

To: The Australian Energy and Infrastructure Commissioner
RE: Community Engagement Review -September 2023

On behalf of the Community Power Agency, we thank you for the opportunity to provide feedback on the AEIC's Community Engagement Review.

Community Power Agency (CPA) is a not-for-profit organisation that works with a range of stakeholders to facilitate a faster and fairer transition to clean energy and reduced carbon emissions. We have staff working in three different state renewable energy zone (REZ) contexts, New South Wales, Victoria and Tasmania, respectively. CPA has been working with the renewables sector for over a decade to build capacity and improve practice around social licence building, community engagement, benefit sharing, co-investment and co-ownership models. We have authored industry guidelines for the Tasmanian, ACT and Victorian governments; along with other specialist publications for bodies such as the Clean Energy Council and the Institute of Sustainable Futures.

Our extensive expertise and on the ground insight tells us that engagement practices from developers vary greatly, as do the state government policy and regulatory contexts, and practices of the state bodies and corporations delivering the energy transition. While there have been some tangible efforts to genuinely improve engagement and community experience, there are still many areas for improvement. CPA supports rapid action to reduce emissions and address the climate crisis, but this must be done in an equitable and constructive way. Great community engagement will hasten the energy transition, not delay it. If done well, a shift towards a clean energy system could have profound benefits for all Australians. We welcome this timely inquiry into Community Engagement for the renewables sector.

Overview

The transition from a fossil fuel based energy system to a renewable one is characterised by a profound variation in the location of energy production, storage and transmission. Industrial heartlands, like the Hunter and Latrobe Valley's economies and industries are restructuring, while regional communities like those in the New England NSW are experiencing an influx of new energy infrastructure and developments. There are very real and legitimate concerns coming from regional and rural communities about the impacts of these developments and, more broadly, the uneven distribution of new infrastructure burden in the energy transition.

Underlying these concerns is a valid sense that the process of renewables roll-out, from the gazetting of renewable energy zones (REZ) to the identification of transmission line routes has not been transparent and genuine, lacking robust meaningful opportunities for community input. Good community engagement includes fair processes predicated on trusting relationships that deliver positive outcomes commensurate with impacts. Getting community engagement right is one part of the solution to a fairer and faster transition to renewables. To date the State jurisdiction that is leading better practice for REZ roll out community engagement and genuinely placing community at the centre of its design is Tasmania.

Doing community engagement well is not just the responsibility of the generation and transmission projects, it is also a fundamental expectation that the State Governments lead the way with best practices for REZ development too. Indeed, by modelling the on ground work needed for great community engagement, State Governments can actually create the foundational network of relationships that energy projects could utilise going forward. This is a real and tangible example of how the energy transition could be hastened with great community engagement.

Similarly, there is much talk about the cumulative impacts of renewables in regional communities. Already strained services, such as health, education, housing and the provision of utilities – alongside fragile ecosystems and landscapes – will be jeopardised under the pressure of large influxes of workers and developments. And yet, these cumulative impacts could easily be reframed as opportunities and benefits if a holistic approach to managing regional energy transition is applied. The energy transition is fundamentally a regional development opportunity; with greater coordination, learning and collaboration, positive changes with lasting benefits could be delivered to regional and rural communities.

What does best practice community engagement look like?

Good community engagement starts from organisations, businesses and bodies having a solid understanding of the community they wish to engage and building relationships over time. Knowing the social context, the local values and culture, and the communities' relationship to place, is crucial to designing meaningful engagement processes that are fit for purpose. Community engagement is essentially about relationship building; the fostering of a trusted relationship between a developer and a community. It comes from face to face engagement carried out by experienced practitioners in the local area over a sustained period of time using a variety of delivery methodologies (e.g. individual meetings, small focus groups, public events, drop ins etc).

Community dynamics are always shifting, and as such, community engagement approaches need to be adaptable, flexible and responsive to the local context. They should include a diversity of practices over the entire project period, ensuring ample input opportunities for the community, as well as consistent outputs (communications to inform on the project stage and status). To be done well, project teams will need to be locally staffed, particularly for community engagement teams to be able to leverage local knowledge, relationships and networks which are invaluable. The main aim of good community engagement is for the project to become a long-term part of the community, with the community deriving a sense of pride and ownership of the energy asset having contributed to its design and success.¹

The rest of this submission identifies six key themes that we see as vital ingredients to improving the practice of community engagement in the renewable energy transition.

