



RAPAD Power Grid  
**Community Benefit  
Royalty Agreement**

October 2024



## Acknowledgment of Country

RAPAD Power Grid collaboration partners, the CWO Remote Area Planning and Development Board and VisIR, acknowledge the traditional custodians of the lands in Central Western Queensland and we pay respects to ancestors and Elders, past, present and emerging.

## Overview

Central Western Queensland (CWO) has an unprecedented opportunity to create value from its abundant land, A-grade clean energy resources, and unique biodiversity characteristics to create long-term economic strength and resilience against future market downturns and natural disasters such as drought and flood.

The opportunity is to secure direct financial benefits to the community by facilitating nationally important energy infrastructure and deliver a new, stable and predictable source of income to local communities for decades through a *RAPAD Power Grid Community Benefit Royalty Agreement*.

The purpose of the *RAPAD Power Grid Community Benefit Royalty Agreement* is to provide communities and investors with a clear framework that defines the calculation of cash payments that will be paid directly to those communities.

*RAPAD Power Grid Community Benefit Royalty Agreement* payments will be in addition to payments to individual host landholders and rates to host local governments.

### The RAPAD Power Grid economic development strategy comprises three objectives:



1. Deliver approximately **\$183 million** in royalty-style annual cash flows direct to the community over 25-years.



2. Increase **livestock production, capacity and efficiency** through improved agricultural infrastructure (including water and transport/logistics) developed in coordination with energy infrastructure.



3. Improve **social infrastructure and liveability** through skills development opportunities, environmental management capacity, and positively contributing to Australia's economy.



# Background

The Central Western Queensland Remote Area Planning and Development Board (RAPAD) and VisIR Pty Ltd (VisIR) have entered into an agreement as collaboration partners to support VisIR's development of the RAPAD Power Grid.

The proposed RAPAD Power Grid will span a vast area of western Queensland from Hughenden in the State's north-west to Biloela and Gladstone on the Central Queensland coast (see figure 2).

RAPAD and VisIR have co-designed and agreed on a framework that will apply to the RAPAD Power Grid. This framework defines the direct payments to local communities over at least 25-years during the operation of the transmission and clean energy generation infrastructure.

Over 25-years, based on indicative development scale, *total cash payments under the RAPAD Power Grid Community Benefit Royalty Agreement direct to relevant communities could be approximately \$183 million.* The ultimate size and capital cost of the RAPAD Power Grid will influence the final amount to be paid.

These royalty-style payments are in addition to broader benefits from local construction and operational jobs, investment directly and indirectly related to the RAPAD Power Grid, Council Rates, and payments to First Nations groups or landowners hosting transmission and/or renewable generation.

The intention of the *RAPAD Power Grid Community Benefit Royalty Agreement* is to provide benefit through cash payments to all RAPAD Power Grid communities, including the entire RAPAD region. The framework for application of these payments is described in further detail later in this document, including different proportions for different regions.

Through their collaboration, RAPAD and VisIR believe the *RAPAD Power Grid Community Benefit Royalty Agreement* guarantees the enduring focus on delivering tangible economic and social benefits to the RAPAD region, and potentially adjacent regions.

# RAPAD Power Grid

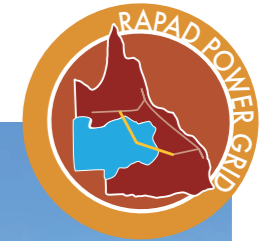
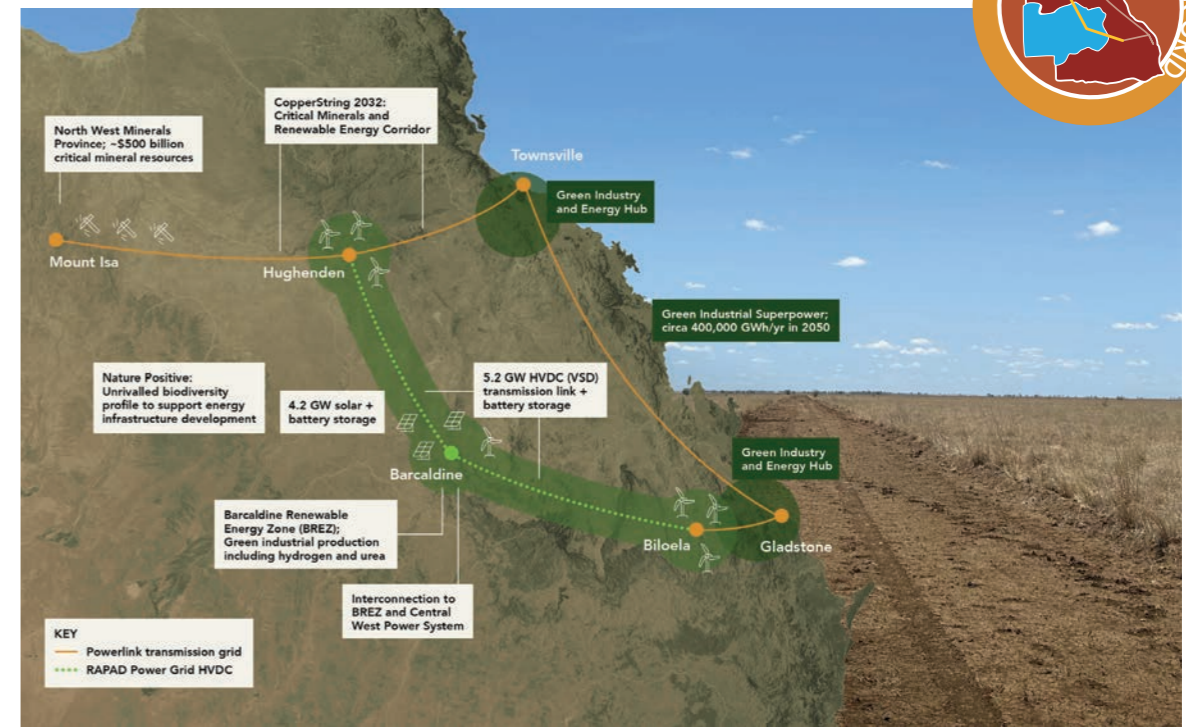


