

8 November 2023

TO Natasha Homsey
Department of Planning
c/ planningportal.nsw.gov.au/major-projects/

RE: *Exhibition of the Environmental Impact Statement for the Central-West Orana Renewable Energy Zone Transmission*

Dear Ms Homsey and team,

On behalf of Community Power Agency, we thank you for the opportunity to make a submission on the Environmental Impact Statement for the proposed Central West Orana Renewable Energy Zone Transmission.

Community Power Agency has been working over the past decade to improve practice of the renewables industry in a number of ways including authoring a number of state and industry guidelines and training, including:

- Clean Energy Council's *Guide to Benefit Sharing in Large-scale Renewable Energy Projects*
- Victorian *Community Engagement and Benefit Sharing in Renewable Energy Development A Guide for Renewable Energy Developers*
- Chairing the Social Evaluation Panel for ACT Government's Renewable Energy Auction
- Drafting the Tasmanian Guidelines for Community Engagement, Benefit Sharing and Local Procurement for large scale renewable energy development
- Designing and delivering the first professional development course on community engagement and benefit sharing for the renewable energy sector. The *Socially Responsible Renewable Energy Development* short course was delivered with the Centre for Systems Innovation (Griffith University).

Community Power Agency is currently working to support local communities through the shift to clean energy, particularly in state-determined Renewable Energy Zones. We have practical, contemporary experience of engagement on the planning and management of transmission lines and associated infrastructure, as well as the research we have undertaken.

Context

The Central West Orana Renewable Energy Zone was established to enable clean energy production as New South Wales' coal-fired power stations are retired from use.

The Central West Orana infrastructure will provide 3GW of renewable energy to power Australian homes and businesses - although recently this amount was upgraded to 6GW. There is little information provided on the strategy behind the increase or the modifications that will be required to enable the increase. Any further information the proponent can supply on this amendment will be useful.

This submission makes some recommendations on these two important themes, social impacts and benefits, and environmental impacts and benefits, and raises several requests for information from the proponent, EnergyCo, in order to provide a clearer picture of the benefits and impacts that the proposal will entail.

SOCIAL IMPACTS AND BENEFITS

Community engagement

Meaningful community engagement is critical to the success of large-scale infrastructure projects. In *Enhancing Positive Social Outcomes from Wind Farm Development: Evaluating community engagement and benefit-sharing in Australia* (Climate Energy Council, Hicks and Lane 2018), identified that a risk analysis completed by one wind company calculated that the cost of poor community engagement, “was estimated at around \$3.5m and carried the potential to delay the project by at least 36 months.” Similar trends can be observed in transmission projects, such as the VNI West project in Victoria.

Progressing the proposed Central West Orana Renewable Energy Zone Transmission must be understood from the point of view of the Spectrum of Public Participation. In attempting to address the social challenges outlined in the Environmental Impact Statement, it is important that the project goes above and beyond the ‘inform and consult’ end of the spectrum which has traditionally been the approach used by governments and proponents on infrastructure projects.

Engagement for the transmission project needs to come from an expectation that communities will be ‘involved’ at minimum in the planning of transmission line infrastructure; that is: “to work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered” (IAP2 - see table on following page). To involve means to move beyond providing basic project information in a timely manner.

IAP2 Spectrum of Public Participation

IAP2's Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public's role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.

INCREASING IMPACT ON THE DECISION					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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Source: International Association of Public Participation <https://iap2.org.au/>

Community Power Agency Feedback

- EnergyCo must clearly communicate the range of opportunities in which local stakeholders can participate in a way that influences decision-making processes.
- Participation and input from the wider community must be encouraged and facilitated early in the planning process, and continue throughout construction and into operation.

Mitigation of social impacts and disturbance to cohesion

On page 22 of the summary document it states that

Mitigation measures would seek to address the potential social impacts of the project and maximise social benefits. Key measures include a project-specific landowner engagement strategy, property management plans, and a local workforce participation strategy (including First Nations participation).

Community Power Agency feedback

- To maintain community cohesion, there needs to be collaborative spaces where multiple stakeholders are brought together to transparently work on local issues

and impacts. While it is understood that some groups must work on key issues that impact them, be wary of creating silos and further division.

Resourcing communities to participate

In response to the following issue raised *“Community members should be paid or provided with resources to allow them to participate in consultation more effectively” the response given.* No compensation was provided to community members to participate.

