AUSTRALIAN CONSERVATION FOUNDATION

1 OCTOBER 2023

Submission to the AEIC Community Engagement Review

Delivering for nature, communities, landholders and traditional owners through Australia's energy transformation.

Recommendations:

Recommendation 1: *Federal, State and Local Government to build a national- state- and local-level integrated national community campaign to communicate the benefits of the transformation, supporting guidance for best practice, science-based information on impacts, benefits and regeneration.*

Recommendation 2: *Federal and state governments fund place-based community power hubs, providing support for community literacy to build knowledge, support and participation in the energy transformation.*

Recommendation 3: *Federal and State governments to work with developers, community, nature and climate organisations and other stakeholders to aggregate and develop best practice guidance on community engagement and investigate options to strengthen oversight, including developing transparent and accessible frameworks for monitoring and review. Best practice should align with the future Community Engagement and Participation Standard of the Environmental Protection and Biodiversity Conservation Act.*

Recommendation 4: *Federal and State governments to work with developers, community, nature and climate organisations and other stakeholders to leverage existing community benefit guidance, to expand guidance where appropriate to broader community development and non-monetary benefits for the broader community through co-design, engagement and needs analysis.*

Recommendation 5: *State and federal governments work with stakeholders, nature organisations and local government to develop and provide guidance, funding and coordination for regional planning.*

Recommendation 6: *State and Federal governments should prioritise and fund the development of publicly available and accessible state and national-level strategic land use and marine spatial mapping.*

Recommendation 7: *Require developers use the Best Practice Principles for Clean Energy Projects developed by the First Nations Clean Energy Network to ensure Free, prior and informed consent of Traditional Custodians should be attained, and First Nations Peoples should benefit from developments on their Country.*

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Introduction

The Australian Conservation Foundation (ACF) welcomes the opportunity to comment on Australian Energy Infrastructure Commissioner (AEIC) led Community Engagement Review. The Review aims to consider community attitudes towards renewable energy infrastructure and provide advice on the best way to maximise community engagement and benefit in planning, developing and operating renewable energy infrastructure. Communities and nature are facing real and significant impacts from both the energy transformation and the impacts of climate change. Done well, these impacts are positive and regenerative, but some poor practice has led to poor outcomes.

ACF is Australia's national environment organisation. We are over 500,000 people who speak out for the air we breathe, the water we drink, and the places and wildlife we love. We are proudly independent, non-partisan and funded by donations from our community. ACF understands Australia and the world face an unprecedented climate and mass extinction crisis caused first and foremost by digging up and burning fossil fuels like coal, oil, and gas. We also note that poor development practice means unnecessary damage to nature, and the loss of trust with landholders and communities. While we need a significant build of new clean and renewable energy, and the transmission to allow it, this can and should be done without damaging natural areas. We do however acknowledge that this also a race against time to ensure we have security of supply in place well ahead of the announced closure dates for significant coal-fired assets.

The transformation required of our energy system to reach our climate targets, and to protect and enhance nature, does not yet have social license or deep support from the broader community in terms of its need, potential impacts, or community development opportunities for communities. This is not just about poor community engagement at the project level, but what can be done across the energy sector and across communities. New thinking is needed from both the government and the renewable energy sector to encourage the trust and understanding of all Australians in the transformation.

Renewable energy and its associated infrastructure, if done well, offers the opportunity of both a regenerative development pathway, reducing the climate changing emissions, and supporting communities in benefitting from the transformation. This however, requires significant planning, best practice community engagement, and this needs to be prioritised to reach 2030 and 2035 emission reduction and renewable energy targets.

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Community Engagement and Benefit

Integrated Community Education and Engagement

> ***Recommendation 1:*** *Federal, State and Local Government to build a national- state- and local-level integrated national community campaign to communicate the benefits of the transformation, supporting guidance for best practice, science-based information on impacts, benefits and regeneration.*

Poor engagement, development and practice, leading to some poor outcomes, has led to a perception of renewable energy leading to adverse social and environmental impacts, and this has been leveraged by some parts of the media and anti-renewable proponents. Engaging communities means not just including them in the process, and that this should occur early, but should also support communities to understand the need, the size and the benefits of the transformation. Communities should understand, that if done well, there will be minimal impacts, can be nature positive and can lead to significant community benefits, including employment and supporting industry, community benefit sharing and cheaper electricity.

