

Senate Estimates – 12 February 2024

Opening Statement – Australian Energy Infrastructure Commissioner

Thank you for the opportunity to appear before Senate Estimates. For those members new to the committee, my terms of reference, role, annual reports and other helpful resources are available on the Commissioner's website: www.aeic.gov.au

By way of background, I commenced the Commissioner role, initially as the National Wind Farm Commissioner, in November 2015. The Commissioner's role is independent and has no formal powers.

Today, the role encompasses large scale wind and solar projects (including offshore wind), new large scale storage projects (including pumped hydro) and the deployment of high-voltage, long distance transmission lines required to connect these projects to consumers.

Our office accommodation, support staff and business systems are provided by the Department (DCCEEW). Our Office is located in the Melbourne CBD and currently close to many of our key stakeholders. I am supported by approximately five staff members employed by the Department.

In the May 2021 budget, the government announced funding for the continuation of the role for an additional four years from November 2021. Funding was increased in the October 2022 budget to allow for up to two additional support staff.

Detailed questions regarding the budget and how we are funded should be directed to the Department.

Community Engagement Review

There has been much discussion in recent times about effective community engagement and social license – and the critical role it plays and can play in Australia’s energy transition.

On 4 July 2023, Minister Bowen announced a Review of community engagement, in particular as it relates to the energy transition, and asked me to lead that Review.

The Review process included substantial engagement with communities and other key stakeholders. Our engagement included:

- holding over 75 roundtable meetings and interviews across Australia, with over 700 participants in attendance
- receiving over 500 submissions and over 250 survey responses.

I am extremely grateful to of all the stakeholders that took the time to meet with us, provided submissions and completed the survey. The engagement activities, and what we learned, played a significant role in defining and finalising the recommendations.

On 18 December 2023, I delivered the Review Report to the Minister. The Report was then released by the Minister on 2 February 2024, along with the Australian Government’s initial response – accepting, in principle, all nine recommendations.

The recommendations, when implemented, are designed to achieve ongoing excellence in community engagement and, more broadly, excellence in the execution of the energy transition. This will require a focus on:

- The Plan – the time has come for a coordinated plan for generation and grid deployments to ensure we are building the right projects in the right places at the right scale that will enable replacement of coal and security of supply.
- People – we need quality, experienced developers and constructors that can work well and effectively with communities and landholders, led by experienced, respected and quality engagement staff and management.
- Places – selection of the best sites and corridors to locate projects and avoid places that are clearly not acceptable.
- Processes – implementing efficient and timely development and approval processes to reduce the burden on communities having to participate in unnecessary or redundant consultations
- Projects – by selecting only those projects that have all the key ingredients to be successful and make a material contribution to the energy transition.

Advocacy and best practices – transmission

The Review recommendations link into the broader advocacy role of our Office in promoting best practices and sensible reforms. My last Senate Estimates Opening Statement in October 2023 listed a number of practical and common-sense actions that we have promoted in various forums.

Since we last met, in addition to the significant effort that has gone into the Review, we have continued to assist industry and work with developers that have sought our assistance to close gaps and progress opportunities to do better, including the following:

- Undertaking landholder site visits to better understand on-ground issues where transmission routes are proposed
- Working with transmission proponents to improve their collateral, agreements, procedures, processes, approach and conduct
- Assisting with the development of complaint handling procedures and policies
- Continuing to assist transmission developers prepare for early works in relation engagement, land access, complaint handling, land agent training and processes for staff working with landholders and the broader community.
- Regular reviews with the major transmission companies to progress and resolve open complaint cases.
- Continued engagement with the governance of some of the major large-scale, long-distance transmission projects.

Some recent key observations and recommendations that we will continue to address are:

- Reinforcing the need for developers to have the required skillsets, experience and knowledge for personnel who work directly with landholders and the broader community – critical for establishing and maintaining productive long-term relationships.
- Improving correspondence and other documents prepared by transmission developers for landholders – current documents are typically developer centric and often used against the developer by disgruntled project opponents.

