a CBA can vary based on local context, nature of the development, type and level of social impact and community expectation, among other considerations. The Planning Act indicates that a CBA may include a community benefit:

- » providing or contributing towards infrastructure for the community
- » making a financial contribution towards identified needs of the community, or
- » a combination of both.

Examples of community benefits may include, but are not limited to:

- » delivery of new or enhancement of existing local or regional infrastructure (e.g. roads, schools, health facilities, parks, community facilities and housing)
 - » local or regional community benefit funds or programs (e.g. health or social services)
 - » sponsorship or grant funds or initiatives
 - » local jobs and/or training programs to upskill members of the community
 - » investment in community services (e.g. health, wellbeing, education or environmental initiatives)
 - » in-kind contributions (e.g. donations, employee volunteerism and support for local initiatives)
 - » supporting local businesses and local procurement initiatives (e.g. as agreements to buying local goods and utilise services)
 - » benefits for First Nations peoples
 - » energy offsets, and
 - » environmental conservation projects.
- » Importantly, whilst providing or contributing towards infrastructure can be part of a CBA, it does not take the place of, and is not intended to prohibit, duplicate or pre-empt, a formal infrastructure agreement.

2.2.1 Financial contributions

Financial contributions are one type of community benefit that may be included in a CBA. Queensland's Community Benefit System allows the value of contributions to be negotiated between the parties.

Financial contributions should reflect the specific social impacts on the community. Factors to consider include:

- population catchment
- the number of affected communities
- the scale of the project
- other fees and charges on the proponent and
- benefits generated during the construction phase.

This flexibility ensures contributions are tailored to the region, the type and scale of the development and the timing of the project. For example, a local government may require a percentage of development costs to be contributed to address one or more social impacts in the local government area.

Examples of Financial Contributions

The **NSW Department of Planning's** Benefit-Sharing Guideline specifies the prescribed benefit-sharing rates used to calculate the total funding value for community benefits as follows:

- \$850 per megawatt per annum for solar energy developments
- \$1,050 per megawatt per annum for wind energy developments
- \$150 per megawatt hour per annum for stand-alone battery energy storage systems located in a rural zone

These contributions are indexed to the Consumer Price Index (CPI) and apply for the life of the project.

The **Banana Shire Council** has adopted a percentage-based contribution model, requiring major projects with a capital value exceeding \$50 million to contribute 0.7% of their total capital value towards housing, or a minimum of \$650,000,

2.2.2 Other contributions or compensation

Community benefits in the form of monetary contributions differ to compensation for landowners and/or adjoining landowners affected by a development. Community benefits are intended to be far reaching, where as compensation may be required to be paid or otherwise negotiated with individual landowners. Therefore, private agreements between the proponent and individual landowners may be considered based on direct impact or proximity to the development but are separate to community benefits in a CBA.

Further, proponents are not limited in or discouraged from entering into private agreements with First Nations peoples to deliver agreed benefits, either through a CBA, or via some other private agreement.

2.3 Understanding and addressing cumulative impacts

Through the SIA process, cumulative impacts of multiple projects in a region or area should be identified and considered in the development of management measures, to the extent it is reasonably practical. Communities may experience multiple developments occurring at a similar time², where together the social impacts on the host community may be more felt than if a single development was to occur. For example, multiple developments may impact on the community's health facilities or residential housing supply due to the larger number of construction workers or operational employees at a single time.

When parties are negotiating CBAs, they may consider:

- » any cumulative impacts of multiple operators within proximity and implications on communities
- » where community benefits are already allocated and the terms of allocation
- » how to ensure fair distribution across the host community, and
- » how to share information on community benefits and executed CBAs with other Local Governments and proponents.

² Development in this context refers to projects of all different types, including, but not limited to, resource, renewable energy, infrastructure and construction projects, as examples.

Part 3 – Preparing and entering a Community Benefit Agreement

A CBA may be structured either as a single agreement involving all relevant parties, or as multiple separate agreements with individual parties. The format and structure of the CBA are ultimately determined by the parties involved, allowing for flexibility to tailor the arrangement to their needs. The Planning Act does not prescribe a fixed format, providing the parties with the opportunity to develop an agreement that best aligns with their specific priorities.