Figure 2: RAPAD Power Grid overview map



## About VisIR

VisIR Pty Ltd is a Queensland-owned business that develops and invests in energy infrastructure. It is the founder and developer of CopperString 2.0 transmission network).

## About RAPAD

RAPAD represents the seven Councils of CWQ - Barcaldine, Barcoo, Boulia, Blackall-Tambo, Diamantina, Longreach, and Winton. For more than 30 years it has been a powerful voice for the region and a trusted and reliable partner of government and the private sector in the delivery of programs, projects and initiatives.

Figure 1: Map of the RAPAD Power Grid relevant local government areas. RAPAD region indicated in yellow.



RAPAD Power Grid is a community-led, large-scale renewable generation and High Voltage Direct Current (HVDC) transmission project, which will utilise world-leading, innovative technology. The project is unique in the Australian energy market and a first for the Australian transmission industry.

The RAPAD Power Grid is an integrated project that includes:

- HVDC transmission network of 5.2 gigawatts (GW) capacity
- Connection to the existing CWQ power system at the existing Barcaldine substation
- Approximately 4 GW of solar power, and approximately 4 GW of wind power, with opportunities for other technology such as gas (or hydrogen power engines) or geothermal
- Common user battery storage (yet to be sized; based on technical and commercial optimisation).

The RAPAD Power Grid will upgrade and reinforce the existing CWQ power grid. It will improve regional supply and create, for central and north Queensland, new opportunities that require electricity and new opportunities to generate electricity.

RAPAD and VisIR will continue to drive development of major clean energy infrastructure capitalising on the vast open plains in western Queensland in a way that ensures the local communities have a strong and positive influence.

RAPAD Power Grid's transmission network will run from the CopperString Flinders Substation near Hughenden to a connection hub in the Barcaldine Regional Council area and on to the east coast transmission grid in the Biloela/Gladstone region. RAPAD Power Grid will be the most technically advanced transmission network in Australia, integrated with the Barcaldine Renewable Energy Zone (BREZ), solar and battery storage, and major wind energy provinces around Hughenden in the Flinders Shire and in the Banana Shire.



# Purpose

## of the RAPAD Power Grid Community Benefit Royalty Agreement

RAPAD Power Grid is a unique community-led clean energy initiative. VisIR and RAPAD are seeking to ensure the communities of CWQ have a strong positive benefit from this development of major clean energy infrastructure in their region.

RAPAD and VisIR have developed the first-of-its-kind *RAPAD Power Grid Community Benefit Royalty Agreement* which applies to both the transmission and generation elements of the RAPAD Power Grid Project.

The *RAPAD Power Grid Community Benefit Royalty Agreement* recognises that, while communities in and around an energy transition project benefit from new employment and investment largely during the construction period, the broader benefits are shared across the state and nation, not adequately within local communities. This results in limited – in time and area – direct long-term economic benefit from the infrastructure in those hosting communities.

RAPAD and VisIR want to set the benchmark for how a community can benefit from nationally significant infrastructure to create a better future for regional Australia. To maximise the opportunities presented by RAPAD Power Grid, careful consideration must be given to protect and strengthen CWQ's existing economic drivers, particularly agriculture and tourism, and protect the region's unique environment.

The purpose of the *RAPAD Power Grid Community Benefit Royalty Agreement* is to implement a unique economic development and revenue framework to provide investment, employment and other opportunities, and revenue streams to local communities over the long-term, so that those host communities see significant and direct long term economic benefit from the RAPAD Power Grid.

