

# White Paper

Opportunities cost – how Australia is inadvertently squandering its long-term benefits from the energy transition

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Please email: [fiona@orangecompass.com.au](mailto:fiona@orangecompass.com.au) with any feedback.

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## THE GAP BETWEEN POLICY AND IMPLEMENTATION

With the Australian energy transition, we have embarked on a once in a generation opportunity for transformation across a number of fronts. The pace and trajectory of investment is unprecedented: across the National Energy Market, which covers Australia's eastern seaboard states, forecasts suggest it will cost \$315 billion to build the blueprint we have created for our electric future, and achieve our 2050 clean energy targets. State and Federal governments have already committed more than \$40 billion over the next decade to the challenge,<sup>1</sup> of which at least 1.5 per cent<sup>2</sup> could be earmarked for community benefit funds.

This attention and investment from government is both welcome and overdue, and the articulated policy intent is admirable. Within the space of four months at the end of 2022, the Federal government created the Energy and Climate Change Ministerial Council, and National Cabinet agreed a set of National Transformation Principles. These recognise that the direct (and cumulative) impact of this energy transition will be experienced by regional communities across Australia, with 15 Renewable Energy Zones (REZ) planned for New South Wales, Queensland, and Victoria.

The policy intention is to enable regional communities to be active players in capturing and sharing the benefits of the emerging net zero economy. But, the gap between policy and implementation to actually realise the benefits of this transition is stark.

The policy is governed by five principles: Form partnerships; show leadership and transparency; coordinate and collaborate; maximise opportunities; and build local capability and share knowledge. The

cross-jurisdictional commitment through National Cabinet is an important foundation for an effective energy transition.

Over the past 12 months, Orange Compass has been working with industry and communities in Victoria and New South Wales to build our understanding about what is required for:

- a. communities across Australia to become genuine partners with government and industry to help make the energy transition happen, and
- b. to make good on the potential for material long-term social and economic benefits for the regions.

What we've found is that there are early signs in the energy transition that current approaches to implementation, particularly the ways of working with affected communities, will not deliver the desired outcomes. The urgency and pace at which project delivery is being pursued is compounding the problem.

**The message is simple – if we continue down the current path, we will miss the opportunities and fail to realise the true scale of potential benefits from the energy transition.**

There is a lot at stake for all parties and if we continue to repeat old patterns – using methods, tools and planning frameworks that are not fit for purpose – we raise the likelihood of negative unintended consequences and outcomes. Government, industry and communities cannot ever separately see the full picture, including the complexities on the ground.

1. Funding will be directed to supporting new energy installations, new infrastructure (including transmission lines), new industry investment and promoting increased adoption of new technologies. This will be delivered through initiatives such as *Rewiring the Nation*; *the National Electric Vehicle Strategy* and *the National Reconstruction Fund*.

2. New England REZ Coalition of Councils letter to EnergyCo, June 2022.

## DOING THINGS DIFFERENTLY

There is still time to establish new patterns that will support different approaches and deliver on the potential of transformational outcomes for regional communities. Traditional thinking about “social licence” is not enough. The transformational scale of cumulative impacts in individual communities is too vast to accept the assurances of individual players. Communities need to know that there is a holistic and coordinated strategy stewarding the energy transition in their local area.

**Giving communities the tools, skills and permission to be active partners** with industry and government is the missing enabler of a sustainable, equitable and successful energy transition in Australia. To enable a genuinely place-based and community-led approach to implementation, we will need to establish new patterns for the ways of working with communities to deliver a successful energy transition.

This can be established through:

- Partnerships that are underpinned by **new regional governance mechanisms** that enable, support and protect processes for local decision-making.
- Leadership and transparency that goes beyond one dimensional consultation, **shifting to genuinely engaging communities in iterative, ongoing dialogue** about local priorities, trade-offs and outcomes.
- **Coordinated and collaborative policy development informed by overarching and comprehensive strategies** that acknowledge and account for the range of complexities and cumulative impacts that will result from the energy transition.
- **Maximising opportunities of every region through a place-based approach** that considers the specific context, characteristics, capabilities and legacies of each regional innovation system.
- **Building local capability and sharing knowledge by resourcing for community informed decision making and sustained community participation** in visioning and co-design.

This is no small task. It will take a unique set of enabling conditions, particularly the willingness of all actors to engage in dialogue and to work, collaborate and lead together. It will also take a widespread appetite for creating and embedding a new way of working, and a shared commitment to equitable and fair decision-making processes.

- Communities will need to be willing to be active decision makers, not just protest from the margins.
- Industry and government will need to embrace new ways of thinking about communities – that they can be trusted, not to passively receive benefits, but to develop their own strong vision for the future and set their own objectives for sharing the benefits of the energy transition.
- Above all, state and federal governments will need to want to create policies and processes that match the complexity being experienced on the ground.
- The key to this is the validity of implementation and making sure there is authenticity in building relationships, in transparent and timely communication and understanding the nuance of place.