- Careful management of land access arrangements throughout the development and operational life of a transmission project – developers should have a sufficient ‘early works’ budget and staff to undertake these activities. Developers should ideally ‘walk the route’ with the landholder to ensure they have assessed the proposed route properly from the ground.
- Improving engagement practices with neighbours and broader communities, particularly where projects may traverse many communities, geographies and different land use areas – lack of effective consultation with neighbours and communities in the region can lead to material issues for a project (objections, appeals and negative media coverage).
- Improving complaint handling processes - complaint handling procedures and policies vary greatly across developers, from best practice, to being non-existent, to being overly complicated and difficult to follow.

Emerging topics – Offshore Energy

Our Office has seen an increase in complaints about offshore energy. In the last year, we have received 13 cases about three offshore areas. To improve our understanding of the issues, we have attended community consultation sessions, met with community representatives, undertaken site visits, sought briefings with a range of project proponents and liaised with the Department.

The Australian offshore wind industry is in its formative stages. As a result, there is limited guidance on how to engage effectively with communities when developing an offshore wind project.

In November 2023, our Office published our inaugural guide for industry and communities entitled *Considerations for Offshore Wind Industry on*

Community Engagement. The guidance in this document is intended to share initial observations and considerations for good community engagement practices in the offshore wind industry.

The document also includes seven key principles for community engagement that proponents should consider as they investigate and develop offshore wind projects.

This new offshore wind guideline is available on our website and we expect to update this document regularly as the offshore wind industry in Australia continues to develop.

Emerging topics – Pumped Hydro

Our Office has also seen an increase in complaints about new proposed pumped hydro projects. In 2023, we received 14 cases about four pumped hydro projects.

Since then, we have met with community and landowner representatives to discuss their concerns, particularly around environmental issues, construction disruption and transmission connections.

We have also had direct engagement with project developers to assist them in developing their complaint handling processes. For example, we met with a pumped hydro developer and recommended that they develop and implement an appropriate complaint handling policy, system and procedure. The policy and associated procedures were subsequently implemented and published late last year.

Other matters

We continue to engage with industry, communities and governments on a range of other renewable energy infrastructure matters. Some of the topics that we continue to be involved in include:

- Benefits and challenges of ‘Renewable Energy Zones’, particularly where linear transmission projects are attracting a range of renewable energy prospectors.
- Workplace and community safety – transparency and management of incidents (incident alerts, root cause analysis, corrective actions). In particular, in 2023, we were made aware of a very serious issue regarding potential breaches of transmission line ground clearances due to increased line sag between certain towers along an existing transmission line. We worked with the safety regulator and the affected landholders to implement a temporary solution – but this remains an open matter to resolve with a long term, sustainable and safe solution.
- Decommissioning of renewable projects – who is responsible, who pays, how is funding guaranteed, implications of default and risks to landowner/government.

Complaint Handling Data

With regards to complaint cases received by our Office – for the period of 1 January 2023 through to 31 December 2023, we have received a total of 150 cases.

124 cases were about proposed projects, nine were about operating projects and 17 were general enquiries.

Of those 124 cases received about proposed projects, 55 cases related to eight proposed transmission projects, 30 cases related to 25 proposed wind farms, 18 cases related to four proposed pumped hydro

projects, 13 cases related to three proposed offshore zones or projects and eight cases related to three proposed solar farms.

Of those nine cases received about operating projects, seven were about five operating wind farms and two were about an operating transmission project.

At 31 December 2023, we had closed 116 of these 150 cases, with the other 34 cases open at various stages of our complaint handling process.

In addition to providing information about operations and achievements, the Commissioner's Annual Report to the Federal Parliament contains a comprehensive set of observations and recommendations. The report has become a widely used resource, with many recommendations now having been adopted and implemented.

The current report is the 2022 Annual Report. We are currently preparing the 2023 Annual Report, and will submit to the Minister in due course.

I trust the above summary is helpful. I thank the Committee for their ongoing interest in our work and will now hand back to the Chair for any questions the Committee may have.

Andrew Dyer
Commissioner
9 February 2024