

ABN 70 250 995 390

180 Thomas Street, Sydney
PO Box A1000 Sydney South
NSW 1235 Australia
T (02) 9284 3000
F (02) 9284 3456

Friday, 29 September 2023

Mr Andrew Dyer
Australian Energy Infrastructure Commissioner
Community Engagement Review Taskforce
GPO Box 3090
Canberra ACT 2601

Submitted online

Dear Andrew,

Community Engagement Review – Discussion Paper

Transgrid welcomes the opportunity to make this contribution to the Community Engagement Review, following the publication of the Discussion Paper.

Transgrid operates and manages the high voltage electricity transmission network in NSW and the ACT, connecting generators, distributors and major end users. We have an important role in managing one of the key parts of the Australian energy system as it supports the transition to a lower carbon economy. We remain committed to playing our part in delivering the major transmission investments identified by the Australian Energy Market Operator's (AEMO) Integrated System Plan in a timely and efficient manner. For electricity consumers, these infrastructure investments are vital in delivering safe and reliable energy services at the lowest total cost.

We strongly believe that real and genuine community and stakeholder consultation and engagement is paramount to a successful transition to net-zero. As noted in the Discussion Paper, the generation and transmission investments required to deliver Australia's energy transition will also provide broader community benefits, including regional economic development and employment opportunities. These benefits are also dependent on effective engagement to secure and maintain community and stakeholder support for these major infrastructure projects. By striving for and maintaining social licence, our objectives are to:

- Deliver time critical transmission projects for electricity consumers of NSW, and across the National Electricity Market, with a minimised risk of delay and community opposition.
- Minimise and mitigate any adverse socioeconomic impacts to communities and regions arising from our projects.
- Build lasting relationships and nurture trust with our communities and stakeholders.

We strongly support the Community Engagement Review, which provides a timely opportunity to assess current engagement practices and make recommendations for improvement.

To assist the Commissioner with this review, this submission provides an overview of our engagement approach and the improvements we have made in recent years, taking our HumeLink transmission project (HumeLink) as an example. This information illustrates our commitment to best practice community and stakeholder engagement, noting that 'best practice' will continue to change over time. Our recent experience has broader implications for the Community Engagement Review, which are provided as concluding comments.

The remainder of this submission is structured as follows:

- Section 1 provides an overview of our current approach to community and stakeholder engagement.
- Section 2 explains the recent improvements that we have delivered to our engagement program for HumeLink.
- Section 3 sets out our concluding comments, which may assist in guiding the Commissioner's recommendations.

1. Our approach to community and stakeholder engagement

Our community and stakeholder engagement approach is based on genuine consultation through meaningful and transparent dialogue. We are committed to understanding the priorities and preferences of the community and stakeholders, keeping them informed and reflecting their feedback to the extent possible in the design of the relevant project.

We have established the following principles to describe our approach to community and stakeholder engagement:

- We place the voice of the community at the centre of our decision making.
- We recognise the vital role that landowners and the community have in the planning and delivery of our projects and network operations.
- We work with the communities in which we operate in a meaningful, accountable, responsive and equitable way through effective and inclusive practices.
- We are dedicated to continuously improving our engagement to support our decision making and deliver community benefits.
- We listen, seek to understand and act on what matters most to communities, working with them to identify opportunities that benefit them, while striving to minimise the impacts of our operations.

For each transmission project, these principles are given effect through the establishment of a Community and Stakeholder Engagement Plan.

At a high-level, the objective of each Plan is to ensure that:

- Transgrid engages with all landowners, communities and stakeholders by seeking their perspectives, keeping them informed, enabling them to provide meaningful and informed feedback and facilitating their contribution to the design of impact mitigation measures.
- There is a clear, consistent and transparent process (tailored to stakeholder needs and expectations) for collecting stakeholder feedback and reporting on how feedback / issues / concerns / opportunities have been integrated into our planning processes.

- All potential project risks are identified in advance and the communities and stakeholders are given early notification of our project activities and have a clear understanding of how they may be impacted.

