

1 October 2023

Andrew Dyer
Commissioner
Australian Energy Infrastructure Commission (AEIC)
Via electronic lodgement

Dear Mr Dyer

RE: AEIC's Community Engagement Review

AusNet welcomes the opportunity to make this submission in response to the AEIC's 'Community Engagement Review' ('the Discussion Paper').

AusNet is the largest diversified energy network business in Victoria with over \$11 billion of regulated and contracted assets. It owns and operates three core regulated networks: electricity distribution, gas distribution and the state-wide electricity transmission network, as well as a significant portfolio of contracted energy infrastructure. It also owns and operates energy and technical services businesses (which trade under the name "Mondo").

AusNet supports this review by AEIC and the Commonwealth. As the primary Victorian transmission operator, we are very aware of the impact of energy infrastructure on individuals and communities who value their land and way of life, along with the criticality of timely build of this same infrastructure to achieve supply security and decarbonisation for all customers.

In brief, we see three areas to improve community engagement in the development of energy infrastructure:

- (1) Clarity and input for communities into policies and early planning that set constraints and considerations of how future energy infrastructure should be identified and developed;
- (2) Addressing procedural fairness, and its perception by communities, of the infrastructure development process undertaken by regulated network operators or jurisdictional planning bodies; and
- (3) Improving equity of the energy transition through 'benefit-sharing' for communities expected to host the new infrastructure.

Clarity and input from communities into policies for approvals, and early planning investigations

Strategic 'land-use' assessment requirement

AusNet supports strategic land-use assessment by transmission planning bodies over likely regions as an important first step where future development may be needed prior to developing project options. This should identify competing 'land-use' by communities as constraint considerations (environmental, social, cultural heritage) on energy infrastructure options, and factors affecting cost-benefits (renewable resource richness, generation interest, existing network presence, broader 'identified system needs', etc).

The value of this work is threefold in respect of decisions over areas to be considered for future project investigations. It allows community input of their local values, priorities, and concerns; improves assessment of benefit-risk trade-offs on such decisions by the planner; and informs future community engagement, should investigations commence.

Investment in early works and corresponding funding

Where project investigations are identified, AusNet supports bringing forward early works, and associated funding, ahead of formal regulatory or planning approval, to ensure investigations properly account for a holistic set of

factors (including local community concerns and issues) that will need to be addressed. We acknowledge existing AEMC and jurisdictional reforms in progress to action this.

For communities, investing in early works enables the planner to provide better information on the benefits, costs and risks of options, and an opportunity to explore mitigation or alternatives in their local context.

Awareness of planning policy settings

While transmission planning bodies are accountable to develop the project design and route, the final decision on design, route and cost is governed through requirements set by external bodies – the Australian Energy Regulator on cost; the relevant Planning Departments undertaking assessments and approvals on route (and to a lesser extent, design and standards); Energy Safety Victoria on safety (in Victoria); and state jurisdictions (on other areas like social procurement, benefit-sharing, compensation, etc).

For communities, AusNet supports developing greater awareness of the planning considerations framework and settings. This is an initial step, but allows communities (and interest groups) to participate in a wider informed debate on current policy settings, and implications on timely, efficient and equitable development.

Addressing procedural fairness, and perception of same, by community

Engagement Practice Guidelines

While final design and route outcomes of specific projects are subject to broader considerations for all communities and customers, we acknowledge all stakeholders, in particular host communities, landholders and Traditional Owners, expect procedural fairness from transmission operators in way they are engaged through the project development process.

Given this, AusNet supports the use of guidelines that set industry standards of behaviour and process over engagement, design and build. This includes, where relevant, aligning practice and expectations across all proponents – transmission and generation developers.

AusNet and other transmission providers have established a Better Practice ‘Social Licence’ Guideline with The Energy Charter, and in consultation with key representatives from agricultural landholders, community groups and your Office. The Guideline covers expectations on a variety of issues relevant to host communities and stakeholders – including engagement, route planning, design, access, compensation, biosecurity, benefit sharing, etc.

AusNet and industry have committed to reporting back on practice improvements to communities and stakeholders as part of this guideline.

Land Liaison Officer training

The ability to deliver procedural fairness in a project, and operationalising the above standards, requires experienced and competent persons to engage with communities. The Land Liaison Officer is one critical role.

