

Ref. A5314131

29 September 2023

Andrew Dyer Australian Energy Infrastructure Commissioner Community Engagement Review Taskforce GPO Box 3090 Canberra ACT 2601

Dear Mr Dyer,

AEIC REVIEW OF COMMUNITY ENGAGEMENT PRACTICES

Powerlink Queensland welcomes the opportunity to provide a submission to the Australian Energy Infrastructure Commission's (AEIC) review of community engagement practices (the review).

AEIC is seeking feedback as part of the review to enhance community support and ensure that electricity transmission and renewable energy developments deliver for communities, landholders and Traditional Owners. Specifically, the AEIC is seeking feedback on three key questions:

- What community engagement has worked well and what can we learn from it?
- How can we improve engagement that has not worked well?
- What is needed to ensure best practice engagement is achieved in all future projects?

As the Transmission Network Service Provider (TNSP) for Queensland, Powerlink is taking a key role in the energy transformation to renewables in Queensland. We understand that building and maintaining social licence and strong social performance is fundamental to the success of the energy transformation. We strongly support initiatives, including this AEIC review of community engagement practices, occurring to improve social performance and stakeholder engagement more broadly in the energy sector.

Powerlink's purpose

Powerlink's purpose as the TNSP within Queensland is to connect Queenslanders to a world-class energy future, delivering safe, cost-effective, reliable and sustainable electricity to more than five million Queenslanders and 253,000 businesses. We play an active role in the energy transformation by strategically planning the transmission network; guiding, and shaping the power system; and enabling opportunities as Queensland moves to a lower carbon future.

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Powerlink's commitment to social licence and social performance

Powerlink is committed to undertaking early and authentic engagement, listening to our communities and other stakeholders to better understand their needs and priorities. Our goal is to develop mutually beneficial co-existence arrangements with landholders and seek to provide long-term benefits for the communities in which we operate

Powerlink's submission

Powerlink's submission is based on our experience as TNSP for Queensland. Powerlink has delivered more network connections on a commercial basis for customers than any other transmission company in Australia and in the last twenty years build over 2,000 kilometres of new transmission lines. This includes our experience with delivering the transmission requirements to meet the demands of Queensland's coal seam gas export industry in the North West Surat Basin during the 2010s. Development of the coal seam gas industry required Powerlink to construct more than 200km of new transmission line and seven new substations to support electricity demand of over 600MW.

The lessons learnt from our community and landholder engagement practices on these projects in the early 2010s drove a significant maturity in our engagement procedures and processes, including the establishment of our Landholder Relations team and developing our standards and commitments for land access and landholder engagement

We understand the need to engage with landholders, Traditional Owners, the community, and other stakeholders thoroughly and honestly during all stages of transmission development, construction, operation and maintenance

What community engagement has worked well and what can we learn from it?

Powerlink recognises that one of the biggest challenges the energy industry faces over the next decade is how we can effectively engage and build trust with the landholders, Traditional Owners and communities impacted by new energy infrastructure. We are keenly aware that positive social licence to operate and strong social performance is critical in enabling Queensland's transition to a renewable energy-based economy and new energy future.

Powerlink has considered how to deliver Queensland's new energy future. As part of this process, we have looked at what we needed to do to maximise the potential to succeed in delivering the transmission infrastructure, but also how to maximise potential benefits for landholders and impacted communities.

Flexibility in community engagement approach and methods

We have found that best practice engagement needs to be flexible so that TNSPs and generators can design and deliver stakeholder engagement activities that are tailored to the needs of the stakeholders, as well as the individual project circumstances. Community engagement needs to be adapted to suit each project and each community

Engagement must also be reflective of the stage of a project, the level of certainty in project planning and delivery, and the different communities and environments within which we operate. A flexible engagement approach assists with dealing with project changes, such as project timing, design and location, but also enables engagement materials and methods to evolve with the project and as stakeholder issues and concerns evolve.

Involvement of Traditional Owner peoples

Powerlink has also developed mature engagement practices through which it meets its social and legislative responsibilities in relation to working in partnership with Queensland's Traditional Owners.