The opportunities and potential benefits from the change we’re facing can be transformational and we offer the following insights and suggestions as strong supporters of the energy transition:

- Exploration of the gap between policy intent as articulated by the National Transformation Principles, and the implementation reality (the patterns that are repeating and the new patterns that are needed);
- practical, evidence-based suggestions to support key actors in shifting their approaches to narrow the gap for each Principle;
- a possible path to create an energy transition that is *recognised by the community* as fair, transformative and lasting.

# THE FIVE NATIONAL TRANSFORMATION PRINCIPLES



## 01. PARTNERSHIPS

### **THE POLICY INTENT**

- Commonwealth, state and territory governments foster collaborative and meaningful partnership with and between regional communities, First Nations peoples, local governments, industry, private sector, unions, researchers, and civil society groups.
- Actions by governments are tailored to the unique context of each regional community and consider the diversity of views in those communities.
- Governments work in partnership with these communities to help create and implement place-based plans for their communities' future.

### **THE CURRENT REALITY**

It takes effort to understand and genuinely partner with community through appropriate forms of engagement and decision making (Stafinski et al., 2022). It also requires capability within community and readiness to engage and embrace change.

Unfortunately, engagement with a broad and inclusive representation of 'community' is too often replaced by what is most expedient - working with formal organisations within community, rather than engaging in direct ways with a variety of community members (Attygalle, 2020).

In the short term, this "short cut" approach is more efficient, because it bypasses more in-depth participatory approaches and engages with existing governance structures and homogenous perspectives. However, in the longer term it does little to avoid alienation and opposition from community members with more diverse perspectives and lived experiences.

In addition, for communities to be able to work in partnership with "government", all three tiers of government need to be working in partnership with each other, rather than operating in isolation and engaging with community from their siloes.

### **THE PATTERNS THAT KEEP REPEATING**

#### **Lack of governance and decision-making frameworks**

Regional governance mechanisms that enable and scaffold local decision-making are crucial in an energy transition (OECD, 2019). This has been evidenced by calls for regional governance frameworks by organisations such as the National Farmers Federation and RE-Alliance.



There are few (if any) existing decision-making frameworks or structures within the renewable energy space that support communities to work in collective place-based ways, to develop shared community visions and benefit sharing models. Instead, future priorities and possibilities are being determined by government and industry.

Communities are not yet in a position to drive a vision for their future or decisions on how community benefits might be generated and shared (Bray, 2022).

### **Lack of coordination of community engagement**

A lack of co-ordination for the plethora of engagement activities being led by different organisations within regions is causing community fatigue and confusion. In our conversations with locals, we are hearing deep concern about the potential negative impacts of low levels of community participation, particularly on their community cohesion and the community's values and culture. This is also supported by the literature (Roberts et al., 2021, Guerreiro and Botetzagias, 2018).

### **Community benefit sharing challenges**

The current approach to community benefit sharing is following well-trodden paths, largely focused on benefit distribution through direct payments to landholders and setting up community grants programs (administered through government approved organisations), handing out sponsorships to obtain 'social licence'.

Direct and private negotiations with individual landholders is driving neighbourhood conflicts and lasting bitterness. These conflicts may cause years of fallout and distress in small, close-knit communities. The lack of transparency in landholder payments is preventing considerations of equity in the "sharing" element of community benefit sharing.

The lack of resourcing for communities to engage fully from the early stages also means that communities can't see or consider the cumulative impacts of the development projects, including funding that will flow into their local area.

## **THE NEW PATTERN REQUIRED**

### **Inclusive regional governance**

Purpose-built and inclusive regional governance frameworks are required to facilitate the energy transition. Frameworks that account for the diversity of communities and recognise that there must be a collaborative approach to governance that enables and scaffolds local decision making, as there is no single entity that can steward the whole process.

To develop new governance mechanisms:

- Looking beyond existing local and regional authorities to enrol other actors from across communities.
- Build an authorising and inclusive environment where those without traditional power, or with informal power feel able to be involved.
- Enable power shifts including the careful rebalancing, negotiating and building of different power structures (McKenzie and Cabaj, 2020).
- Ensure Procedural fairness and competence around public participation in decision-making (Klain et al., 2017, Hanger et al., 2016).
- Engage well-chosen and trusted intermediaries able to translate, navigate and advocate with and for affected communities (Rydin et al., 2018, OECD, 2012).

## Community led decision making for benefit sharing

- Alongside a regional governance approach, there is a need for community-led decision making around benefit sharing. The evidence shows that community can be trusted to lead and make informed, smart decisions about the issues that affect them. They are more aware of diversity in local contexts, often more frugal, and usually more careful in considering complexity and trade-offs. They can better understand that importance of targeted responses that meet the specific needs of community.
- Genuine community benefit sharing is just that - the sharing of benefits across the wider community, not just immediately affected industries or individuals. Community benefit sharing is a key ingredient for sustainable, equitable and successful energy transitions, not an optional extra.