Communities, businesses, households and individuals have their own lives, interests and priorities, and shouldn't have to be relied on or be expected to seek out truth from a range of organisations with differing agendas and interests, to ensure we have a fair and just energy transformation. Nor should businesses, households and individuals feel the energy transformation is being thrust upon them against their wishes or left with the perception that there will only be negative impacts.

Some of the information is quite technical in nature and needs to be clearly communicated. While new market rules (see *Benefit Sharing* section below) set expectations for Transmission Network Service Providers (TNSPs), much of this could be streamlined and systemised outside of the project level planning framework through a community wide education and engagement campaign, similar to as has occurred for efficient water use, cancer awareness and drink driving in the past. This would allow to occur earlier, provide materials for the public, build confidence in the public and potentially ease the work and duplication on TNSPs.

Governments and stakeholders, including developers and nature and climate organisations, need to create an environment of trust in the Australian community by telling a compelling energy transformation story. This includes understanding the need for the transformation to reduce emissions and maintain energy security and reliability, as well as the potential positive impacts, including protecting and regenerating nature, employment and community development opportunities, and benefit sharing. This needs to occur at multiple levels, including at the project level throughout the development process, across impacted communities, and more importantly as a concerted effort across the whole Australian community.

There is also scope for a government entity, such as the CSIRO or the Energy Performance Agency supported my several submissions to the National Energy Performance Strategy,[1] to partner with civil society, community energy groups, industry and government to produce clear, publicly accessible information including videos, factsheets, workshops, training and undertake outreach to share these resources. This could be scaled through the community power hubs proposed later in this submission, which are increasingly supported by a range of community, not for profit and academic organisations.

Community Power Hubs

Recommendation 2: *Federal and state governments fund place-based community power hubs, providing support for community literacy to build knowledge, support and participation in the energy transformation.*

ACF understands that energy transition brings with it significant opportunities and challenges for local communities. Communities need support in the form of trusted education and information so that they can actively participate in shaping and benefitting from the energy transformation happening in their region.

The complexity of our energy system makes it difficult for everyday Australians to navigate change associated with the transition to renewable energy. If communities, businesses, households and individuals do wish to engage, they need a trusted, reliable source of clear information about the transition to renewables.

ACF has long supported place-based community energy hubs that provide independent, high-quality, relevant information to communities - from home and farm energy efficiency and electrification to large scale projects. In terms of the large-scale renewable energy and transmission projects required for the energy transformation, Community Power Hubs, could play the role of broker between communities and developers, enabling deeper community engagement, facilitate collaboration and co-design with community and local councils, ensure projects are ones that the community supports, is appropriate and the community can invest in or even benefit from financially. Supporting community engagement in such a coordinated manner will reduce over consultation and community fatigue. This type of approach is needed to grow social licence in the renewable energy sector in regional areas.

Best Practice Guidance

Recommendation 3: *Federal and State governments to work with developers, community, nature and climate organisations and other stakeholders to aggregate and develop best practice guidance on community engagement and investigate*

[1] https://consult.dcceew.gov.au/neps-consultation-paper/survey/list

options to strengthen oversight, including developing transparent and accessible frameworks for monitoring and review. Best practice should align with the future Community Engagement and Participation Standard of the Environmental Protection and Biodiversity Conservation Act.

A lot of work has been done to understand what good planning frameworks look like, including guidance developed in Australia and overseas to ensure best practice in community engagement and benefit sharing for example, but Australia's planning and environment laws are still failing communities and nature.

While several best practice guides have been developed, they are voluntary, they require teeth through frameworks or regulation to ensure that the broader impacts of clean energy development on people and nature are considered and improved. Current oversight of community engagement implementation and delivery is not strong enough, with practice dependent on the proponent.

Like any development, renewable energy and its associated infrastructure can be done well or poorly. Australia needs to strengthen our planning frameworks to ensure adequate and early community engagement and that renewable energy projects are built in the right places.

When communities are effectively engaged in Australia's energy transformation, we will see better and fairer outcomes. Communities should be able to understand how they benefit from the energy transformation, including from renewable energy, critical minerals and transmission building, particularly local communities or affected communities, as well as how they themselves can be agents of the transformation. There is a strong need for developers and local, state and federal governments to commit to fully raising the bar on community engagement, across the entire community, as well as directly affected communities.

