



Submission to Senate Economics Committee on the National Energy Transition Authority Bill

November 2022

About RE-Alliance

RE-Alliance is an independent not-for-profit working to secure an energy transformation that delivers long-term benefits and prosperity to regional Australia. We start with the needs of local communities, collaborate with industry to deliver social outcomes, and advocate for meaningful benefits for regions through government policy.

re-alliance.org.au

Contact: Lu Allan | Advocacy Manager | [REDACTED]

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Introduction: An opportunity for nation building

Governments around the world have instituted Transition Authorities as a key mechanism to make sure workers and communities are active participants and beneficiaries of our future energy system. RE-Alliance applauds this move towards a Transition Authority for Australia.

In Australia we have already seen the consequences of poorly managed local transitions, whether that is in relation to the decline of coal or manufacturing.

At RE-Alliance, our conviction is that the success of our energy transition nationally depends on the success of the transition at the local level. The personal experiences of local workers, landholders and communities are central. The transition must deliver significant economic benefit to communities hosting our solar farms, wind farms, transmission lines, batteries and pumped hydro plants in order to earn trust and acceptance of the changes occurring in their region.

As such, we would like to see a National Energy Transition Authority that is significantly expanded from the narrow remit foreshadowed in the Bill. The Authority must deliver benefits to workers, but it must also address the needs of other stakeholders including farmers, and local economies as a whole.

To achieve this, local chapters of the Authority in each Renewable Energy Zone should undertake the bulk of the work of the Authority. These local chapters should be guided by, but have independence from the National body to create and deploy their own strategic plans in line with the terms of reference.

Independence and protection from political and corporate influence will be essential to the success of both the national body and its local chapters.

A Transition Authority must not simply be about managing the decline of coal. It must also support the big build out of large scale wind, solar, battery and transmission projects that are needed for us to replace coal both domestically and in terms of our exports.

A properly resourced and expertly deployed Transition Authority will have the power to facilitate stronger regional economies across the nation. A successful Transition Authority will provide a legacy we can look back on for decades to come.

All Renewable Energy Zones

We recommend the Bill supports all Renewable Energy Zones (REZs) with local chapters of the Transition Authority.

RE-Alliance has a number of community engagement managers across eastern Australia in key REZs. REZs can be split into two broad categories:

- traditional coal and manufacturing regions such as Gladstone, the Hunter Valley, and the Latrobe Valley; and
- traditional agricultural regions such as Dubbo, Western Victoria, and the Southern Downs in Qld.

While most examples of Transition Authorities focus on the former; our organisation has primarily focused on traditional agricultural regions. While coal regions have largely been engaged in the transition conversation for a decade or more, many traditional agricultural regions, now REZs, have only recently understood the scale and number of renewable energy projects that are scheduled to be developed in their region.

There are 17 REZs in various stages of development across the National Electricity Market (NEM). The majority of these are not traditional coal regions or traditional manufacturing hubs.

Renewables development in traditional agricultural regions presents its own set of unique challenges. How can our energy transition support, not compete with, our agricultural industry? How do we make sure regions seeing a large number of wind and solar farms see a genuine and sustainable net benefit to their local economy for hosting all this infrastructure?

These regions need on-the-ground support to coordinate local planning and economic development activities to ensure benefits from the transition accrue to local economies and communities.

Key issues facing Renewable Energy Zones in Agricultural regions

Almost all of the solar farms, wind farms, large batteries and transmission lines we need to build to see out the energy transition will be hosted on agricultural land.

RE-Alliance began working in the Central-West Orana REZ at the start of February 2021 after it was announced as the 'pilot' REZ in NSW. The region includes Dubbo, Wellington and Mudgee. We started there wanting to help make sure the REZ was successful so others could follow.

After many one-on-one meetings and consultations we've led with landholders and local community organisations in the region, there are a few key challenges emerging that are yet to be adequately addressed.

- farmers require expert advice to support their negotiations with renewable energy developers, which is hard to access;
- Extra housing supply is needed to ensure renewable development does not exacerbate the regional housing crisis;
- maximising local employment outcomes and addressing regional skill shortages requires local planning and investment; and

- Councils and the community need greater access to information and planning processes around REZs—this will help facilitate community participation and acceptance of the changes occurring in the region.

These issues crop up in other regions experiencing high levels of renewable energy investment. **We recommend that a National Transition Authority should include these issues within its mandate.**

Inclusion of local chapters

We recommend the bulk of the work of the Authority occur at the local level.

The Bill should assure that the Transition Authority includes local chapters coordinated by State Governments in REZs across the country. It should outline the governance structure and relationship these bodies will have with the Federal body, and State governments.

Each chapter should have a local office including a drop-in centre available to the public and be staffed by skilled professionals with backgrounds in fields such as:

- regional economic planning,
- procurement,
- community engagement and co-design,
- community development,
- energy,
- agriculture including agricultural land use,
- skills and training, and
- communications.