3.1 Parties to a Community Benefit Agreement

It is anticipated that in most cases a CBA will be entered into by a proponent and a Local Government for an individual development proposal. However, there may be instances where a SIA has identified that a development's social impacts span multiple Local Government areas.

A CBA may include multiple parties, including any combination of:

- » one or more Local Governments
- » one or more proponents
- » one or more public sector entities.

3.1.1 State Government becoming a party to a Community Benefit Agreement

The State Government has the ability to enter into a CBA with a proponent where necessary. This may occur in situations where the social impacts are of significant State importance or value, or the circumstances of the parties or proposal warrant involvement from the State.

The Planning Act and Regulation³ identifies the ability of specific public sector entities to enter into a CBA.

3.1.2 Local Government resourcing

Local Governments may charge fees for participating in SIA processes, considering the SIA report and negotiating a CBA, including participating in mediation.⁴

The Local Government can charge a fee to the proponent whether a CBA is entered into or not.

3.2 Engagement during community benefit negotiations

Community engagement is not a mandatory requirement when negotiating community benefits, however, the proponent is encouraged to engage with relevant stakeholders that may have been identified during the SIA process.

First Nations peoples are recognised as a distinct stakeholder in the SIA process. There may be instances where First Nations people have been identified as a relevant stakeholder in the negotiation of community benefits in

³ See section 106Z of the Planning Act and section 51K of the Planning Regulation.

⁴ See section 106ZM of the Planning Act.

the SIA process, and in such instances should be involved in the negotiation process. Parties negotiating the CBA will be responsible for determining if and when engagement is necessary to finalise the agreement.

A CBA does not negate existing obligations or agreements with First Nations peoples.

3.3 Contents of a Community Benefit Agreement

The contents of a CBA may vary depending on the nature of the development and detail agreed to between parties. Generally, a CBA may include, but is not limited to the following:

- » the purpose of the CBA
- » the parties to the CBA
- » the development proposal the location and any relevant plans
- » A description of the benefits to be provided that are specific, measurable, and time-bound, such as:
 - » Employment opportunities (e.g., local hiring commitments)
 - » Infrastructure improvements (e.g., parks, roads, or community facilities)
 - » Environmental protections or enhancements
 - » Financial contributions to community programs or services
 - » if relevant, calculations of the contributions to be provided
- » a clear plan for how the benefits will be delivered, including timelines, milestones, and responsible parties
- » the security arrangements to secure compliance with the CBA
- » any necessary governance structures to oversee the implementation of the CBA
- » clarity on what happens if the development changes and thresholds for when a CBA should be amended
- » how obligations are to be fulfilled, monitored and reviewed under the CBA
- » if a Social Impact Management Plan is optionally included in the SIA to document management measures, how obligations will be monitored and reviewed
- » relationship with any infrastructure agreement(s) or infrastructure charges notice(s) to be issued following development assessment (if known), and
- » provisions for how the agreement can be amended, renewed, or terminated, ensuring flexibility to adapt to changing circumstances.

A CBA may bind owners and owners' successors in title in the following circumstances:

- » if an owner voluntarily agrees to binding the land when entering into a CBA, or
- » when a development approval requires compliance with a CBA as a condition of approval.⁵

3.4 Process to enter into a Community Benefit Agreement

Figure 2 provides a visual overview of the CBA process following the SIA, with further detail outlined in Sections 3.1.1 to 3.1.5 of this Guidance Document.

⁵ See section 65AA(2)(a) of the Planning Act.