ACF's expects developers of energy, transmission, mining and related projects to set the highest standards for project development including:

- taking every effort to avoid and minimise environmental impacts, social impacts including visual, noise, radio and television interference and local transport impacts;
- showing leadership by delivering climate, clean energy and environmental, as well as social and economic benefits to affected and local communities and First Nations Peoples;
- seeking Free, Prior and Informed Consent from Traditional Custodians.

We expect the same high standards for environmental protection for all energy development, including renewable energy, to build community trust and confidence in the regulatory system. This includes the highest standards of community participation and engagement being applied across the development, construction, operation and decommissioning of energy projects. Where possible, projects should support local communities, services and jobs and provide benefits such as reliable, affordable energy,

and fair compensation should be paid to affected communities. Further, compliance should not fall to individuals or community organisations.

Consequently, there is a need for strong standards, transparent oversight, frameworks and direction for community engagement to ensure best practices are adhered to across renewable energy generation and transmission projects. Community engagement standards should also align with the future Community Engagement and Participation Standard of the Environmental Protection and Biodiversity Conservation Act, including strengthening third-party enforcement provisions, an important accountability measure enabling community members to enforce breaches of the new laws. ACF supports the introduction of a limited form of 'merits review' for decisions under the EPBC Act. Merits review allows for an independent examination of decisions and is a safeguard against corruption.

ACF understands that Minister Bowen submitted an AEMC rule change request to enhance engagement, reflecting recommendations made by the Commission in the Transmission planning and investment review Stage 2 final report, expanding who they must engage with, including local councils, impacted communities and broader community.[2] The request requires that TNSPs consult with local communities during the RIT-T process, i.e. that engagement occurs earlier as part of preparatory activities, and targets communities who are reasonably expected to be affected by the development of actionable Integrated System Plan (ISP) projects, future ISP projects, or projects within a Renewable Energy Zone (REZ) stage, including local landowners, local council, local community members, traditional owners, local community members, members of the public and any other relevant stakeholders.

The request also requires TNSPs to comply with a set of 'Community Engagement Expectations' so that stakeholders receive clear communication and have the chance to respond, and that it should be tailored to stakeholders. AEMC is to consider this through a fast-track process to have it in place by the end of the year. While ACF supports this rule change and its intent, we do however make the caveat that fast tracking should not come at the expense of due process.

We also acknowledge the role of the AEMO Advisory Council on Social Licence,[3] but their process requires significant contribution from the advocate community who need to maintain currency with ISP related publications and processes. Jurisdictions may need to be supported in different ways – with some states providing greater consumer advocacy resources (but all are limited).

[2] https://www.aemc.gov.au/rule-changes/enhancing-community-engagement-transmission-building
[3] https://aemo.com.au/consultations/industry-forums-and-working-groups/list-of-industry-forums-and-working-groups/social-licence-advisory-council

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Benefit Sharing

> ***Recommendation 4:*** *Federal and State governments to work with developers, community, nature and climate organisations and other stakeholders to leverage existing community benefit guidance, to expand guidance where appropriate to broader community development and non-monetary benefits for the broader community through co-design, engagement and needs analysis.*

ACF supports benefit sharing to both landholders and affected communities. The highest standards of community participation and engagement should apply across the development, construction, operation and decommissioning of energy projects. Where possible, projects should support local communities, services and jobs and provide benefits such as reliable, affordable energy, and fair compensation should be paid to affected communities.

There are examples of significant payments of $200,000/km (Vic and NSW) or $300,000/km (QLD) to landholders over 20-25 years and adjacent communities for transmission lines. Not all states are offered this opportunity, leaving some landholders worse off. Annualised payments create value to the property, where one off payments, such as in Tasmania can create a barrier. There may also be opportunities for other community benefits, such as developers supporting sports clubs, or completing nature regeneration projects.

There is also a need to look at community as a whole, not just targeting landholders. ACF has received feedback from community members that they feel excluded from engagement and the benefits sharing.

There are benefits besides direct payments that allow developers to contribute to the communities in which they operate, that will also build social licence. Benefit sharing need not be just about monetizing benefits and compensation for landholders, but ensuring the entire community shares and benefits from the energy transformation. This can be through community development initiatives, supporting local organisations through training and capacity building, co-ownership and co-design, neighbourhood improvements.

Targeting the benefit sharing initiatives requires engagement and needs assessment to understand the needs of the whole community, both as a result of the developments impacts, or pre-existing needs. This can be done with community members, employers and local government.