Powerlink has expanded the remit and resourcing of our Indigenous Partnerships team and is currently developing a consolidated framework which includes early engagement, cultural heritage conservation, Native Title strategy, identifying employment and training opportunities, and other Indigenous social investment and participation opportunities. Traditional Owner groups are also engaged early and included in each phase of our corridor selection process and actively engaged through Queensland's robust cultural heritage management regime during all stages of a project through to operation.

Powerlink aims to develop and maintain a strong regional presence to enhance broader Traditional Owner relationships and work collaboratively with communities to identify local investment and participation opportunities and reach beneficial agreements that recognise our social responsibilities and community expectations in the context of renewable transformation.

Land access

During the development of the coal seam gas industry, Powerlink heard clearly that landholders were concerned with land access arrangements associated with high voltage transmission infrastructure. In response to this, we developed our <u>Land Access Protocol</u> (LAP). The LAP informs landholders and stakeholders about the standards and commitments Powerlink and its representatives will adhere to when accessing properties to carry out our responsibilities in delivering transmission infrastructure.

The LAP was developed in 2014 in consultation with landholders, government departments, and agencies, peak agricultural organisations, the resource sector, and other stakeholders. While the LAP was developed to meet the land access needs of transmission infrastructure, the protocol is consistent with the land access code for the resource sector in Queensland. Powerlink has found this consistent approach is of benefit to landholders, who can often be negotiating with multiple interested parties for use and access to their land.

The LAP undergoes an annual review to identify if it continues to reflect contemporary standards and legislative requirements. The reviews also aim to co-ordinate with customers, existing agencies and representative groups to streamline and better implement the land access process for identified landholders, to simplify requirements and better manage expectations. While reviewed annually, the last material change to the LAP was in 2021.

With the introduction of the LAP, Powerlink also established a specialised group that focuses on landholder engagement and developing lasting relationships and connections with landholders. The combination of the LAP and our specialist Landholder Relations team has seen high numbers of negotiated outcomes with landholders and very low requirements for forced entry to land or forced acquisition of land.

Powerlink also participates in The Energy Charter's landholder engagement training, which was in part developed by the AEIC. This enables our Landholder Relations team and associated disciplines including the Property and Project Engagement teams to continue to build their skills to deliver better practice in landholder engagement.

Landholder payments

In 2022, Powerlink conducted a review of our landholder payments for hosting transmission infrastructure. Guided by input from key stakeholders, including representatives from local government, agricultural groups, energy user advocates and consumer groups, a new landholder payment framework was developed and took effect from May 2023.

The new <u>SuperGrid Landholder Payment Framework</u> significantly boosts payments to landholders hosting transmission infrastructure on their properties. The new framework also introduces payments to adjacent landholders. Powerlink is the first transmission company in Australia to offer payments to adjacent landholders.

Other key aspects of the new framework are that payment estimates can be provided to landholders earlier in the process and there can be flexibility in timing of payments to hosting landholders (i.e. upfront or ongoing annual payments). The landholder payments are also intrinsically linked to the land value and impacts, so the payment scales depend upon the different property values, the way the land is used, and the scale of proposed transmission infrastructure on the land. These factors can provide landholders a greater degree of clarity about payments which can significantly assist landholders when considering hosting transmission infrastructure.

For adjacent landholders, the payment framework considers a 1km radius from the transmission line easement. For adjacent landholders, an allowance is calculated based on an assessment of the land area and market data regarding the likely impacts on their property. The guiding principle of the proportion allowance will be that it is calculated based on impacts the infrastructure may have considering project-specific circumstances, including the underlying value of the land.

While the payment framework significantly boost payments, Powerlink understands that money alone will not guarantee a corridor is successfully negotiated with all landholders. We continue to have a strong emphasis on sound early engagement processes and broader investment in community and social performance to support communities impacted by transmission infrastructure.

How can we improve engagement that has not worked well?

Powerlink understands that stakeholder engagement needs to evolve with contemporary societal expectations. We recognise that one of the biggest challenges the energy industry faces over the next decade is how we can effectively engage and build trust with the landholders, Traditional Owners and communities impacted by new energy infrastructure. We are keenly aware that positive social licence to operate and strong social performance will be critical in enabling Queensland's transition to a renewable energy-based economy and new energy future.