Community Power Agency Feedback

- Not providing resources to community members to participate in consultation and engagement processes sends a message that community members’ time is not valued.
- Sitting fees and fuel vouchers to contribute to travel costs are used regularly within the renewable energy sector for community reference groups and it is recommended that EnergyCo re-consider this important gesture of value to the community for their efforts to host the state's new energy infrastructure.
- Equitable compensation for participation and engagement is becoming a norm that demonstrates respect and gratitude for people's time and expertise. It also ensures that a more diverse range of people can participate.¹

Working groups

It is noted that the working groups addressing cumulative impacts to date have included EnergyCo, agencies and Councils. The establishment of working groups is an essential avenue for information sharing and feedback gathering. Upon reviewing the objectives of the working groups it was evident that the purpose of these working groups centres heavily towards the ‘inform and consult’ end of the IAP2 spectrum with only cursory mention of activities and scope into the involve, and nothing beyond, toward ‘collaborate’ or ‘empower’.

Community Power Agency Feedback

- Moving forward it is recommended that EnergyCo deepens community participation (not just consultation) into decision making processes of the working group further into the ‘involve and collaborate’ elements of the IPA2 spectrum (pictured above).
- The apparent lack of these types of opportunities may be contributing to the community fears of their “ability to make or influence decisions” as stated on Page liii EIS.
- Quarterly meetings of the community, Indigenous, workforce and skills working groups is good practice and it is recommended that these continue into the future through construction and into delivery of the community benefit framework.
- The Social impact management plan is described as being a key mitigation tool to a range of social impacts identified in the EIS. This plan should be co-designed

¹ See research and toolkit from Urban Org: <https://www.urban.org/sites/default/files/2023-08/Equitable%20Compensation%20for%20Community%20Engagement%20Guidebook.pdf>

with the working groups and go further into the 'involve and collaborate' activities listed in the IAP2 Spectrum to provide meaningful opportunities for participation and agency for the community.

Community benefits

Delivering community benefits from large scale infrastructure projects, like the CWO transmission, is a way to demonstrate that the impost and impacts of hosting projects of scale are recognised, valued and people are therefore, compensated.

Page D-11 of EIS - For the issue raised *"Further information required on the community benefits framework including how much money would be made available, timing and governance arrangements."*

The response *"Approach to community benefit initiatives is outlined in Chapter 5 (Community and stakeholder engagement)."*

Community Power Agency would like to advise that there is only a subsection in Chapter 5 pertaining to community benefit initiatives (5.4.1) which does NOT provide further detail on the framework, such as the amount, timing, or governance structures. Rather it documents the engagement process undertaken to date on the topic. Benefit sharing is a key tool and methodology to increase participation and community cohesion in a project. Where this has been identified as a key area of concern for the community, it seems counterproductive to not be forthcoming with information and governance strategies.

Community Power Agency Feedback

- Currently there is a lack of detail for how community participation will be designed into the governance of the community benefits sharing framework.
- Similarly, more detail is needed on community participation in the ongoing decision-making process for how funds are allocated to community needs, visions and values.
- More detail is needed on how the community benefit program will interact with existing and future project level benefit sharing programs.
- A state run grants program is a singular and linear approach that may miss important opportunities, such as ongoing year-on-year funding partnerships with local organisations to address key local issues. Consider how this can be designed to deliver ongoing impact.
- Grant writing, delivery and acquittal fatigue in the community will become a significant hurdle, if a more streamlined benefits approach is not delivered.
- Independent timeframes and eligibility criteria that makes it difficult to combine and leverage funding from other sources to create larger and more legacy projects and initiatives.

Accommodation

While the proposed two temporary workers camps will meet the bulk of the accommodation needs for construction workers, it is disappointing that in our review of the EIS that legacy

housing was not raised as a strategy for mitigating housing shortages and contributing to the long-term challenges of housing affordability and accessibility.

We hope to see this addressed as a priority.

As reported in Technical Paper 7 - Social,

“housing and tenure in the local social locality was limited, with the availability of rental housing being a key concern from communities, specifically in Dunedoo, Gulgong, Coolah and Mudgee”.

Already, house prices in Dunedoo and Gulgong have increased by 17% in the past 12 months, and Mudgee, 20%.

Despite the strategy identified in the EIS for workers' camps to house the bulk of workers needed for construction, the temporary camps at the Merotherie energy hub site, and at Cassilis, and will not address the additional stress put on housing by a range of project staff who will be based in the area earlier than, and after, the workers' camps are supplied and dismantled.

Reduced short term accommodation and housing availability and affordability is one of the key community impacts of a project such as the construction of REZ infrastructure.