Some known impacts of development, for example, include stresses on local infrastructure such as roads, telecommunications, internet, sewage, water supplies, and accommodation during peak construction as workers fly into the region, including increased rental and property costs in this time of a housing affordability crisis. Developers and governments could build their own infrastructure and housing (short term and long term), prioritise local employment, moving headquarters to town (which

was a condition for some ACT reverse auctions)[4], and undertake work programs to support the communities they're building in.

Regional Planning

Recommendation 5: *State and federal governments work with stakeholders, nature organisations and local government to develop and provide guidance, funding and coordination for regional planning.*

Renewable energy infrastructure should minimise the need to develop undisturbed natural areas and high-value agricultural land, and support the regeneration and co-existence with nature and existing land-uses. It is more efficient, quicker and effective taking some of these issues out of the project level planning and development, which also de-risks the energy transformation, such as through regional planning. Regional planning (and mapping) can inform multiple projects in the same regions and support planning agencies and project developers in understanding local issues. Regional planning can identify areas where ecosystems are already disturbed and ensure careful siting of REZs can ensure, as much as possible. Regional planning will also help avoid placing infrastructure in areas at risk of climate damage through for example sea-level rise, flooding or fire.

Many regional communities that are expected to be affected by the energy transmission, however, do not have the resources to develop and fund regional plans. These plans will identify and address impacts and maximise opportunities from renewable energy and transmission development. Federal and state funding for regional planning must support communities to prepare for and mitigate challenges as well as be in a position to best utilise the opportunities that the energy transformation brings.

There is a need for strong regional planning that protects and enhances nature and community impacts accelerating approvals before 2027 and therefore before the outcomes of the Environmental Protection and Biodiversity Conservation Act (EPBC) will be realised. Planning should not be fast tracked at the expense of nature and communities. Communities impacted by Renewable Energy Zones (REZs) for example, where there are multiple projects concentrated in one region, there needs to be better ways to address, minimise and manage the cumulative impacts of multiple developments as well as opportunities to create cumulative benefits.

[4] https://www.parliament.act.gov.au/__data/assets/pdf_file/0018/2027214/ECCB-Report-4-Inquiry-into-renewable-energy-innovation-in-the-ACT.pdf

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Nature Protection

Recommendation 6: *State and Federal governments should prioritise and fund the development of publicly available and accessible state and national-level strategic land use and marine spatial mapping.*

We cannot address climate change through destroying nature. Australia is home to incredible places and wildlife found nowhere else on Earth. Nature underpins our lives, our health, our climate and our economy. It's the air we breathe, the water we drink, the food we eat and the places we escape to. But nature in Australia is in trouble – and so are we.

Australia also needs to transform our polluting energy system to run on zero carbon renewable energy, aligned to a safe climate goal of limiting warming to 1.5C, and follow good planning frameworks and development practice to act on climate change, and protect the Earth's biodiversity and our way of life.

ACF understands that a significant driver of biodiversity loss and the nature crisis is how we use land and sea and exploit natural resources, including converting land cover such as forests, wetlands and other natural habitats for agricultural and urban uses through poor development practice, whether that be fossil fuels, roads, or town planning. A second significant driver is climate change, leading to ecosystem and habitat destruction and species loss.[5,6,7] Furthermore, through the Intergovernmental Panel on Climate Change (IPCC), it is becoming increasingly clear that dangerous climate change and extreme events are increasingly impacting nature and people's lives everywhere.

Australia needs energy that is good for nature and people. The build must be sited so that it does not harm nature and should deliver benefits for nature and people. The social, cultural, economic and environmental values of traditional owners and local communities, including their sense of place, need to be preserved.

Mapping

Regional Planning needs investment to identify and map environmental values that should be used to guide the development of renewable energy infrastructure, including identifying no go areas, to minimise impacts on and carefully consider, reducing project risk in later stages of development, as well as identifying best sites for deployment. This must include strategic land use and marine spatial

[5] https://www.ipbes.net/sites/default/files/ipbes_7_10_add.1_en_1.pdf
[6] https://www.unep.org/news-and-stories/story/five-drivers-nature-crisis
[7] https://www.theguardian.com/environment/2021/oct/14/five-biggest-threats-natural-world-how-we-can-stop-them-aoe

mapping (for offshore wind zones) and completed in consultation with communities to identify the relationship communities have with their local area, as already occurs in the Victorian Transmission Investment Framework.[8]

Both developers and communities need access to such mapping, so that communities get to see the same set of data as the proponent. The community power hums mentioned earlier can provide training to communities where needed to ensure potential co-benefits are understood and realised.