They are as follows:

1. Telling the story: communication and information access
2. Community engagement and participation
3. First Nations Justice
4. Benefit sharing
5. Regional development, coordination and governance
6. Nature, biodiversity, land use and agriculture

¹ This is adapted from a report co-authored by CPA executive director, Jarra Hicks. Clean Energy Council, (2018). *ENHANCING POSITIVE SOCIAL OUTCOMES FROM WIND FARM DEVELOPMENT: Evaluating community engagement and benefit-sharing in Australia.*

For each theme, we lay out the context and offer up recommendations to enhance community engagement and outcomes.

These recommendations seek to answer the below guiding consultation 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?*

Telling the story: communication and information access

Context: A core driver of the current social climate around renewables and transmission is the lack of information on the ‘what, why and how’ of the energy transition. Misinformation is stoking the fires of fear and unrest in host regions; with some debates, like the ongoing prevalence of nuclear reactors as a viable alternative to renewables, getting mainstream attention. Debate in a democracy is healthy, but misinformation is dangerous and undermines the essence of democratic discussion. Fundamentally, a failure of communication caused by years of culture wars in Australian energy and climate politics has led us to this point. After a decade of Australians being told that renewables are bad and that EV’s will ruin your weekend’, we are asking regional Australians to ‘get on board’ with massive infrastructure projects to enable a clean energy transition at an incredible pace. We need to tell a compelling story of an energy transition that serves and benefits all Australians. This narrative building is a key starting point for getting community engagement right.

Recommendations

- Governments address misinformation about the energy transition by funding broad community awareness and education programs with trusted institutions about energy systems/ technologies and the need for energy transition .
- A practical example of such an initiative is the [Gippsland New Energy Portal](#) developed by the Gippsland Climate Change Network with funding and support from state government and councils.
- The federal government, with state governments, need to fund and resource local energy experts and initiatives to improve communications and access to information about all scales of the energy transition. This includes support and information on home energy efficiency, electrifying homes and businesses, to the larger scale projects like wind farms and offshore wind. People need to experience the benefits of energy transition tangibly.

Community engagement and participation

Context: Regional and rural communities are being asked to host large scale renewables, storage and transmission projects. In some cases this is the first time large developments are coming into a region in a generation. Engagement practices to date have been ad hoc, inconsistent and uncoordinated. This has led to weakened trust in both the sector and state governing bodies, and culminated in degraded social licence. Our experience shows that when communities are involved in energy projects or in decision making processes around energy infrastructure (from siting to developing community benefit programs) they are more open and favourable towards developments.

Recommendations

- For regions not yet declared as REZs, communities need to be informed and involved far earlier on in the process.
- Government agencies and corporations should have an established on-the-ground presence in each REZ with ideally low staff turnover to maintain relationships. Where possible teams should be made up of locals who understand the ins and outs of their community. The same goes for developer operations; where possible local teams add value to the project and local economy.
- Wider participation in the energy transition needs to be encouraged. In REZ regions this could include using deliberative forums or co-design methodologies to build collective understanding and legitimacy for developments. These approaches could be used by developers, transmission companies and government agencies alike.
- The community need not be involved in every design decision of a project, but what they can be involved in, let them be involved in and be transparent about how this fits together. We have seen great examples of projects starting co-design with a community on a few key elements. Then over time the capacity and knowledge of the community grows, ultimately leading to highly innovative and mutually beneficial outcomes across all sides.

First Nations Justice

Context: Many First Nations communities struggle with energy access with polluting diesel generators a norm in remote communities. Energy poverty is a daily reality for some First Nations communities yet the energy sector (and Australia, more broadly) has prospered through years of extraction from unceded First Nations lands. At the same time, the renewable energy transition

requires that many developments and projects be built on First Nations land. First Nations communities must therefore be partners and beneficiaries in the energy transition.