As noted on page 13-18 of the EIS main report:

The need to provide accommodation for construction workers has the potential to contribute to diminished housing availability and affordability within the local social locality. Stakeholders raised concerns that the required construction workforce could exceed project estimates and that the workforce accommodation camps would not be able to accommodate all the workers. The two temporary workforce accommodation camps proposed as part of the project (at Merotherie and Cassilis) would provide sufficient accommodation for all construction workers, including during the peak construction period. However, some staff such as project managers and technical specialists (up to 30 staff) may occasionally choose to reside off-site in short term accommodation such as hotels and motels (if available), during the peak construction period. Given the limited availability of short term accommodation in the local social locality, it is unlikely that staff would choose to reside off-site.

This situation provides the perfect opportunity for EnergyCo to address the limited availability of short-term accommodation with some legacy accommodation programs.

If all of the majority of project roles were to be filled by local residents, this would be less of an issue, but the workforce aspects of the EIS do not indicate this will be the case. Indeed, it is difficult to see anywhere what percentage of workers and staff will be sourced locally.

Regional NSW is facing a housing crisis. The development of the Central West Orana ought to be a regional development opportunity that addresses key community pressures, not exacerbates them.

Building this REZ infrastructure will enable the construction of multiple renewable energy projects in the Central West Orana. Cumulative impacts of these renewable energy developments are not adequately recognised in the EIS. Assuming that project staff will be able to access rentals and motels whenever required is short-sighted. In reality, the effect will be the most vulnerable are pushed out as rental prices soar.

Given that EnergyCo will be managing REZ access fee funds for the purpose of accommodation as one key area, we need evidence at this stage of leadership and solutions-based thinking in this space.

The Workforce Accommodation Fact Sheet (accessed on 6/11/2023 <https://www.energyco.nsw.gov.au/sites/default/files/2023-09/cwo-rez-fact-sheet-eis-workforce-accommodation.pdf>) does suggest that EnergyCo is investigating legacy housing initiatives in the REZ and has formed a steering committee. It is unclear why no mention of legacy housing initiatives are made in the EIS aside from where it was a result of consultation with council.

Despite economic development opportunities mentioned for local communities in the EIS, it is difficult to see how these isolated and relatively self-contained accommodation camps (containing food and catering, fitness and recreational spaces, laundry etc) would support interaction with local services.

Request for information: An accommodation strategy prior to approval (not at construction stage) that investigates options for short-term accommodation with long term legacy benefits for communities that will effectively address the housing stress currently being experienced in the region, while contributing to housing solutions for future housing needs. These stresses are occurring now, and need to be proactively addressed as soon as possible - particularly given the time taken to get upgrade or construction project partnerships in train.

Training and Workforce Capacity Building

The Skills and Workforce Working Group has met once, according to the EIS main report, page 5-16, with future meetings to be held quarterly (although there is no record of a second meeting being held, despite the EIS lodgement date of late September).

The premise of a working group is sound, but the timeframe for implementation seems disproportionate to the timeline for the proposed scope of works.

During the peak construction period, it is expected around 1,800 full time equivalent construction workers would be employed (EIS main report, 11v). Given the global shortage of workers, it is not clear from the information provided in the EIS how these workers would be sourced. According to the latest report by Jobs and Skills Australia, 2 million workers will be required in Australia in the capacity of Net Zero jobs.

The community survey indicated that *“Trainee and apprentice positions were viewed as the most important initiative, with nearly 60 per cent of participants ranking it as very important.”* (EIS main report p 5 -13).

How will EnergyCo support local workforce development in a suitable timeframe for construction to commence? And how will project planning positions be made available for local residents, and what guarantee of ongoing employment will be made?

An inclusive strategy will offer appropriate timeframes and supports to enable young people, or people who have faced barriers to employment in the past. Hence the need to prioritise workforce development and provide workable lead times.

A sound example of workforce capacity building in a renewable energy context is operator Beon's Karadoc Solar Farm, which employed 200 local people out of a peak workforce of 260, and included:

- 90 long term unemployed
- 38 Aboriginal people
- 12 on community based orders
- 14 from CALD communities
- 4 people with Asperger's or Autism

Additionally, a partnership with Mildura TAFE for an electrical apprenticeship program resulted in 25 locals signed up and completed. If industry can demonstrate this good practice, we would like to encourage EnergyCo to put resources into similar programs.

Request for information: A local workforce participation strategy to be developed at approval, and not construction, to indicate how local workforce capacity will be developed and resourced. Again, waiting for construction stage before implementing programs does not allow adequate time for training and preparation required.

ENVIRONMENTAL IMPACTS AND BENEFITS

Biodiversity

Given that the overall direct impacts to plant community types and habitat for the various threatened species is estimated at approximately 1,031.63 ha, a robust and ambitious program for the mitigation of impacts and offsets should be expected, particularly given the level of impacts that each of the renewable energy projects the project will enable if strategies for biodiversity protection and enhancement are not adopted.