The *RAPAD Power Grid Community Benefit Royalty Agreement* results in local 'royalties', however these are not taxation or compensation for the use of finite resources such as those that apply to mineral resources. The *RAPAD Power Grid Community Benefit Royalty Agreement* comprises royalty-like payments that are intended to be used for creation of social and economic infrastructure in communities relevant to the RAPAD Power Grid.

# Principles

## of the RAPAD Power Grid Community Benefit Royalty Agreement

The three principles that guided the design of the *RAPAD Power Grid Community Benefit Royalty Agreement* are:



1. **Provide an additional stable and predictable source of revenue** to the host communities for investment in community infrastructure and services



2. **Ensure local government and the community are the primary decision makers** in the application of the *RAPAD Power Grid Community Benefit Royalty Agreement* via a clear governance framework.



3. **Attract investors and developers of renewable energy projects** to western Queensland with a competitive advantage on many important investment criteria.



# RAPAD Power Grid Community Benefit Royalty Agreement target payments

## Transmission:

The *RAPAD Power Grid Community Benefit Royalty Agreement* transmission target payments:

- \$10,000 per megawatt (MW) of installed transmission capacity paid over 25 years.

For example:

At a capacity of 5.2 GW (5,200 MW), the *RAPAD Power Grid Community Benefit Royalty Agreement* would result in the equivalent of \$52 million in payments to the local community due to the *RAPAD Power Grid*.

## Renewable generation:

The *RAPAD Power Grid Community Benefit Royalty Agreement* renewable generation target payments:

- \$750 per MW per annum of the installed capacity of the wind generation over 25 years, indexed to regional inflation (CPI)
- \$500 per MW per annum of the installed capacity of the solar generation over 25 years, indexed to regional inflation (CPI)

For example:

For 4.2 GW (4,200 megawatts) of *RAPAD Power Grid* installed wind generation, \$3.15 million per year in *Community Benefit Royalty Agreement* payment or the equivalent of \$78.75 million over 25 years.

For 4.2 GW (4,200 MW) of *RAPAD Power Grid* installed solar generation, \$2.1 million per year in *Community Benefit Royalty Agreement* payments or the equivalent of \$52.5 million over 25 years. This volume of solar requires approximately 1,750ha, therefore the target payment is equivalent to approximately \$1,200<sup>1</sup> per ha (solar site) per year for 25 years paid to the community under the *RAPAD Power Grid Community Benefit Royalty Agreement*; the payments to the community a very large relative to the land used.

**These indicative developments would result in total *RAPAD Power Grid Community Benefit Royalty Agreement* payments across all communities of \$183.25 million.**

All figures are in 2024 dollars; they are not adjusted for future inflation or the time value of money.

# Application of the *RAPAD Power Grid Community Benefit Royalty Agreement* payments

## Governance and allocation:

It is intended that community representatives, Councils and *RAPAD* will determine the allocation of funds through a robust and transparent governance framework developed in parallel with the *RAPAD Power Grid* project.

First Nations custodians will be key participants in determining allocation of the *RAPAD Power Grid Community Benefit Royalty Agreement* payments and a minimum allocation to the benefit of First Nations communities (not necessarily exclusively) will be established.

The *RAPAD Power Grid Community Benefit Royalty Agreement* payments will be shared amongst all *RAPAD* local government areas, and other local government areas that host *RAPAD Power Grid* infrastructure (transmission and generation).

It is intended that the quantum of funds provided to each region will depend on the infrastructure outcomes, consistent with the following broad groupings:

- Regions that host renewable generation and transmission.
- Regions that host only transmission.
- Neighbouring regions that are stakeholders of the *RAPAD Power Grid* but do not host physical infrastructure.

**The primary purpose of *RAPAD Power Grid Community Benefit Royalty Agreement* payments will be determined by communities with a focus on investment in infrastructure and long-term initiatives and not for normal operating expenditure of councils or other regional organisations.**

Investment opportunities can include:

- Significant capital works and improvements to social, community, and productive/economic development infrastructure that would be difficult or impossible with only Rates revenue.
- Creating a sinking fund or other financial risk management to ensure Councils can support communities in times of severe drought.
- Establishment of local community scholarships or other skills-based initiatives.

<sup>1</sup> Solar of 4.2 GW, has a footprint of 1,400 – 2,100ha



### Steering Committee of community representation

A Steering Committee, including representatives of RAPAD, community stakeholders and VisIR, will establish agreed protocols for governance around the application of funds.

Aside from the RAPAD region in CWQ, other RAPAD Power Grid communities include Flinders Shire Council, Central Highlands Regional Council, Banana Shire Council and Gladstone Regional Council. (See figure 1 - Map of relevant local government areas)

### First Nations

The First Nations communities across the RAPAD Power Grid corridor are a critical part of local input into the development of social and economic infrastructure.

