

26 September 2023

Community Engagement Review Taskforce
Australian Energy Infrastructure Commissioner
The Department of Climate Change, Energy, the Environment and Water

AEIC Review of community engagement practices

Dear Taskforce

Community engagement provides significant benefits to infrastructure delivery. It enhances project assurance, reduces potential cost overrun and facilitates trust among all interested parties to maximise a project's social and economic values. The increased expectation for best practice community engagement for renewable and transmission projects is also the foundation for Australia's path to Net Zero.

The *Climate Change Act 2022* sets Australia's greenhouse gas emissions reduction targets to 43% below 2005 levels by 2030. The federal government has also committed to generating more than four-fifths of its power from renewable sources by 2030. Some have said these targets are overly ambitious. With collective efforts and orderly coordination by the Australia Energy Market Operator (AEMO), our commitments to a net-zero grid are practical and achievable. Last week, the National Electricity Market (NEM) hit a record 69.9% instantaneous renewable penetration for 30 minutes. In December 2022, the state of South Australia achieved an average of 100% net renewables within a period of seven days.

While there is every opportunity for a greener and more sustainable grid, recent community resistance has drawn the attention of several major windfarm, solar and transmission projects, claiming that they cause social and environmental harm while passing on to consumers billions in extra costs.

I commend the Australian Energy Infrastructure Commissioner (AEIC) and its Community Engagement Review Taskforce for this timely review. Better regulation, clarity and expectations in community engagement requirements will give certainty to all interested parties and asset proponents for renewable and transmission projects.

Improving engagement clarity and consistency

In my recent response to the Australian Energy Market Commission (AEMC) rule change consultation, I commended the AEMC for a positive change in the rule to focus significantly on the 'community' segment, and to introduce prescriptive expectations as 'minimum standards' to improve engagement clarity and consistency for transmission projects. The AEMC rule change proposes to address this objective by:



- clarifying what transmission network service providers (TNSPs) are required, as part of preparatory activities, to engage with stakeholders who are reasonably expected to be affected by the development of the actionable ISP project, future ISP project, or project within a REZ stage,
- specifying the interested parties to include local landowners, local council, local community members and traditional owners
- requiring TNSPs to consult the identified interested parties during the regulatory investment test for transmission (RIT-T) process
- introducing community engagement expectations when TNSPs engage with these interested parties.

Engagement consistency and clarity can be further encouraged by mandating all TNSPs and renewable generators to implement an overarching community engagement strategic plan.

The AEMC plays a critical role, via the exercise of rule-making, in setting universal community engagement standards for transmission and renewable projects. However, TNSPs and generators are expected to interpret and implement the rule using an industry best practice approach.

I referred to the Local Government Act's example in my response to the AEMC when state governments enshrined community engagement as a mandatory requirement during the 1990s. The Act now requires each council to create a Community Engagement Strategic Plan to outline how they will engage the community. This strategy must:

- be based on the social justice principles of access, equity, participation and rights
- identify relevant stakeholder groups in the specific region
- outline the engagement methodologies
- specify the sufficient time to effectively undertake the engagement.

Underpinned by the strategic plan and its principles, each council can tailor project-specific engagement action plans and review them with impacted parties on a project-by-project basis. This approach provides flexibility and autonomy for councils across Australia, considering the differences in council geographic size, population composition, financial performance and strategic focuses. Since introducing the mandatory Community Engagement Strategic Plan in the Local Government Act, Australia has witnessed significantly increased interest in, and a proliferation of, best practices community engagement in local government. There have been examples of great participatory democracy across the nation at the local council's level, from road upgrades to streetscapes, from public art installations to major urban renewal. Transmission and renewable project proponents can adopt a similar approach to ensure a strategic, top-down approach to facilitate best practice and meaningful community engagement.

Recommendation 1: that the AEMC consider in its rule change to 5.10.2, requiring all TNSPs and generators to implement a Community Engagement Strategic Plan to outline its principles in meeting the engagement requirements under the proposed 'community engagement expectations'.

Driving a long-term engagement culture

In my recent response to the AEMC preferred rule change, I commended the AEMC for recognising the importance of ongoing, continuous relationship building in community engagement. Electricity transmission projects are large and complex in nature, and can have



major economic, social and environmental impacts on the community and stakeholders. Furthermore, the regulatory investment test for transmission (RIT-T) is technical and complex, making it difficult for everyday customers to participate in the determination process.

To facilitate meaningful and ongoing engagement, TNSPs and generators should be encouraged to establish place-based community consultative committees, a mechanism similar to the planning approval process, to ensure a fair representation of the local community and stakeholder groups and long-term working relationships at all stages of the project.

Place-based community consultation committees are not a decision-making or regulatory body but perform an advisory and consultative role. Establishing a place-based community consultation committee for large infrastructure projects has many proven benefits, drawing on the local communities' rich history and expertise.

