

24 September 2023

Mr Viashin Govender
Australian Energy Market Commission (AEMC)
GPO Box 2603
Sydney NSW 2001

Reference: **ERC0357**

Enhancing community engagement in transmission building

Dear Mr Govender

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.

At the recent 'CEDA Rewiring the Nation' event, Mr Daniel Westerman, CEO of the Australia Energy Market Operator, confirmed that reaching our Net Zero 2050 targets would urgently require '10,000 kilometres of new transmission lines representing \$12 billion of investment that returns \$28 billion in net market benefits.' Meanwhile, it's worrying that community movements against major transmission projects are growing in strength and depth at this pivotal time.

While the current community opposition may stem from several reasons, including political, social, environmental and economic concerns, better regulation and clarity in engagement requirements for these projects will give more certainty to interested parties and asset proponents.

Better regulation drives better outcomes

It is encouraging to see that the AEMC's draft rule change recognises local communities as 'the crucial partner in the delivery of major transmission' and supports transmission network service providers (TNSP) to focus on building social licence, while helping to achieve a net-zero grid.

Examples of better public policy that led to enhanced governance and a better community outcome are prolific in Australia. One example is the enshrining of community engagement in the Local Government Act in the 1990s. From giving information to inviting feedback, from involving communities in making decisions to empowering them to deliberate, community engagement has significantly improved local government legitimacy in the face of social activism and deteriorating trust in government decision-making.

[Kee Li response to AEMC Enhancing community engagement in transmission building](#)

Another example is the introduction of the Consumer Challenge Panel (CCP) as part of the Australian Energy Regulator (AER) Better Regulation reform and a key component of the Council of Australian Government's (GOAG) energy reform agenda, agreed on 7 December 2012. The CCP helps the AER to make better regulatory determinations by providing advice on matters related to consumers. Regulatory determinations are technical and complex processes, making it difficult for everyday customers to participate in the determination process. The CCP brings customers' perspectives to better balance the range of views during the regulatory determination process. Since the introduction of the CCP, energy network service providers (ENSP) have invested significantly in customer engagement, so their 5-year access arrangement can better represent their customers' long-term interests.

I expect the current rule change proposed by the AEMC to bring about a similar impact, and I commend the AEMC for fast-tracking the rule change to implement recommendations of the social licence workstream in the Transmission planning and investment review (TPIR).

Improving engagement clarity and consistency

The AEMC rule change aims to improve community engagement clarity and consistency for transmission projects. Specifically, the rule change proposes to address this objective by:

- clarifying what 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 specified interested parties during the regulatory investment test for transmission (RIT-T) process
- introducing community engagement expectations when TNSPs engage with these interested parties.

While it is a positive change for the rule to focus significantly on the 'community' segment and to introduce prescriptive expectations acting as 'minimum standards', I believe engagement consistency can be further encouraged to require TNSPs to implement an overarching community engagement strategic plan for transmission projects.

The AEMC plays a critical role, via the exercise of rule-making, in setting universal community engagement standards for transmission projects. However, TNSPs are expected to interpret and implement the rule using an industry best practice approach. In the Local Government Act's example, the Act 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 local businesses, stakeholders and the community on a case-by-case 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.

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

Driving a long-term engagement culture

In the preferred rule change, 'community engagement expectations' promote the long-term, regular engagement with all interested parties. Specifically, TNSPs must 'provide stakeholders with the opportunity to be regularly involved throughout the actionable ISP projects, future ISP projects and REZ stages (as applicable).'

I again commend 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 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 should be encouraged to establish place-based community consultative committees, a mechanism similar to the planning approval process, to ensure fair representation from the local community and stakeholder groups at all stages of the project.

Place-based 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
- 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 AEMC consider in its rule change for transmission proponents to introduce place-based community consultation committees, or expand the AER's CCP and CCG functions as a vehicle, to achieve 'community engagement expectations'.

The TPIR stage 2 final review emphasises the importance of clear and consistent community engagement during planning for major transmission. Early engagement can assist TNSPs with building and maintaining trust with local communities to build social licence.

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

I thank the AEMC for the opportunity to provide feedback on the Enhancing community engagement in transmission building rule change process. If you have any queries or want further clarification concerning this submission, please do not hesitate to contact me on 0423 368 368.

Yours sincerely,

Kee Li
Community engagement practitioner

Appendix – background of author

Kee Li 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.

Kee currently heads the regional engagement team at Sydney Water 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 engagement practitioners, and it's the first in Australia and New Zealand to adopt the NEC4 contracting framework for a collaborative enterprise engagement model.

Kee is a member of the International Association of Public Participation (IAP2). 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.