

## VICGRID COMMUNITY BENEFITS SCHEME PROPOSAL

17 JUNE 2024

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, building materials and food processing industries. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

Thank you for the opportunity to provide the following feedback to the Draft Community Benefits Scheme.

The EUAA supports effective community engagement. We see it as a critical part of the transition of our energy system towards net zero. In our view, without effective community engagement we put at risk the entire transition.

An effective community engagement plan should be built on best practice and, as the IAP2 Guidelines for Public Participation are considered best practice, this should be the primary tool used to build the platform for an appropriate and effective engagement plan, specific to each community.

The EUAA encourages organisations to aim to move as far to the right on the IAP2 Spectrum, towards a 'collaborate' approach wherever possible.

The proposed community engagement guidelines from Vicgrid meets this approach, proposing a co-designed program, working with communities and taking a long-term strategic approach. We are pleased to see that Vicgrid values community input and we are supportive of this approach overall.

However, there are areas we encourage further planning and thought. These include:

### **Coordination**

The Vicgrid proposal indicates that the proposed community engagement fund is not wanting to replace other funding sources. This is important. However, we would like to see details on how Vicgrid plan to make sure this is the case.

There is no mention of a coordination between the community funds from each development project or a mechanism to ensure ongoing review. Details of how VicGrid will ensure that there is not duplicate funding being given to communities is missing.

### **Governance**

One mechanism that builds community support and good governance is a feedback mechanism. This would not only ensure governance and assurance that any VicGrid funds are spent where intended, but also provides a process whereby VicGrid can feedback to the community about these projects.

This in turn helps to build trust between the funding body and the community, and also provides an opportunity for communities to celebrate positive benefits in how such a large change in the community is delivering tangible benefits.

### **Length of the funding & the plan**

The plan says it is for 15 years but the funding is for 25 years. These elements need to be aligned and part of the plan should include details of what happens towards the end of the funding period. Planning for the end of the funding is as important as planning for the beginning as this will be another enormous change for communities that will need careful management and clear communication.

### **Consider the value of a visioning exercise.**

We all struggle to imagine life being different to what it is right now. If a goal of the community benefits funding is to leave communities better off in the long run, helping communities to see how life will change could be a critical component to help them co-design and identify what is important.

Helping communities to answer a question like: 'what would you like your community to look like in 25 years?' Or in other words, 'in 2050 when there is no coal and wind farms everywhere, EVs normal, maybe larger communities (or will they be smaller because of ageing population), what do we want to make sure we have put in place so that the community is set up?'

Considerations may include: Do you need to have space for more sporting grounds (protected from solar panel developments/buildings/roads etc), more or bigger schools, EV buses that are free so elderly can get around or something else.

Being able to think about the future will aid each community's ability to collaborate with Vicgrid and ensure the end result is delivering outcome that is in everyone's best interests.

In order to help this process, we would encourage VicGrid to run a visioning exercise (or similar) that potentially brings in census data and/or a futurist to help communities envisage how their area might change moving forward.

### **Other infrastructure.**

Open communication with communities will be critical to building trust and a positive long-term working relationship. We note that there is no mention of added infrastructure such as synchronous condensers and batteries in the plan to increase VRE. This should be included in discussions with the community about changes that they are likely to see in their communities— even if the details are yet to be confirmed.

### **Strategic planning for effecting funds distribution.**

As we undergo the biggest transformation of our energy system ever, the increase in development projects will be vast. With Community Benefit Schemes now written into planning legislation, the volume of money flowing into communities will also be vast.

Governments need to consider the sum total of community contributions in order to strategically plan. Questions that may help this process include:

- How can the distribution of funds remain equitable?

- What mechanism should be used to support equitable distribution?
- How can the mechanism ensure that communities are better off long term after the transformation in our energy system?
- Is it appropriate that the energy ombudsman, infrastructure commissioner or another body oversees the strategic planning of the community fund distribution across the state?

While the opportunity to deliver significant outcomes for communities is clear, if not carefully thought through and strategically planned, there is also an enormous opportunity to squander this once in a lifetime opportunity.

Considering how to coordinate and strategically plan the vast sums of money likely to result in the REZ developments along with VicGrid community benefit program will be critical to ensure long term community support and also to ensure efficient and prudent distribution of funds so as not to increase disadvantage.

Do not hesitate to be in contact should you have any questions.



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