Given, too, that the subject sites are across lands where 42% of vegetation has been severely impacted in the past by agricultural use, remnant vegetation that exists in crown reserves and travelling stock routes, for example, is incredibly important to retain.

Some practical avoidance and mitigation techniques have been identified in Technical Attachment 1 - Biodiversity. These include micro-siting to avoid impacts, avoidance of construction around breeding season for Little Eagles and rare bat species, and installation of poles to assist with glider access. P5, Technical Paper 1 - Biodiversity, indicates the maximum vegetation height of 2m of understorey vegetation. This is a very modest figure and precludes the retention of a number of important species. It would be important to understand what opportunities for retention or revegetation at increased height exists where this would enable

the preservation of species for the purposes of wildlife habitat, connectivity or to preserve and protect threatened or endangered plant or animal species.

On page liii of the EIS, the proponent states that *“the project would have limited additional or ongoing biodiversity impacts once operational”*. In light of the little research that exists, it is recommended that research and monitoring including BACI (before-after-control-impact studies) should be considered so that more can be known of the impact on different plant and animal species.

The proponent and operators should also consider the opportunities of good management practices post-construction. These could include management of environmental weeds and feral pests along with revegetation.

Revegetation will be most effective to mitigate biodiversity loss due to transmission line construction:

- As a buffer to riparian zones
- To increase structural & species diversity in degraded woodland
- To create a more diverse mosaic of vegetation in agricultural landscapes as shelterbelts & woodlots
- To increase groundlayer species diversity under powerlines, and
- To increase connectivity between isolated remnants

The offset obligation for the project has been calculated to require the following biodiversity credits:

- 52,089 species credits
- 21,434 ecosystem credits
- 163 ecosystem credits (scattered trees).

Technical paper 1 also states:

EnergyCo Offsets would be secured in stages to reflect the progressive delivery of the 500 kV and 330 kV transmission lines. The strategy for securing offsets and the proposed delivery approach would be confirmed by EnergyCo during detailed design when the final construction area is confirmed. The final offset requirements would also be confirmed during detailed design.

Where it is not possible to avoid damaging important habitat, set a standard that ecosystem offsets will be established as close as possible to the impact and all species offsets will be located within the same IBRA subregion

Offset areas and management activities should aim to maintain or increase the actual local populations that are predicted to be impacted by the proposed development, including populations of plant and animal species in endangered ecological communities.

This will require a proactive approach to landholders near to the transmission line routes, to encourage and enable them to establish Biodiversity Stewardship Agreements on their land to generate credits for the project.

This will ensure that the offsets are close to where the impacts are, plus will generate additional income for affected landholders and neighbours.

Opportunities to preserve and extend existing reserves, travelling stock routes or other areas of valuable plant and animal communities and should be investigated pro-actively.

Request for information: It is difficult to understand why a Biodiversity Offset Strategy was not required at the EIS stage given the size of the impacts on biodiversity. Can the proponent please provide an outline as to the proposed delivery approach so it can be adequately assessed whether the offsets will be applied locally and with relevance to the affected species, and provide clarity on the methods to achieve this result.

In summary

Communities require a coordinated approach to training, workforce capability building, procurement and accommodation strategies that is supportive of people of low socio-economic background and facilitates economic opportunity across the region. It is imperative that community engagement processes are designed to view local stakeholders as valuable contributors, and recognise the work that locally-based organisations are already undertaking.

Management of funds raised from REZ access fees under the identified themes of workforce, accommodation and community benefit must include robust engagement and a co-designed governance process that ensures these funds are best allocated where needed, and provide long term community benefit.

Likewise, strategies for workforce and accommodation that facilitate genuine community participation should be prioritised along with the technical data contained in the EIS and we request these strategies be made available by the proponent, even if in a draft state, to enable a more comprehensive picture of impacts and benefits, and so that assessors, stakeholders and the public alike may identify where the proponent may need to invest resources or where further consultation or action is required. Work needs to be prioritised in these areas as there needs to be sufficient lead time for workforce capacity building and to identify and progress models for legacy housing. Leaving these until late in the picture means that the ship has sailed.

Given the significant impact on biodiversity the project could have, a biodiversity offset strategy - or working document - should be provided to show how credits can be used as locally as possible to enhance and preserve biodiversity as close to the project impacts as possible.

Sincerely,

Heidi McElnea, Kim Mallee and Elianor Gerrard

on behalf of Community Power Agency

<https://cpagency.org.au/>