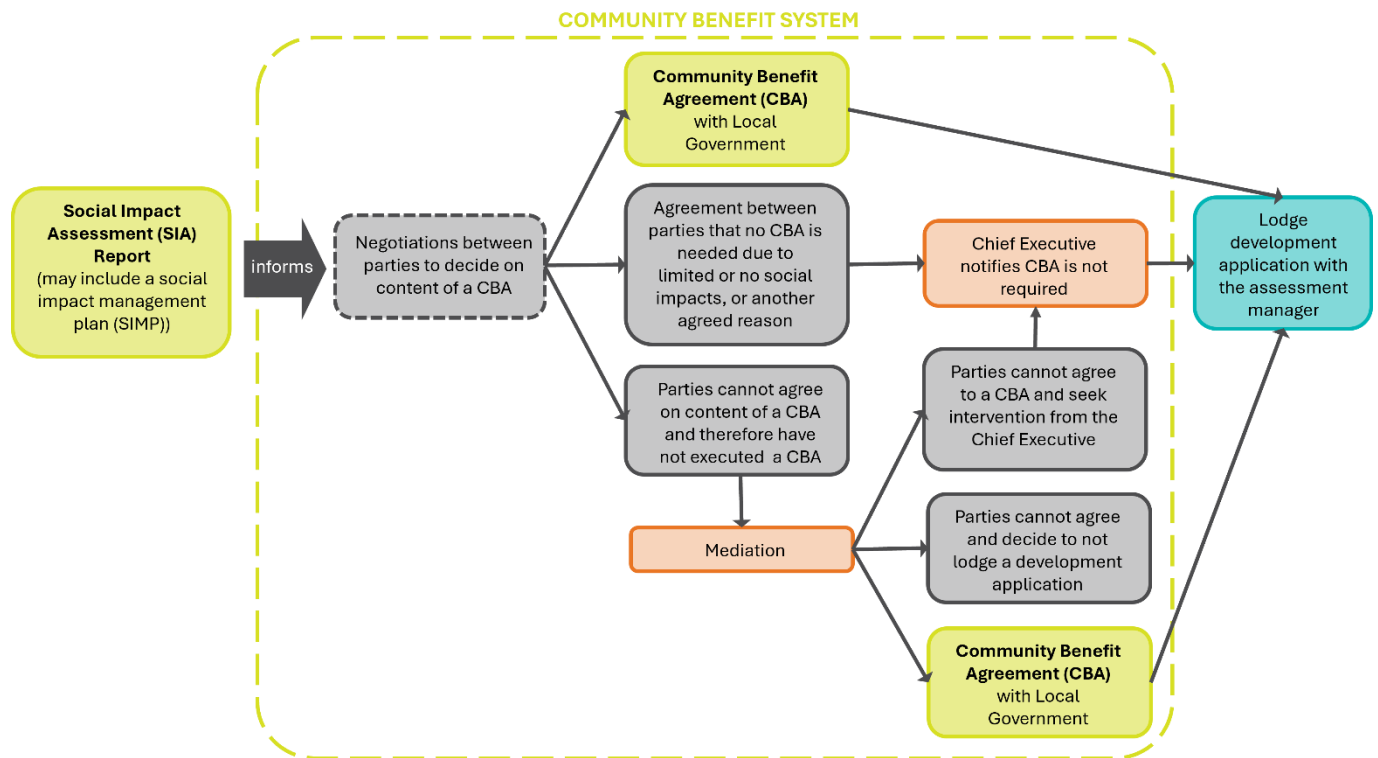


Figure 2 - Graphic overview of CBA process

3.4.1 Commencing negotiations on a Community Benefit Agreement

The first step in the CBA negotiation process is for all parties involved to collaboratively discuss the contents and terms of the agreement. Providing a notice of intent to the relevant local governments, advising them of the intention to commence a SIA within their local government area is considered as the formal commencement of negotiations for the CBA.

While there are no prescribed statutory timeframes for negotiating and entering into a CBA, it is important that agreements are developed within a timely and reasonable period. The timing should be appropriate to the context of the development and agreed upon by the parties involved.

Discussions on the content of the CBA and defined community benefits should be informed by the findings of the preceding SIA. Conducting this dialogue early in the process helps streamline subsequent steps and provides clarity for all parties to the agreement.

During negotiations, it may become evident that:

- » parties may not reach an agreement
- » that an agreement is not being reached in a timely manner, or
- » parties may collectively decide that a CBA is not necessary.

Further guidance on next steps in these scenarios is provided in Section 3.4.4 and 3.4.5 of this Guidance Document.

