



1 December 2023

Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

RE: NFF submission to AER Directions Paper - Social licence for electricity transmission projects

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Australian Energy Regulator (AER) on the Directions Paper – Social licence for electricity transmission projects.

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 an enforceable code 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. Consistent with the above, the NFF continues to call on the government to ensure comprehensive early consultation through delivery of *Rewiring the Nation*, including a focus on local communities with respect to new electricity infrastructure.

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 (AEIC) 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.

To provide further context to NFF's social licence concerns, please find attached our submission the AEIC's Community Engagement Review.

The NFF welcomes AER's focus on enforceable social licence guidelines for transmission projects. In alignment with recommendations made by the Ag Energy Taskforce, we reiterate the need for AER to:

- Ensure genuine and timely engagement/consultation with landholders and communities in line with the Energy Charter National Better Practice Social Licence Guideline (see submission of Ag Energy Taskforce at page 8).
- Ensure agriculture industries and consumers more broadly are not left to meet any additional social licence costs embedded in transmission businesses' pricing proposals to the AER, and to be mindful of public opinion regarding costs ultimately passed on to customers.
- Ensure stronger commitments address the existing power imbalance between renewable energy infrastructure developers and farmers and rural communities.
- Ensure proposed transmission infrastructure avoids any adverse impact on existing land use and recognises the social and economic factors for farmers and rural and regional communities.
- Recognise the potential threat to property values where landowners' equity is critical to their farming businesses and bottom line.
- Ensure appropriate compensation and/or commercial consent for projects.
- Deliver genuine shared value to communities impacted by renewable energy infrastructure.
- Recognise the need for safe operation of machinery around transmission infrastructure, including insurance implications.
- Ensure information relating to studies on undergrounding transmission infrastructure is communicated to impacted communities.
- Cultural change is necessary to ensure that all renewable energy infrastructure businesses commit to, and deliver, improved engagement and accountability, supported by these further measures:

- AEMC's (Australian Energy Market Commission) draft rule to enhance transmission network service providers' (TNSPs) engagement with communities to build social licence.
 - Department of Climate Change Energy, Environment and Water (DCCEEW) development of National Guidelines on Social Licence for Transmission.
 - Seize opportunities arising from recommendations from the Australian Energy Infrastructure Commissioner's (AEIC) current Community Engagement Review.
 - By becoming a signatory to the Energy Charter with broader CEO level commitments to customer and community centricity. Currently, all transmission businesses (with the exception of ElectraNet) are Signatories, but no renewable developers.
- Transmission businesses are encouraged to be transparent with their commitments and allow communities to hold the businesses to account. Commitments must be made across the entire supply chain including new entrants/renewable developers (collectively referred to as renewable energy infrastructure businesses). Communities expect all parts of the supply chain should meet their expectations on engagement.
 - Funding may assist communities to develop regional plans, as appropriate, in a coordinated way that identify and address impacts of proposed transmission infrastructure development; this may also maximise opportunities from renewable energy and transmission development.
 - Renewable energy infrastructure businesses must ensure landowners and communities are aware of complaints mechanisms.

The NFF thanks the AER for the opportunity to provide a submission on the Discussion Paper. The policy contacts for this matter are Warwick Ragg, General Manager of Natural Resource Management, via e-mail: wragg@nff.org.au and Charlotte Wundersitz, Senior Policy Officer (Trade & Economics) via e-mail: cwundersitz@nff.org.au or phone (02) 6269 5666.

Regards,

TONY MAHAR
CEO