To support extensive resource requirements for the energy transition and its criticality, AusNet supports investment in structured training, formal accreditation and recruitment in this key role – with consistency between States to allow for cross-jurisdictional working. It is well recognised that poor early engagement significantly erodes community trust and willingness to participate in future development processes and decision-making.

Improving awareness of energy infrastructure impact and mitigation

Procedural fairness also requires communities and stakeholders being appropriately informed and resourced to participate in a project development process.

AusNet supports building awareness of impacts of energy infrastructure, and mitigation options, through credible independent process and sources, for communities and stakeholders at industry-level. While materials on key topics (e.g. biosecurity, undergrounding, bushfire, farming, compensation and benefit payments, etc.) have been developed by transmission proponents, there is value in industry collaborating with communities and relevant

interest groups to develop credible sources of such information. We acknowledge one such collaboration is in progress with Energy Charter, community and interest groups, jurisdictions and your Office on 'evaluating transmission undergrounding'.

AusNet also supports funding or financial support, for example through relevant local government bodies, for communities to engage in consultation processes – either by being a local source of credible information or in an advisory capacity.

Given potential complexity of the consultation process, we are aware that landholders or community groups may have limited skills or capacity to engage effectively and at the right time, including suffering from consultation fatigue. While AusNet's engagement teams work to simplify engagements and assist with relevant information, we recognise an independent resource, with knowledge of local context and consultation process, may be preferred to help address their concerns or queries.

Proponents may also support landowners through the process. For example, AusNet provides financial support for affected landowners to access professional advice.

Improving equity of transition through benefit payments and benefit sharing

AusNet recommends national consistency and certainty over a 'benefit payments' approach taken across jurisdictions, especially where this involves financial payments to different groups. For transmission projects, the balance of additional investment in benefit payments, with implications on project cost, is a policy question for jurisdictions. Otherwise, benefit-sharing should be distinguished from compensation, which is to rightly account for loss or impact to affected landholders – whether hosting or neighbouring.

In principle, we agree that benefits should be place-based, hyper-localised and focus on 'legacy' outcomes for the hosting communities and Traditional Owners. Benefits sharing, in our view, extends to considering the potential of transmission projects to deliver 'legacy' impact – through local procurement, jobs, new skills training, and improvements to local infrastructure through the design and delivery of a project.

For example, AusNet's Western Renewables Link (WRL) project is exploring a number of benefit sharing opportunities including:

- **Partnering with Local Government, NBN Co and telecommunications providers to explore project opportunities for stand alone power systems in communities that are at high risk of natural disasters such as fire, flood and wind storms.**

AusNet has offered to facilitate the development of a funding application to the Federal Government's Disaster Resilience Funding Program with the intention of building stand alone power grids that can keep telecommunications infrastructure and key relief and recovery centres operational when the power distribution network goes down in an emergency. Through AusNet's investment in local resources and partnerships in the WRL project area, disaster prone locations have been easy to identify and local government has willingly come on board to consider opportunities.

- **Developing a careers and jobs guide.**

The guide will support the regional community and business sector to understand both the volume of employment, and the specific jobs and skills that will be required for the delivery of transmission infrastructure. The guide will help in understanding the local employment opportunities that will be created through WRL construction, while also touching on the career pathways across the transmission and renewables industries that are being activated from Australia's energy transition.

- **Exploring local contractor education.**

Construction of WRL will result in significant opportunities for local contractors within the project area. AusNet has been in discussions with State and Local Governments about rolling out education sessions for local contractors on what to expect when project contractors go to market. The intent is to support local contractors to be able to submit for tenders and meet the requirements of a Tier 1 builder. The benefit of the education sessions is that the knowledge and learning can then be applied to other major construction projects that come through the region, generating ongoing uplift for local businesses beyond the delivery of WRL.

On design, governance and funding administration of community benefit-sharing programs, AusNet strongly supports that they be informed and directed by affected communities– while assisted by state jurisdiction and relevant proponents. Communities are best-placed, with support, to decide on their local needs, appropriate investments and distributional fairness of allocation – in contrast to external bodies, agencies or proponents. AusNet’s WRL project is adopting this approach with the benefit sharing scheme for its hosting communities.

If you have any questions regarding this submission, you can contact Jack San by email at jack.san@ausnetservices.com.au.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jon D'Sylva', with a long horizontal stroke extending to the right.

Jon D'Sylva
Chief Development Officer
AusNet