First Nations

Recommendation 7: *Require developers use the Best Practice Principles for Clean Energy Projects developed by the First Nations Clean Energy Network to ensure Free, Prior and Informed Consent of Traditional Custodians should be attained, and First Nations Peoples should benefit from developments on their Country.*

There is a strong need to embed and enable First Nations justice in the energy transformation. Free, Prior and Informed Consent of Traditional Custodians should be attained, and First Nations Peoples should benefit from developments on their Country. Furthermore, the lived experience of many First Nations Peoples includes energy poverty, being excluded from access to renewable energy, living in poor quality energy inefficient homes, including poor health and medicines being denatured. They also report not receiving benefits from projects on their own lands. These experiences can be addressed through inviting and building their capability, capacity, power and knowledge to engage through significant improvements in community engagement and benefit sharing by project developers. Making use of sincere co-design and co-ownership through that engagement will also provide community development, self-determination, and business and employment opportunities.

Consent should be attained (or denied) and First Nations People should benefit from energy projects on their Country. First Nations People should benefit from energy projects on their Country, whether onshore or offshore (on sea country). ACF supports the principles outlined in the Best Practice Principles for Clean Energy Projects[9] by the First Nations Clean Energy Network as well as the rights to Free, Prior and Informed Consent as outlined in the UN declaration on the Rights of Indigenous Peoples.[10] The *Best Practice Principles for Clean Energy Projects* include the following 10 principles:

1. Engage respectfully.
2. Prioritise clear, accessible and accurate information.

[8] https://engage.vic.gov.au/victorian-transmission-investment-framework
[9] https://www.firstnationscleanenergy.org.au/network_guides
[10] https://en.unesco.org/indigenous-peoples/undrip

3. Ensure cultural heritage is preserved and protected.
4. Protect country and environment.
5. Be a good neighbour.
6. Ensure economic benefits are shared.
7. Provide social benefits for community.
8. Embed land stewardship.
9. Ensure cultural competency.
10. Implement, monitor and report back.

First Nations Clean Energy Strategy

The First Nations Clean Energy Strategy[11] is a key priority under the National Energy Transformation Partnership and a commitment of Commonwealth and state and territory governments. The strategy aims to understand First Nation perspectives on renewable energy policies and programs.

Embedding the First Nations Clean Energy Strategy into policy frameworks is needed to ensure energy security for First Nations communities, and to build respectful and collaborative partnerships with Aboriginal and Torres Strait Islander people. This requires direct effort to enable and build the rights, power, capacity, knowledge, benefits and participation.

Transmission

The history of engagement of TNSPs has been poor, as evidenced by community resistance. rule changes with AEMC

National Energy Transformation (NETP)

The Partnership, agreed to by Commonwealth, State and Territory Energy Ministers, is a framework for national alignment and cooperative action by governments to support the smooth transformation of Australia's energy sector. The partnership aims to address factors that can speed up project delivery. This includes addressing community needs and recognises the importance of unlocking key enablers needed to facilitate the energy transformation – including workforce planning, clean energy supply chains, social licence and engagement.

The NETP expects this will lead to:

[11] https://www.energy.gov.au/government-priorities/australias-energy-strategies-and-frameworks/national-energy-transformation-partnership/first-nations-clean-energy-strategy

- better guidance for landholders and communities about their rights and entitlements
- reforms for earlier and better community engagement
- proper handling of community concerns
- national social licence guidelines for transmission infrastructure

This however needs to be strongly communicated to be successful.

Landholder and community support

The land needed for major renewable energy, storage and transmission projects is unprecedented. Community engagement will be needed to ensure investments have an appropriate social licence. Transmission in particular is tricky for farmers who are more directly impacted as transmission lines pass through their lands. While strongly supporting transition to renewable energy, the Victorian Farmers Federation (VFF), for example, is advocating heavily against transmission,[12] arguably as a result of poor consultation in western Victoria. Both of the NSW and QLD branches of the Farmers Federation however are more supportive. They suggest that compensation is needed and note that concerns and support varies widely based on proportional impacts (greater on smaller farms in Tas/Vic); whether there's grazing or cropping (graziers more likely to consider the extra income stream and support RE/transmission if other things add up); and consultation.

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[12] https://www.vff.org.au/campaign/renewable-energy-and-transmission-development/