



**28 September 2023**

Australian Energy Market Commission  
Level 15  
60 Castlereagh Street  
Sydney NSW 2000

**RE: NFF submission on enhancing community engagement in transmission building**

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on the draft determination and more preferable draft rule that seeks to enhance transmission network service providers (TNSPs) engagement with communities to build and maintain social licence.

The NFF is the national peak body representing Australian farmers and agriculture. The NFF's membership comprises all of Australia's major agricultural commodities across the breadth and length of the sector.

The management of Australia's transition to renewable energy has significant implications for Australian agriculture. The Australian Energy Market Operator (AEMO) has mapped 10,000km of high-voltage transmission lines that will need to be built by 2030 to support Australia's clean energy transition. With many renewable energy zones already declared in regional and rural communities, transmission infrastructure is set to significantly traverse communities and prime agricultural land across the country. This raises serious and immediate concerns regarding social licence and how Australia can ensure a just and fair transition process.

The NFF seeks to ensure that transmission projects are placed in the landscape with proper, timely consultation, appropriate compensation or commercial consent and do not adversely impact existing land use. The agricultural sector will be a significant contributor to Australia's net zero ambitions, however the need for transmission infrastructure must be appropriately balanced with Australia's sustainable supply of food and fibre. To maintain Australia's domestic food security and important contribution to global food security, we must avoid adverse impacts on the long-term operation of prosperous farm businesses.

We understand as of 30 June 2023, the Australian Energy Infrastructure Commissioner has received approximately 170 complaints about proposed large-scale transmission projects. Community engagement was the third most common issue raised by complainants the across the total 891 complaints.

The NFF continues to hear serious and concerning reports that decisions on current transmission projects, particularly in Victoria, New South Wales and Tasmania, are unduly alienating impacted agricultural landowners due to inadequate and late engagement efforts. As an example, earlier this year AEMO Victoria Planning and TransGrid changed the preferred route in the VNI West project, which resulted in

new landholders being affected after the route selection consultation window had closed. This signalled to local landholders and communities that consultation efforts to date had been misleading if not entirely redundant. This type of behaviour from major project proponents supports the urgent need for mandatory best practice standards, as the sector now expects that fair and reasonable process will be dismissed when convenient to meet expedited project timelines.

The NFF strongly supports the draft rule which seeks to create greater consistency and clarity over TNSPs' community engagement obligations. These obligations outline requirements for TNSPs to engage with local communities and affected stakeholders, early in the transmission planning process.

We recognise the effort of the Hon Chris Bowen, Minister for Climate Change and Energy, in fast-tracking this process to reflect the urgency of the situation on the ground. The NFF urges the draft rule to be enacted as soon as possible, to ensure the overwhelming quantity of new transmission projects are held accountable to this bare minimum social licence expectation.

In terms of the rule content, the NFF strongly supports that TNSPs should be required to engage with stakeholders (including local landowners, local council, local community members and traditional owners) who are reasonably expected to be affected by: the development of the actionable ISP project; future ISP project; or project within a REZ stage; in accordance with the community engagement expectations.

We welcome the proposed definition of community engagement expectations in relation to actionable ISP projects, future ISP projects, or projects within a REZ stage (as applicable), to mean using reasonable endeavours to ensure that:

- (a) stakeholders receive information that is clear, accurate, relevant, timely and explains the rationale for the relevant project;
- (b) engagement materials and methods of communication are tailored to meet the needs of different stakeholders;
- (c) the stakeholders' role in the engagement process is clearly explained, including how their input will be taken into account;
- (d) stakeholders have sufficient opportunity to consider and respond to the information they receive;
- (e) stakeholder feedback, including potential ways to deliver community benefits, are considered;
- (f) stakeholders are informed about how stakeholder feedback has been taken into account in decision-making; and
- (g) stakeholders are provided the opportunity to be regularly involved throughout the actionable ISP projects, future ISP projects and REZ stages (as applicable).

As established above, industry's concerns will not be addressed by merely ensuring or increasing engagement. We need engagement to be sufficiently early in the planning process, ideally prior to proposed routes being established, and based upon on quality, clear, accessible information which addresses the specific concerns of affected stakeholders. In this definition, it should be mandatory that landowners are made aware of how to access complaint mechanisms.

Our understanding is the Australian Energy Regulator is developing social licence guidance to support TNSPs' compliance with this rule change. The NFF welcomes the opportunity to inform this guidance to ensure sector specific concerns are addressed through TNSPs' engagement and communication with agricultural landholders. The energy sector's continued failure to comply with social licence guidelines suggests this guidance must be binding in order to be effective.

Late and poor-quality engagement by transmission infrastructure project proponents is causing significant distress and anxiety in affected communities. Poor practice continues to attract national attention and has, understandably, prompted apprehension from farmers and their communities across the country. This negative perception will add a layer of difficulty for future project proponents to establish meaningful social licence within communities.