3.4.2 Preparing a Community Benefit Agreement

Once the parties have determined the content and terms of the CBA, the next step is to draft the CBA document. In most cases, it is anticipated that the proponent will prepare the draft and will provide it to the Local Government and/or any other parties to the agreement for review. However, a Local Government may wish to draft the CBA, or to have a standard CBA document.

3.4.3 Execution of the Community Benefit Agreement

Once the draft CBA has been reviewed and/or refined, the next step requires all parties to formally agree to the terms of the agreement. This stage involves confirming that the document accurately reflects the negotiated outcomes, that all parties are satisfied with the community benefits outlined.

Agreement to the CBA should be documented with the authorised delegate signing the CBA, with each party acknowledging their roles, responsibilities, and any timelines for delivery. Each party to the CBA must be given a copy of the final signed agreement.

If a CBA was entered into with a public sector entity and not the Local Government, a copy of the final agreement must be given to the Local Government by the public sector entity.⁶

3.4.4 Mediation process

Independent mediation may be an option where parties are unable to reach agreement in the development of a CBA or may not be reaching an agreement in a timely manner.

Parties must have taken all reasonable steps to reach an agreement before progressing requests to the Chief Executive of the Planning Act to use reserve powers to make decision to waive the requirement for a CBA to apply.

3.4.5 Chief Executive notice that a Community Benefit Agreement is not required

There are instances where the Chief Executive may give a notice that a CBA is not required for the development application to be lodged with the assessment manager. The Chief Executive has broad discretionary powers to issue a notice⁷ confirming that a CBA is not required.

These circumstances may include, but are not limited to:

- » where the SIA has identified there are no, or only minor, social impacts have been identified by the development
- » where the parties have agreed upon an alternative agreement or arrangements for delivering community benefits, or
- » where the parties are unable to reach agreement on a CBA.

In these circumstances, either or both parties can seek approval from the Chief Executive to proceed to lodge a development application without a CBA.

Upon receiving the request, the Chief Executive may request additional information from the proponent. After considering the request and any additional information provided, the Chief Executive must, within 30 business days⁸, either:

- » issue a notice confirming that a CBA is not required, or
- » issue a notice refusing the request.

In making this decision, the Chief Executive may consider matters prescribed in the Planning Regulation.⁹ These matters are non-exhaustive and may include, but are not limited to, consideration of the scale and nature of the development, the extent of social impacts identified in the SIA, and the efforts made by the parties to negotiate the CBA.

⁶ See section 106Z(3) of the Planning Act.

⁷ See section 106ZE of the Planning Act and the section 51M of the Planning Regulation.

⁸ See section 51L(5) of the Planning Regulation.

⁹ See section 51M of the Planning Regulation.

Part 4 – Requirements for development assessment

Understanding how a CBA functions in the development assessment process informs how relevant parties negotiate and enter into a CBA.

4.1 Properly made applications

For uses to which the Community Benefit System applies¹⁰, the following are to be submitted to the assessment manager with the development application or change application for it be considered a properly made development application:

- » a SIA report, and
- » an executed CBA, or
- » a notice from the Chief Executive stating that a SIA report and/or a CBA is not required for the development application.¹¹

The CBA must be executed before it is submitted as part of the development application material. This approach preserves the integrity and function of the development assessment process, ensures that agreement on the delivery of community benefits in certain and establishes a lasting positive legacy independent to and in advance of development assessment.

4.2 Changes to development applications

Under the Planning Act, a proponent is permitted to apply to change a development application.

Where a CBA was in place when the development application was originally lodged, a change to the development application must be accompanied by a notice signed by the parties to the CBA.¹² This notice must confirm either:

- » that the parties have agreed to amend the CBA and include a copy of the amended agreement, or
- » that the parties have agreed not to amend the CBA.

4.3 Changes to an executed Community Benefit Agreement during the development assessment process

A proponent may pursue a change to an executed CBA at any time during the development assessment process before the development application is decided. The amended CBA must be provided to the assessment manager or responsible entity for the development application.

Amendment to a CBA is not a change to the development application.

¹⁰ See section 106T of the Planning Act and section 51F of the Planning Regulation.

¹¹ See section 106ZE of the Planning Act.

¹² See section 52A(4) of the Planning Act.