For major transmission projects, the Community and Stakeholder Engagement Plan will typically involve:

- Holding frequent Community Consultative Group meetings with community representatives, and open community information sessions for all affected stakeholders.
- Providing a Remote Access Community Hub (mobile information vehicle) that enables us to meet with landowners and community members on their properties and in remote areas to ensure everyone – regardless of age, distance or ability – has access to project information.
- Engaging with local community groups and businesses to share information through existing local networks.
- Communicating directly with affected landowners by appointing dedicated Place Managers to conduct face-to-face meetings and regularly check-in with landowners.
- Providing a dedicated First Nations engagement function within Transgrid to engage with Traditional Owner groups and Local Aboriginal Land Councils, and implement Transgrid's Stretch Reconciliation Action Plan which is based on the following core areas of focus:
 - Furthering respectful and meaningful relationships with Aboriginal and Torres Strait Islander communities across our transmission network.
 - Deepening the cultural awareness, understanding and respect of our employees and leaders.
 - Showing deep respect for Aboriginal and Torres Strait Islander artefacts and places impacted by our projects.
 - Delivering measurable and sustainable economic benefits to Aboriginal and Torres Strait Islander businesses and communities that we work with.
 - Improving employment opportunities, retention and professional development of Aboriginal and Torres Strait Islander peoples within Transgrid.
 - Leading and championing reconciliation within the energy industry.

The approach outlined above represents our current practice, although it will continue to evolve and improve in response to feedback. Our recent experience and lessons learnt in relation to HumeLink, which is discussed next, is an example of how improvements can be achieved.

2. Our commitment to improving community and stakeholder engagement

A key aspect of our approach to community and stakeholder engagement is our commitment to improving our performance over time. This commitment is illustrated by our appointment of Rod Stowe, a former NSW Commissioner for Fair Trading, as independent Landowner and Community Advocate (the Advocate) to review our engagement practices in relation to the initial consultation on HumeLink.

HumeLink involves around 360km of new 500kV transmission lines in an electrical 'loop' that links the Greater Sydney load centre with the Snowy Scheme and Project EnergyConnect in south-west NSW. HumeLink will open up additional capacity for new generation in areas with high quality resources – primarily, wind and solar generation – in southern NSW, increase the transfer capacity between Victoria and NSW and improve wholesale market competition, reducing customers' final electricity bills. The NSW Government has declared HumeLink as a Critical State Significant Infrastructure for NSW.

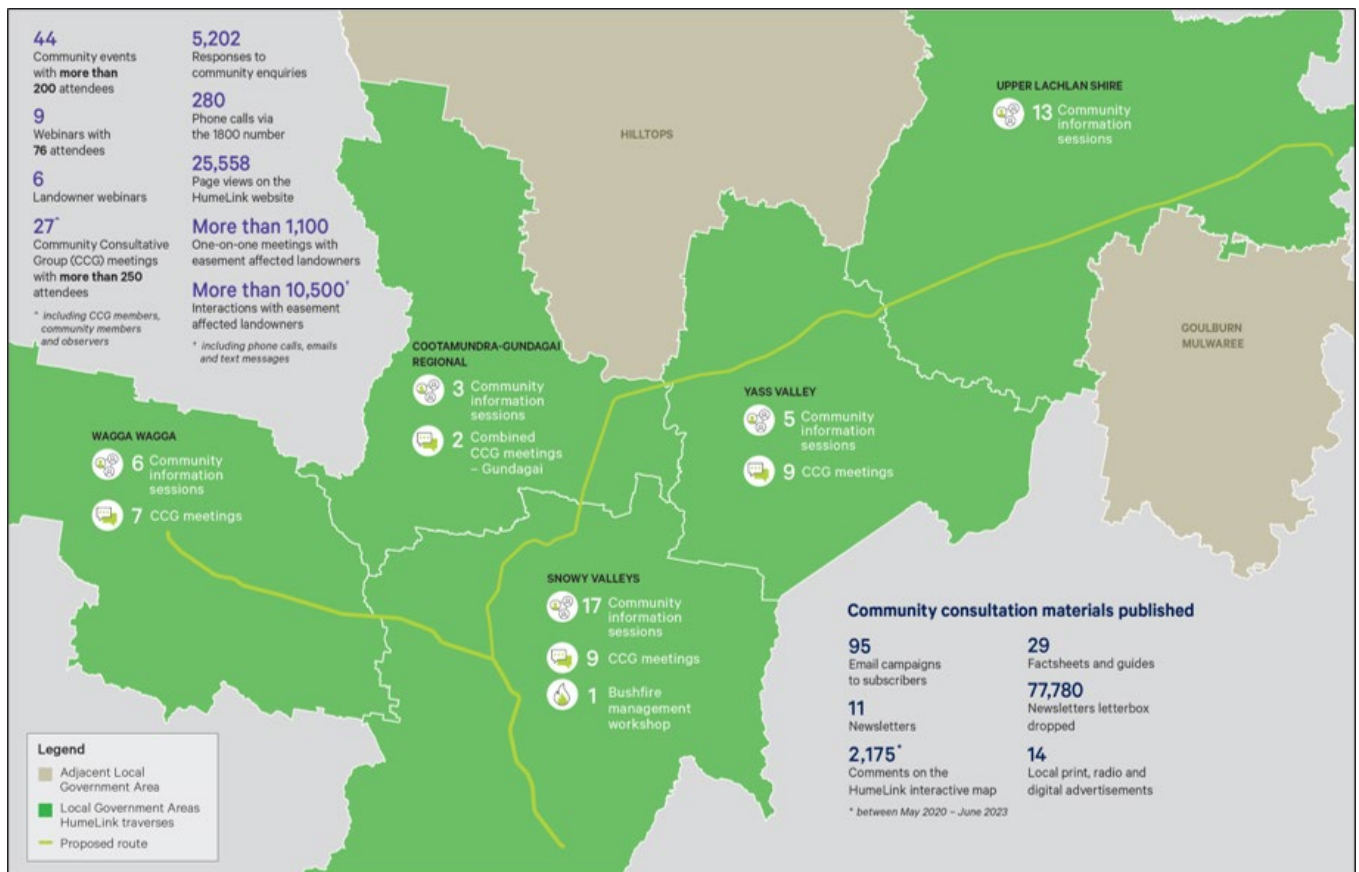
In July 2021, the Advocate published his report into Transgrid's engagement approach at that time and made 20 recommendations for improvement. The Advocate noted that while his report provided