Recommendations

- Governments and industry must uphold First Nations rights to self-determination and free, prior and informed consent. Obtaining free, prior and informed First Nations' consent is essential if we're going to transition our energy system in the necessary timeframe equitably.
- Government and industry proponents adhere to the [First Nations Clean Energy Network Aboriginal and Torres Strait Islander Best Practice Principles](#) for Clean Energy Projects
10 principles:
 1. Engage respectfully
 2. Prioritise clear, accessible and accurate information
 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 communities to be engaged with as rights-holders and partners, not just stakeholders. This important reframing will enable a more meaningful relationship between government, industry and First Nations communities.
- Aboriginal land councils, traditional owner corporations and other First Nations organisations that will be engaged in the energy transition space, must be resourced, supported and empowered to deal with the increased demand on their time. In tangible terms this means governments funding LALCs (or similar) in REZs to employ community engagement staff to liaise with the government, developers and community.
- Governments to fund, support and implement findings from research into the development of cultural heritage protections for Sea Country in areas declared offshore wind zones.
- Example of engagement done well with First Nations people is the negotiated access to

a highly culturally significant grinding stone area of the Aniwan people through the New England solar project.

Benefit sharing

Context: We cannot separate great community engagement from great benefit sharing, the two go hand in hand to enable a swift and fair energy transition. Community benefit sharing programs are established to honour the concept that the sun and wind are shared common resources and host communities have the right to share in the monetisation and profits from them. Great benefit sharing aims to establish an authentic and ongoing relationship between a project and its host community so that the project can act as a good corporate citizen in a region and create lasting positive impact.

In a renewable energy zone (REZ) where multiple projects are being developed in a defined geographic area, it is imperative that community benefit is delivered strategically for both the immediate neighbourhood of the community hosting the asset and for the wider community experiencing the asset. Regional benefit sharing schemes can be employed to deliver strategic legacy projects that provide ongoing impact in regional communities by coordinating and pooling a portion of project benefit sharing funds.

Some rural and regional communities can see there is scope for their community to derive real last benefit from hosting renewables, but current approaches to benefit sharing do not adequately involve local stakeholders in devising what this entails. Additionally many parts of regional communities don't even know about the potential opportunities. In REZ areas or OSW zones aggregated benefit funds have the ability to reduce consultation fatigue and to deliver larger scale legacy benefits to a region.

Additionally, local governments must be central to the design of good benefit sharing programs to align strategically with the region's ambitions and practically be able to maintain any assets or outcomes from a benefit sharing program. Importantly local government contributions (eg voluntary planning agreements or infrastructure contributions) urgently need to be formalised. Cash poor regional council's are seeing potential benefit sharing funds as a source of revenue to deliver BAU Council services. This creates a dangerous situation of pitting the community against Council with proponents in the middle. The Victorian model of "Payment In Lieu of Rates" negates this issue with a clear revenue stream for Council and benefit sharing funding let to co-design with the community (with council as a key stakeholder ideally)

Recommendations

- Federal Government to work with the state governments to update and produce benefit sharing guidelines for developers working in: REZs, for storage, dispatch and transmission projects, and offshore wind (OSW) zones.
- Efforts need to be urgently made to establish the Victorian model of Payment in Lieu of Rates throughout the nation.
- These contexts are not business as usual renewable projects and benefit sharing approaches need to be redefined. They should however, reflect these key principles: appropriate, flexible, transparent, integrated (with the community), mutually beneficial and strategic².
- Community stakeholders need to be included in the design of any benefit sharing schemes. Identifying community needs should be done at the outset of a project and involve local stakeholders.
- It is recommended that state government departments and corporations overseeing the energy transition develop and support regional-scale deliberative processes to inform region-scale benefit sharing. A practical example in NSW would be the funds raised from REZ access fees that EnergyCo will be managing under the themes of workforce, accommodation and community benefit. The management of these funds must include robust engagement and a co-designed governance process that ensures these funds are best allocated where needed, and provide long term community benefit.
- Governance of benefit sharing schemes needs strong community representation. This can take the form of steering or reference groups made up of local people that are resourced and at minimum, compensated for their time.
- It is advised that any benefit sharing scheme, in particular community and regional scales, have monitoring and review processes embedded in their design to ensure that objectives are being met.
- Whilst the wind industry has over a decade of improving benefit sharing practises the transmission and large scale solar industry does have some ways to go. Support for sharing learnings between industries is needed for rapid improvement.