Community consultation committees can ensure that the community and stakeholder groups are:

- kept informed of the status of projects, new initiatives, and the performance of proponents from a single source of truth
- consulted on the entire lifecycle of the project on a regular, ongoing basis
- able to provide feedback on key issues that may arise during the planning, development, implementation and operation of the project
- playing a more active, structured role in ensuring proponents engage with the community and stakeholder groups regularly and continuously.

Recommendation 2: that the AEIC formalise the mechanism of place-based community consultation committees for transmission and generation proponents, or expand the AER's CCP and CCG functions as a vehicle, to achieve 'community engagement expectations'.

Considering the cumulative impact and a precinct development approach

Australian states and territories have set up renewable energy zones (REZs) to fast-track the generation and connection to renewable energy sources. While the establishment of REZs will bring jobs, opportunities, better infrastructure and new economies to vitalise regional Australia, it also means an intensive period of construction, disruption and rapid changes to the regional landscapes.

The current community opposition may stem from several reasons, including political, social, environmental and economic concerns. However, there is a legitimate concern about the cumulative impact caused by the volume of renewable and transmission projects in highly concentrated REZs.

The Next Generation Engagement Program at the Institute for Infrastructure in Society of Australian National University found that stakeholder and community pressure has been one of the top three most influential factors contributing to project delays for the past five years (2017-22). Participants in its Annual state of infrastructure and engagement survey also identified cumulative impact as one of the cross-cutting trends shaping the next generation of community engagement. Community fear of cumulative impact may affect their acceptance of a project in terms of:



- when and how they are engaged, how holistic the information they are presented with
- the capacity and means for communities to participate directly in meaningful engagement due to engagement fatigues
- the lived experience of a period of intensive infrastructure development, in which a disjointed engagement approach from project to project may result in low-quality engagement outcomes
- matters of intergenerational impact, history and cultural heritage are not addressed at a precinct level.

Effective and successful engagement with landholders, community members and neighbours, local councils, First Nations communities and environment groups can be better facilitated by adopting a precinct development approach. This means a project-specific environmental impact statement (EIS), social impact assessment (SIA), and community benefit sharing mechanism must be prepared considering other projects within the precinct. The approach will provide communities and project proponents with an overarching view of the cumulative impact, project dependencies, and maximise the community benefit sharing scheme to create a long-term legacy.

Recommendation 3: that the AEIC adopt a precinct development approach for REZs (and other renewable project-concentrated areas) and provide strategic guidelines on community engagement requirements to address the cumulative impact, encompassing social, economic, cultural, environmental and First Nations knowledge and factors.

Leverage the role of local government

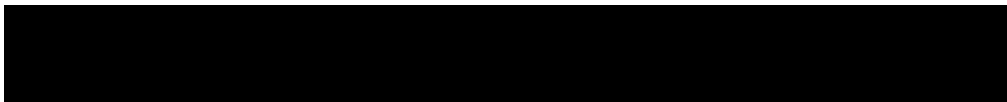
As the third tier of government, local government ensures communities and businesses thrive as smoothly and efficiently as possible in its local government area (LGA). Local government works closely with their residents, making important decisions that significantly impact people's daily lives.

From the roads and footpaths we walk on to the household waste they collect and the open spaces, recreational facilities and sports fields we visit, councils provide a wide range of services, manage public assets, and already have relationships with local communities.

There are 128 councils in NSW, for instance, and these councils run well-established community interest groups, local history groups, bushcare and environmental groups and business support teams. Local councils also constantly listen to their constituents via community consultation channels, ensuring community and stakeholder needs are reflected in the decision-making process.

Renewable and transmission project proponents should respect the role of the local council, and proactively invest in, learn from and partner with local councils to carry out community engagement for their projects. This will leverage the existing trust between the council, residents and businesses, improving engagement efficiency and participation, and reducing duplication and potential engagement fatigue by establishing ad-hoc relationships with each project.

Recommendation 4: that renewable and transmission project proponents acknowledge the role of the local council, and proactively invest in, learn from



and partner with local councils to carry out community engagement for their projects.

Meaningful community engagement enhances project assurance, reduces potential cost overrun and facilitates mutually beneficial outcomes for project proponents and local communities, while ensuring the timely delivery of major transmission and large renewable projects.

I thank the AEIC for the opportunity to provide feedback on the Review of community engagement practices. If you have any queries or want further clarification concerning this submission, please do not hesitate to contact me on [REDACTED]

Yours sincerely,

[REDACTED]

Appendix – background of author

[REDACTED] is a leader in community engagement with 18 years of experience in both the public and private sectors across energy, utilities, transport and government, building social licence, community trust and a more inclusive decision-making process.

[REDACTED] currently heads the regional engagement team at [REDACTED] which supports community and stakeholder engagement for over 400 infrastructure projects per annum, from planning to design, delivery and facility maintenance. The team includes more than 40 [REDACTED]

[REDACTED] He holds a Bachelor of Social Science and a Master of International Law and Public Policy from Macquarie University, specialising in energy and climate policy.

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