observations and conclusions about community engagement for HumeLink, many of the recommendations should be adopted in relation to other Transgrid projects.

In August 2021, we embarked on a six-month process to address each of the Advocate’s recommendations. This reform program included embedding changes to our standard practice for all engagement and planning activities with the aim of improving the quality, transparency and consistency of our engagement. In February 2022, we published our detailed response to each of the Advocate’s recommendations, which we accepted in full.¹ Our published report explained the immediate actions we had taken to implement each recommendation, and the ‘sustaining actions’ to ensure that permanent change is embedded for future projects.

While we acknowledge that it would have been much better if the remedial action in relation to the community and stakeholder engagement for HumeLink had not been required, the improvement process we have implemented with the assistance of the Advocate has delivered meaningful change. The Figure below illustrates the depth and breadth of our subsequent community and stakeholder engagement for HumeLink.

Figure: Community and Stakeholder Engagement for HumeLink



¹ Transgrid, Implementation of the Landowner Advocate’s Recommendations on HumeLink, February 2022.

3. Implications for the Commissioner's review

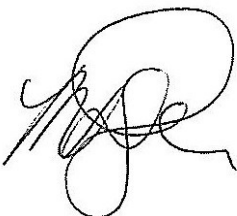
While the information presented in this submission is specific to Transgrid's engagement approach and experience, we have identified the following observations and principles that may assist the Commissioner, both in terms of his possible findings and recommendations:

- **Engagement is improving.** We are working actively on community and stakeholder engagement, which is critical for the timely delivery of essential transmission infrastructure. We are embarking on a once in a generation investment program – we are learning along the way, evolving and improving our approach to engagement over time.
- **Engagement should be tailored to each project.** There is not a one size fits all for effective community and stakeholder engagement – it will depend on multiple factors such as the characteristics of the community and the nature of the project.
- **Principles-based guidance is preferable.** There should be principles for what good community and stakeholder engagement looks like, rather than a prescriptive approach mandated in regulations. The Commonwealth Energy Minister's recent rule change proposal relating to social licence provides a good starting point for a principles-based approach, which we support. The Australian Energy Regulator also has a role in providing guidance to transmission networks, so that engagement activities keep pace with best practice.
- **Project proponents should take responsibility for engagement.** We support the project proponent being responsible for obtaining community acceptance for a project. It would not be appropriate to introduce new institutions, for example, with a special focus on community engagement. Our view is that the project proponent is best placed to deliver effective engagement, particularly given their understanding of the affected community and the long-term relationship that we have with landowners who host our assets for decades. For Transgrid, this role also includes working closely with Governments in relation to joint communications early in the planning process. This co-operative approach helps to address common community concerns, such as biosecurity and fire risks, undergrounding, and the impact on affected landowners, in addition to communicating the benefits of a project.

While these are high-level observations, we consider that they should assist the Commissioner in developing recommendations that prove effective over the medium term. We would also be open to meeting with the Commissioner to further explore these critically important issues.

If you or your staff require any further information or clarification on this submission, please contact Neil Howes at neil.howes@transgrid.com.au in the first instance.

Yours faithfully



Maryanne Graham
Executive General Manager – Corporate and Stakeholder Affairs