Regional development, coordination and governance

Context: The cumulative impacts of projects in REZ regions can not be understated. If not

² Lane, T and Hicks, J. (2019). *A Guide to Benefit Sharing Options for Renewable Energy Projects*. The Clean Energy Council.

managed in a coordinated way, large influxes of workers to a region will exacerbate already strained services and infrastructure. Specifically, housing, education services (from daycares and local schools through to TAFEs), utilities and town services (water supply, sewage, waste removal) and health services will be put under significant stress.

Communities require a coordinated approach to training, workforce capability building, procurement and accommodation strategies that is supportive of people of low socio-economic background and facilitates economic opportunity across the region. It is imperative that community engagement processes are designed to view local stakeholders as valuable contributors, and recognise the work that locally-based organisations are already undertaking.

A practice of co-design for regional development, coordination and governance would enable proponents to recognise various community-led initiatives to manage cumulative impacts and economic opportunities that are already active in a region, so that these initiatives can be better supported and resourced to play a significant role in shaping local futures and beneficial outcomes.

Recommendations

- Federally led resources need to be allocated to coordinate the many different organisations needed to turn what is currently an infrastructure construction project into a **regional development project**. Focussing on networking and hosting strategic discussion to bring the large number of organisations needed on the ground together, this role could be hosted through the RDA network or other Federal agency but with an emphasis on the staff being located locally.

Nature, biodiversity, land use and agriculture

Context: Our physical environment, nature and its biodiverse ecosystems need to be protected as we progress towards net zero emissions. There are environmental protection frameworks at both the federal and state level that are significant for renewable energy and transmission projects. Overarchingly, there is a critical need to ensure that the energy transition is not at the expense of nature and biodiversity and that this value is communicated effectively through great community engagement.

There are much publicised tensions between renewable and transmission projects and farming and agricultural land use. Many farming communities are concerned with how transmission lines

may impact their farming practices or how large-scale renewables might impair their traditional farming approaches. Currently farmers derive benefits from the renewables sector by hosting projects on their land and receiving funds in return, but they often have large energy bills, and/or irregular supply. There is opportunity for a much more mutually beneficial and enriching story to be told, whereby renewables and agriculture work collaboratively.

Recommendations

- Greater research, funding and policy attention towards ‘conservoltaic’ systems³ and agrivoltaic systems⁴, so that positive nature and farming outcomes can co-exist with renewable energy targets.
- Proponents avoid areas of high conservation value including remnant vegetation surrounding national parks and world-heritage areas.
- Proponents consult with communities early in project design to identify and accommodate regional environmental priorities and identify environmental enhancement opportunities.
- Planning authorities and coordinating government bodies need to work with developers on improving the mapping process of project locations to enable community members to better assess impacts.
- Engagement processes for projects and transmission need to utilise transparent visualisation methods; essentially, shared mapping activities that overlay the various land uses, priorities and considerations when making decisions about projects and transmission lines.
- These can also include opportunities for communities to share sites of emotional, cultural and local significance – details often obscured in desktop planning decision making processes.
- Some practical examples of such methodologies include the Tasmanian Government’s ‘Mapping Important Places’ platform that gathered input from the wider community via an online mapping portal to identify areas of importance in their REZ consultation. Community members could identify areas of visual significance or areas used for sport and recreation (among others),

³ Nordberg, E.J. & Schwarzkopf, L. (2023). *Developing conservoltaic systems to support biodiversity on solar farms*. *Austral Ecology*, 48, 643–649. Available from: <https://doi.org/10.1111/aec.13289>

⁴ <https://energyindustryreview.com/analysis/agrivoltaic-systems-a-promising-experience/>

- Similarly, VicGrid through its Victorian Transmission Infrastructure Framework have been utilising public, strategic land use assessments, whereby various social, cultural, environmental and agricultural land values are overlaid on on a map, and shared with the community to determine what land use impact should be considered in the siting of the project.

We thank you for your time and consideration of our suggestions and wish you all the best with the submission process.

Regards,
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