The *RAPAD Power Grid Community Benefit Royalty Agreement* payments are in addition to any payments negotiated with Traditional Owners associated with Indigenous Land Use Agreements (ILUA) and/or Cultural Heritage Management Plans (CHMP).

The estimated total value of the *RAPAD Power Grid Community Benefit Royalty Agreement* does not include the value associated with any private agreements with landowners or other direct funding that might be provided to host RAPAD Power Grid transmission or generation.

### Local Council Rates

The *RAPAD Power Grid Community Benefit Royalty Agreement* does not offset or interfere with Council Rates. The *RAPAD Power Grid Community Benefit Royalty Agreement* payments are not a form of Rates to Councils, and they are not intended to offset or replace Rate income.

In due course, Councils can also consider how Rates are applied to RAPAD Power Grid developments. RAPAD, VisIR and their advisors can liaise with Councils to provide input as required to inform Rates policies.

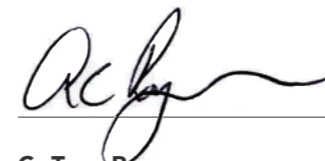
RAPAD will seek confirmation from the Queensland Government and Australian Government that the additional revenues to local communities and Councils will not result in a reduction of other funding provided.

## Conclusion

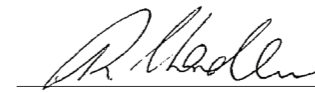
The agreement between RAPAD and VisIR reflects the intent of each party to define and implement the *RAPAD Power Grid Community Benefit Royalty Agreement*.

The agreement does not create a binding legal obligation on either party.

RAPAD and VisIR, in conjunction with individual Councils, intend to finalise binding agreements during the RAPAD Power Grid development process.



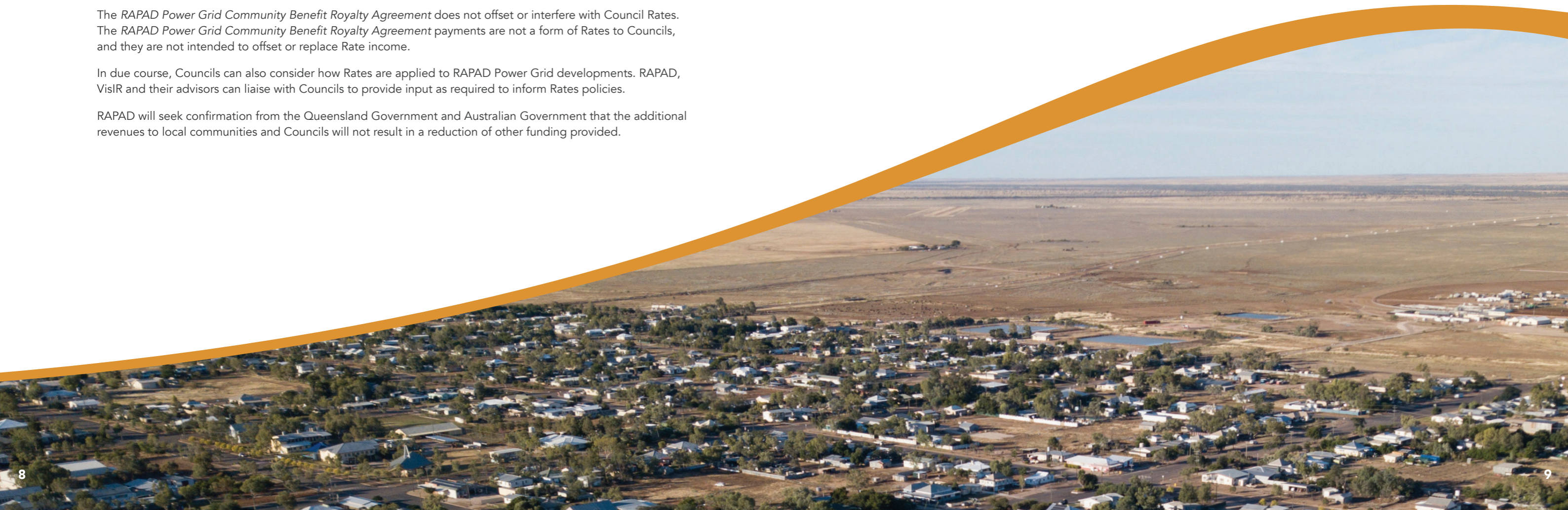
**Cr Tony Rayner**  
RAPAD Chair



**Cr Rob Chandler**  
Mayor, Barcaldine Regional Council



**Joseph O'Brien**  
CEO, VisIR





Community collaboration  
World leading innovation  
Powering the superpower



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