Deliver stakeholder outcomes and community benefits

Powerlink has seen that the most successful stakeholder engagement involves working closely with landholders and the community to understand their views and concerns, as well as undertaking activities that improve actual on-ground conditions. Our experience is that engaging to meet minimum statutory or compliance criteria is not best practice and tends not to meet the needs of stakeholders or result in positive project outcomes.

Powerlink's Community Engagement Strategy is underpinned by this attitude, with a focus on ensuring local benefits and community investment go hand-in-hand with delivering the new energy future. The Community Engagement Strategy has also developed a common understanding on our approach as an organisation. This Strategy is now part of business-as-usual across all facets of our organisation.

Understand the issues and concerns of landholders and communities

Based on our experience during the development of the coal seam gas industry and an understanding of the scale of the renewable transformation, Powerlink has been undertaking a review of our transmission network development process for new transmission line routes. The objective of the review is to ensure we have a network development process that is contemporary, socially accepted, and will result in higher community and stakeholder acceptance as we move through the renewable transformation. The priority action areas for this review have included engagement, corridor selection, land access and landholder payments.

A collaborative process has been used to underpin the review of our transmission network development process. This collaborative process included establishing an external Stakeholder Reference Group comprising representatives from the Powerlink Customer Panel, Re-Alliance, Planning Institute of Australia Queensland Branch, Local Government Association of Queensland, Department of Energy and Public Works, Energy Queensland, Shell, Queensland Farmers' Federation, a Traditional Owner representative, and a former Land Court judge. The review of the transmission network development process has also considered trends and learnings from our own recent projects, as well as other TNSPs and jurisdictions.

This collaborative approach has allowed Powerlink to consider many varied perspectives and has brought the voices of a broad range of people to help ensure our processes are contemporary and will help to support improved community and stakeholder interactions into the future

Emerging throughout our recent review was the strong sense to do better for our communities and acknowledging the need to understand and genuinely work together. The new process, known as the transmission easement engagement process (TEEP), looks at establishing frameworks to evaluate and understand social aspects and community profiles from the outset of the project and to establish opportunities for engagement and consultation to occur earlier in the process. The overall approach seeks to reflect long-term fostering of relationships through transparency in engagement approach and of our processes, consistency in information, and delivery of community benefits sharing options that includes perspectives from landholders, Traditional Owners, the community and other stakeholders

What is needed to ensure best practice engagement is achieved in all future projects?

Powerlink is actively involved in and supports several significant initiatives and collaborative works within the energy industry to improve stakeholder engagement and social performance. This includes our involvement in development of The Energy Charter's Landholder and Community Better Practice Engagement Guide and Better Practice Social Licence Guidelines. Both are designed to encourage better engagement and outcomes for landholders impacted by energy infrastructure. Importantly, the Energy Charter's work is heavily focused on accountability, with an independent audit of how transmission businesses are implementing the Better Practice Social Licence Guidelines.

underway. It is important that we work closely with the industry bodies that represent the majority of those impacted by new transmission infrastructure and renewable development. The work to keep securing that foundation and continuously improving our approach in collaboration with our stakeholders is ongoing.

As part of a priority initiative for Powerlink, we are also currently developing a Social Performance Framework to support the consistent management of social risks and impacts of Powerlink projects and activities on communities and the environment, to enable Powerlink to further contribute to the social sustainability of communities that host energy infrastructure.

As previously discussed, Powerlink has seen that the most successful stakeholder engagement involves working closely with landholders, Traditional Owners, the community and other stakeholders to understand their views and concerns. Engagement should be flexible and a two-way information process involving understanding different views, listening and responding to suggestions, developing trust, and initiating ongoing dialogue to support effective working relationships that improves actual on-ground conditions. Our experience is that engaging to meet minimum statutory or compliance criteria is not best practice and tends not to meet the needs of stakeholders or result in positive project outcomes.

Conclusion

We look forward to working with the AEIC as part of this review process. If you have any questions in relation to this submission, please contact Gerard Reilly, General Manager Communications, Customer & Engagement.

Yours sincerely,

Senort Bell

Stewart Bell

ACTING CHIEF EXECUTIVE

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