4.4 Conditions of a development approval

Once submitted, a CBA becomes part of the common material for the development application. This enables the assessment manager to consider social impacts and community benefits when assessing the application, in circumstances where that is identified as being relevant and appropriate.

Where a CBA was submitted with the development application, the assessment manager may impose conditions on a development approval¹³, including:

- » compliance with a CBA or elements of a CBA, and
- » the monitoring of a social impact of the development.

Where a CBA was not entered into for the development application¹⁴, the assessment manager may impose conditions on the development approval¹⁵ relating to:

- » management, mitigation or counterbalancing of a social impact of the development, and
- » requiring the provision of, or a contribution towards, infrastructure or another thing for a community in the locality of the development, in relation to social impact of the development.

In addition, where the Chief Executive of the Planning Act is not the assessment manager or responsible entity, the Chief Executive may have issued a direction requiring the assessment manager or responsible entity to impose a specific community benefit condition¹⁶ on any development approval granted.

4.5 Interaction with other approvals and documents

A CBA may require provision of works and/or financial contributions that are greater than, or in addition to, those within an infrastructure agreement or a development approval condition. This is because a CBA typically addresses broader community-scale benefits, rather than being directly tied to the development site.

In practice, an infrastructure agreement or development approval condition is designed to deliver infrastructure that directly addresses the impacts of a development, as required under the Planning Act's development assessment system.

In contrast, a CBA may provide benefits that address the indirect or cumulative social impacts of a development. This could include contributions for the same item of infrastructure, but only to the extent that the CBA delivers benefits that are 'over and above' or 'in addition to' the requirements of the infrastructure agreement or development approval condition, or for a different component of that infrastructure item.

When executed, the CBA will prevail to the extent of any inconsistency over the following.¹⁷

- » a development approval to the extent that the CBA is inconsistent with a development approval,
- » an infrastructure agreement,
- » an infrastructure charges notice, and
- » other types of notices such as:
 - a negotiated infrastructure charges notice,
 - an adopted infrastructure charges notice,
 - a regulated infrastructure charges notice, and a negotiated regulated infrastructure charges notice.

¹³ See section 65AA(2) of the Planning Act.

¹⁴ See section 106ZE of the Planning Act.

¹⁵ See section 65AA(2) of the Planning Act.

¹⁶ See section 106ZF of the Planning Act.

¹⁷ See section 106ZD of the Planning Act.

Part 5 – Reporting and publication requirements

5.1 Public access to Community Benefit Agreements

If the Local Government is a party to the CBA, it must keep a copy of the agreement on its website and make it available for inspection and purchase.¹⁸

5.2 Reporting requirements

5.2.1 Reporting requirements of Local Governments

Community Benefit Condition

If the Chief Executive gives a direction to impose a community benefit condition, the Chief Executive must provide a copy of the notice to the assessment manager, who is required to keep the notice available for inspection and purchase.¹⁹

Community benefit funds

The relevant Local Government will be required to report on the expenditure of any funds received as part of its annual financial statement. In spending the funds received through the CBA, the Local Government will be required to demonstrate a nexus between the expenditure and the purpose for which it was received.²⁰

5.2.2 Reporting requirements of the Chief Executive

Where the Chief Executive has given a direction to the assessment manager to impose a stated community benefit condition²¹, the Chief Executive must prepare a report that explains the nature of the direction and the matters considered in making the direction, and include a copy of the direction, and table the report in the Legislative Assembly within 14 sitting days after the day the direction is given.²²

5.3 Review

This guidance document may be reviewed for time to time, on an as needs basis.

¹⁸ See schedule 22, section 1(1) (wa) and (wb) and section 3 of the Planning Regulation.

¹⁹ See schedule 22, section 5(cc) of the Planning Regulation.

²⁰ See section 189A of the Local Government Regulation 2012 and section 181A of the City of Brisbane Regulation 2012.

²¹ See section 106ZF of the Planning Act.

²² See section 106ZH of the Planning Act.

Version Control

Version	Date Created	Approved By
1.0	18 July 2025	Deputy Director General, Planning Group, Department of State Development, Infrastructure and Planning

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