

Why the VNI West Community Reference Group engagement is flawed

Fundamentally the flaws with the Community Reference Group (CRG) are ones of fairness and equity. These are not prime considerations in planning by the Australian Energy Market Operator (AEMO). There is a lack of desire for genuine engagement because there are no related outcomes expected. Unfortunately, AEMO is like most monopoly providers, where there is a culture of defensiveness and they cannot accept that there are shortcomings. Because of the way VNI West is enabled/legislated, the lowest common denominator (think Land Acquisition Act for example) is fine with AEMO, they don't really need to do any better – and it shows.

The number of people directly working on the energy transition must be many tens of thousands, possibly even another order of magnitude. The level of detail in AEMO's Integrated System Plan (ISP) and VicGrids's various publications is very impressive. The nuances that have been considered are also comprehensive. That is, except in relation to community sentiment and engagement. Those plans really downplay the significance of community engagement. One of the main documents for planning at both AEMO and VicGrid is the Inputs, Assumptions and Scenarios Report (IASR). If you search the VicGrid IASR for the word "community" or the phrase "social licence", there are zero results. This is symptomatic of the deep flaw in the whole energy transition process. It also seems to be a question of statistical significance.

One of the underpinning surveys behind the ISP is the CSIRO *Australian attitudes toward the energy transition* report. It clearly shows people in general accept renewable energy infrastructure - until it's them that is affected. The summary and overall representation of that report just conveniently overlooks the statistically insignificant. Try running the same survey along the HumeLink, WRL or VNI West corridors or across the neighbours to wind generation or battery facilities. I'm pretty sure you'll get a many sigma difference. I think we know that the general population is supportive of the energy transition, so why not try to find real, acceptable solutions for the small number of highly impacted individuals and communities. Yes, you need to get down to individuals even.

Where is the structure to include comprehensive research and scoring for community engagement and social licence? Why isn't there are hurdle for social licence – you must get a score of 8.5 for a project to be viable for example?

Not only is the number of people deeply affected relatively small, they also have practically no representation in the ISP process – unfortunately their only interaction comes as a consequence of the ISP – think VNI West. In marketing, generally there is

extensive use of focus groups before a product or service is launched. Something similar would have been an excellent idea to include in planning beforehand. But the second-best time is now, this is something that could be pursued through the CRG.

The plans by AEMO and Vic Grid are deliberately concentrating areas of renewable energy generation (and battery storage) alongside VNI West. **The impact of these concentrated areas needs to be considered holistically and cumulatively.** The VNI West CRG is very narrowly focussed on the transmission line, but it is the enabler of much greater impact. The community are not being well served by this “engagement”. People I talk to are worried about all aspects, they aren’t compartmentalising VNI West. They’re even talking about mining as an adjunct. Rural Victoria is under siege.

The CRG was referred to a report stating a 15% valuation loss in relation to transmission lines, however this is only partially relevant to VNI West. I don’t believe that report will translate into the current situation – this situation is likely to be much worse. Without having some vision of the end game **whole communities will be short-changed.**

The concentrated areas around connection points are a classic example of the wonky planning regime. Let’s build a transmission line – but wait, what can we connect and where? The out of sequence consideration of these connection points has meant any **VNI West engagement is fundamentally flawed and dangerously underplays the end game.**

These concentrated areas are going to suffer maximum impact. Historical valuation changes might not be relevant. This time it’s not just transmission, there are many flow-on effects such as wind and solar generation and battery storage facilities. The whole area might be significantly devalued. My direct neighbour was in the transmission corridor until recently (now adjacent) and also has a wind facility proposal adjacent. Many, many people will have multiple impacts, there needs to be consideration of cumulative effects. **The terms of reference for the CRG prevent that from happening.**

Yes, there are difficult issues - how do you resolve a situation where one landholder agrees to wind generation but the neighbours don’t? This seems intractable, but I don’t believe that, it’s just that the same level of effort hasn’t been applied. All the planning authorities are more interested in CO₂, MW and \$. No one is trying to solve the issues faced by the minority of people who are harshly affected.

The possible devaluation around these areas is difficult to predict but potentially devastating. I think we can be pretty sure that no one from AEMO or VicGrid will be looking back to see how things worked out. They will have moved on to the next project and there will be no revisiting of impacts.

Again, because of the lack of fairness and equity, compensation schemes are not adequate. The Land Acquisition Act is not the right tool, this is not acquisition. People’s

assets are being taken against their will. The best people can hope for is a transaction equal to something less than the value of the confiscated assets. Put simply, where is the compensation for “against their will”? More generally, **for most of the people affected (i.e. greater than 50%) there is no compensation at all.**

AEMO will tell you there are land use limits within the Integrated System Plan (ISP) and VicGrid will say the same about the proposed Renewable Energy Zones (REZ). Although serving a technical purpose as well, these limits are also supposed to provide some sort of protection for local communities.

However, those **land use limits are not going to be effective**, they are mathematically flawed.

AEMO and VicGrid both use land area as a proxy for who will be impacted, which is people, not area. Land areas don't care about the use, people do, so why use a proxy.

Arbitrary land use limits on (REZ) areas won't work. They allow for 100% land use with catastrophic impact to be averaged against 0% use with minimal impact and don't cover 0% use with high impact (neighbours for instance). **Averages and medians are not appropriate when talking about impact.**

Sure, there is a need for measures of the overall (averaged) impact on agriculture and so on, but what about some measures for liveability? And why can't we have some sort of rating system for community benefits? If the Environmental Effects Survey (EES) can look at specific locations where Eagles live, why can't we look at locations where people live? At the very least there should be public statistics covering how many people live within 5km of some energy infrastructure. Or maybe an easier proxy is how many residences are within 5km of some energy infrastructure. These could well be the basis for injecting some fairness and equity.

Returning to where I started, I'm not sure why our group is called the “Community” Reference Group. The very limited scope of the CRG is rendering it ineffective. Here's a simple question – it's been nearly two years, we've listened to presentations on compensation, insurance, fire-fighting and the EES, none of which provided any actual answers, so when will there be a presentation on community benefits?

Please take note that I haven't denied the need for an energy transition, but I am against the planning process and the lack of care in relation to those affected. AEMO are a far bigger threat to affected communities than climate change. If it was done better, would it give a different result? No one knows the answer to that, but probably there would at least be changes like more underground transmission, improved compensation and better regulation. There would certainly be more acceptance.

My simple summary is that this whole process needs to be holistic and be guided and measured against fairness and equity and that would change a lot of things.