We suggest a few design elements in the development of this structure:

- **Independence to pursue local planning**—local bodies must be guided by, but have a high level of independence from the federal body to make their own strategies and plans in consultation with local communities.
- **Funding and advice from the national body:** This should include desktop economic, social and environmental analysis, and advice to local chapters.
- **States are the primary planners in the energy transition**—States should choose location, relative size and set expectations for local chapters. Each State could have a head in charge of overseeing the successful impact of local chapters across the State and reporting to their State Minister and the Federal body. Local chapters must have a close, but independent relationship with State Departments involved in planning the transition.
- **Close relationships with local councils.** Local chapters should collaborate on many of their functions and develop handover plans to local councils whenever the time is right for local chapters to close.

We acknowledge the task of designing the right structure to ensure the right mix of responsibilities spread across all levels of government is a difficult challenge. We look forward to future engagement with the Government, unions, and other stakeholders around these challenges.

Independence

Independence of the Authority will be key to its success. This body must be built with fierce independence from both political and corporate interests in mind. **We recommend the Committee explore alternative methods of appointment for the board and CEO to ensure merit based processes are used to fill these roles.** The CEO and Board must be seen as nonpartisan, effective, and independent leaders.

The same will be true for heads of local chapters. Local trust is essential. Regional communities are typically more engaged in local politics and especially wise to undue corporate interests. A political or vested interest appointment will have a detrimental impact on local trust in the office.

Specific comments on the Bill

Below we've made specific comments on sections of the Bill. The comments are not wording suggestions.

Relevant Section	Comment
Section 9: General Functions	<p>The functions are heavily worker-focused. This is welcome, however workers are not the only important stakeholders who could benefit from Transition Authorities. Other key stakeholders include:</p> <ul style="list-style-type: none"> • Landholders hosting wind and solar farms, batteries, and transmission lines • Local communities hosting renewable projects • First Nations groups • Local environments • Local Governments • Local businesses <p>To that end, the Transition Authority should be broad in its remit and include additional functions such as:</p> <ul style="list-style-type: none"> • Facilitation of on-the-ground, locally-led strategic regional economic planning in REZs (identified by States) • Leading local procurement strategies • Coordinating locally relevant solutions to impacts of transition including housing and skill shortages forecast in key regions • Supporting the meaningful delivery of Community Benefit Programs • Supporting landholders in contract negotiation with developers by providing expert advice and information. • Upholding the principles of Free, Prior and Informed Consent of First Nations groups and supporting these groups to have an active role in and benefit from the transition. • Facilitate co-ownership and co-investment models in large-scale renewable projects.

	<p>Make climate explicit: The bill should also make explicit the purpose of the Authority: to ensure a just and successful transition to renewables in order to meet climate targets and achieve a climate safe future for Australians. Including a climate mandate within the legislation is important to protect the body from political and corporate interests at both national and local levels.</p>
Section 10: Law reform functions	<p>1a) add agriculture to the list of relevant laws 1b) add local governments</p>
Section 11: Advice Function	<p>1a) remove references to sources of renewable energy—leave technical energy system planning to the Australian Energy Market Operator (AEMO) and state departments.</p> <p>Add advice around the following:</p> <ul style="list-style-type: none"> • How our renewables industry can support the strength of our agricultural industry • How regions can address skill gaps and ensure the maximum amount of jobs are made available to local populations • How regions can address the issue of housing affordability in areas that will see large amounts of short term or fly in fly out (FIFO) workers • Models for community co-ownership, community investment and community benefit programs • Best practice community engagement • Best practice engagement with First Nations groups including the principle of Free Prior and Informed Consent • Models for First Nations co-ownership of large scale renewable energy projects • How renewable energy projects can incorporate regenerative land use practices and have a net-benefit on local environments in which they operate
Section 13: Ministerial Direction Function	<p>The Transition Authority should be independent from the Government.</p> <p>Instead of direction, perhaps the Minister should provide regular Statements of Expectation as in the case of the Latrobe Valley Authority.</p>
Section 22 Board membership	<p>2) suggest removing the following fields: energy technology, energy engineering. Technical planning functions would overlap with AEMO and State Governments.</p> <p>Suggest adding agriculture, community development, and regional planning.</p>

Key resources re shaping the design of a Transition Authority

We recommend the following papers to the Committee as it develops its position on the Bill.

- **The Next Economy**, 2022: [Transforming Queensland: The Case for a Transition Authority](#)
- **Instituto Para La Transición Justa**, 2022: [Spain. Towards a Just Energy Transition](#)
- **Hunter Jobs Alliance**, 2021: [BUILDING FOR THE FUTURE: A 'Hunter Valley Authority' to Secure Our Region's Prosperity](#)

Key recommendations:

- We recommend the Bill assure support for all Renewable Energy Zones with local chapters of the Transition Authority.
- We recommend the bulk of the work of the Authority occur at the local level.
- We recommend a National Transition Authority should include in its mandate:
 - local-led economic and land use planning to ensure local chapters can pursue genuine community aspirations
 - The provision of accessible information to communities about relevant planning process and opportunities to be involved
 - expert support for farmers dealing with renewable energy developers;
 - housing supply in key regions; and
 - maximising local employment and addressing regional skill shortages.
- We recommend alternative methods of appointment to the Board and CEO role to what is outlined in the Bill to ensure merit-based processes are used to fill these roles.
- We recommend that a clear climate mandate be articulated in the Bill as further protection from local and national co-option for political or corporate interest.