We understand the rule will not apply to transmission projects already underway. We urge AEMC and the government to consider any and all levers to encourage compliance by current project proponents with the draft rule, to avoid further unfairness to affected stakeholders and reputational damage to the transition process.

We want the agricultural sector to be partners in the transition to renewable energy. Increased, robust, early engagement will benefit landholders, communities and transmission projects alike. There is ample opportunity to balance costs for TNSPs, the preservation of Australia's food and fibre production and prioritise benefit sharing. However, this cannot and will not happen if social licence is an afterthought, box ticking exercise, or put in the too hard basket all together.

Please find the NFF's Energy Policy (November 2022) *attached* for further information on the NFF's priorities regarding Australia's renewable energy transition.

The NFF thanks the AEMC for the opportunity to provide a submission in support of the draft rule change. The policy contacts for this matter are Warick Ragg, General Manager of Natural Resource Management, via e-mail: [wragg@nff.org.au](mailto:wragg@nff.org.au) and Charlotte Wundersitz, Senior Policy Officer (Trade & Economics) via e-mail: [cwundersitz@nff.org.au](mailto:cwundersitz@nff.org.au) or phone (02) 6269 5666.

Regards,



**TONY MAHAR**

Chief Executive Officer



## **NFF ENERGY POLICY**

### **Policy Position**

Australia's national energy policies must deliver affordable, reliable, secure and increasingly lower emission energy to households, businesses and industries. Energy policy needs to be focused on an efficient and smooth transition through a period of significant technological change. This policy statement is complementary to the three NFF policy positions Climate, Electricity and Mining and Onshore Gas.

### **Background and issue**

Australian households, businesses and industries are experiencing record high energy prices for a variety of reasons, placing financial pressure on energy users of all levels and threatening the international competitiveness of our trade-oriented economy. The state of the energy generation mix is in significant flux. As fossil fuel based facilities age and as new builds are increasingly less competitive compared to renewable energy technologies, it is crucial to provide the policy environment that allows all technologies to evenly compete in order to deliver affordable, reliable and secure energy in the short term while providing a stable and transitional pathway to a low emission energy future.

A country as large, climatically diverse and resource rich as Australia requires a national energy plan that reflects all opportunities for energy generation and is realistic about the manner in which energy is supplied. There is significant potential for regional communities to take part in the future of Australia's energy generation mix, building stronger and more resilient communities in the process. At the same time, those landholders and industries who continue to contribute to Australia's emissions reductions goals must be recognised and rewarded for their actions.

### **What industry needs**

Government must deliver a national energy plan that:

- is technology-neutral, market-based and economy-wide, delivering affordable, reliable and secure energy;
- supports increased competition across all aspects of the electricity and gas markets;

- ensures sound economic regulation of networks through the Australian Competition and Consumer Commission where competition is low, especially in regional and rural Australia;
- supports innovation to capture the full range of opportunities to improve energy productivity, energy efficiency and low emissions energy generation, including renewable, thermal and kinetic energy;
- recognises the potential of regional Australia to take part in the revolution of energy generation and supply and ensures that the regulatory settings enable this change, rather than create barriers for change;
- empowers and builds capacity in regional, rural and remote communities to contribute to secure and reliable energy supply and storage;
- ensures that rural, regional and remote Australia is not disadvantaged or left behind by the disruption, and that the policy solutions are designed for all Australians, not just those in metropolitan areas;
- recognises and rewards landholders, communities and industries that contribute to Australia's emissions reductions goals.

#### **What industry needs regarding the transition to renewable energy**

- commonwealth to facilitate an enforceable code to ensure future transmission lines are placed in the landscape with proper consultation, appropriate compensation and do not adversely impact existing land use;
- consistent with the above, deliver the government's commitment to comprehensive early consultation through delivery of Rewiring the Nation including a focus on local communities with respect to new electricity infrastructure. Along with reducing the need for new transmission lines to be built, it would provide farmers with the opportunity to earn a secondary income;
- investment in exploring, credible, cost-effective alternative energies. Options include electric vehicles, hydrogen fuel and biodiesel, as a direct substitute for diesel. These need to be assessed against the range of options with a particular focus on portability, logistical access for rural and remote areas and cost benefit;
- should farm machinery move to electrification, there will need to be repair networks for this machinery and confidence that regional networks can handle this new load will be critical;
- governments need to do more to encourage small-scale renewables and allow farmers to share power with their neighbours and local communities. This can be done by investment in progressing technology and renewable energy in agriculture;
- establish mid-scale community and farmer 'informal REZs' (outside of declared REZs) which identify under-utilised hosting capacity in the network and encourage dispersed 1-5MW solar developments, making the electricity distribution work for farmers and regional communities;
- the Federal Government fund pilot small-scale renewable powered hubs that share infrastructure and supply a local region with products and

services such as green ammonia to urea processing to ensure affordable and reliable supply of essential farm inputs.

November 2022