## ENABLING CONDITIONS

- Openness of people, organisations and sectors to work, collaborate and lead together.
- A collectivist mindset where everyone – from community to government behaves differently.
- A paradigm shift where community is trusted not just to receive funds but to set the objectives of investments.
- Equitable and fair decision-making processes with strong links to regional governance.
- Community access to good quality information and data to inform their decisions (Kung et al., 2022, IRENA, 2022, RE-Alliance, 2021).
- Feedback loops to ensure ongoing communication between community members and other decision makers.



## INSIGHTS FOR IMPLEMENTATION

**The greater community ownership of the local resources, the greater the regional benefits** (Stainforth et al., 2022). Likewise, involving communities in planning and decision making can lead to capability building and community empowerment, that can have positive impacts beyond the energy sector.

The evidence also shows that genuine **community benefit sharing is best delivered by place-based and community-led approaches**. In Australia, this will require innovations in collective investment and a transfer of ownership and control of benefits, to the community.





## 02. LEADERSHIP AND TRANSPARENCY

### THE POLICY INTENT

- Commonwealth and state and territory governments play a critical role in supporting economic, social and environmental outcomes in regional communities.
- Engagement between governments and communities is frank, open and ongoing. Governments listen, include communities in the development of outcomes, and are transparent about the challenges, opportunities and timeframes for action within each community.

### THE CURRENT REALITY

#### **Communication failures**

The most common frustration expressed across communities is the chronic lack of clear and transparent engagement and communication with local communities about the energy transition, causing widespread confusion due to mixed messages. What communication there is, is neither timely, nor detailed enough for communities to feel informed about what is going on in their own backyard.

An abundance of energy organisations, attracted by the ‘gold rush’ of new renewables, are dropping in on landholders to scope proposed zones and routes (sometimes unannounced and uninvited). Without clear and coordinated information flows, private operators are creating a ‘cowboy’ culture of unrest, feeding a sense in communities that there is an invasive and unstoppable flood headed their way. The void of reliable, trusted information, offering a coordinated “whole of REZ” perspective indicates a lack of leadership and coordination from Government.

Without acceptance, local opposition can slow construction and may increase the difficulty of subsequent efforts to introduce renewable energy projects (OECD, 2012). The increasing pace and scale of infrastructure delivery across Australia is increasing pressure on individual communities. Over the past decade, more than \$30 billion in Australian infrastructure projects have been subject to “cancellation, delay or mothballing”, with similar pressures being seen globally (I2S, 2022).

Community acceptance is shaped by many drivers, not least the very real socio-economic and environmental impacts likely to follow regional energy development in their local area. Many communities are actively calling for more consideration of the potential impacts, more sustainable outcomes, and greater collaboration.

There is an increasing likelihood that the small-scale community protests seen so far, will become much broader and turn into more entrenched community opposition, if these concerns are not addressed. It is important to note that communities within the REZ zones are not necessarily opposed to climate action and that characterising their opposition along these lines is neither accurate nor effective in overcoming opposition.



## THE PATTERNS THAT KEEP REPEATING

### **One-way communication**

Communities are experiencing one-way communication rather than two-way engagement and dialogue. Put simply, government and industry are taking a risk management approach to communication – explaining decisions and communicating carefully constructed messages to avoid backlash.

Decisions are being made without the genuine involvement of those communities who will bear the impacts of development for generations to come. Instead of dialogue about the criteria and considerations for decision-making and navigating the inevitable trade-offs, communities are invited to ‘comment’ on decisions at key stages, with their comments having minimal influence.

Both in Australia and internationally, local participation in the early stages of decision making is rare. Analysis of 12 nationally significant infrastructure projects in the UK, found that local participants and businesses typically faced a “done to” scenario, with lack of choice or power to design or stop changes being imposed on them (Rydin et al., 2018). In Australia, lack of early consultation and engagement is also common. We have heard many examples of community members who only discover they will be directly affected by energy development, when there is a public announcement by Government, including landholders who discover their property is on the preferred route when they receive a notice in the mail. Unfortunately, this is an observed pattern in energy development. The efforts of locals who are able to engage, can only direct their efforts to achieving “the least- worst outcome” because most decisions have already been made (Rydin et al., 2018).

## THE NEW PATTERN REQUIRED

### **Engage communities earlier in *dialogue***

The well-worn argument that there is *not time to slow down* is moot, as experience in Australia and internationally shows that rushing at the start can cause significant delays down the track (Stainforth et al., 2022, Aitken et al., 2008).

If engagement with communities started much earlier, including in the creation of criteria to inform decision making – we would see different outcomes. One possible approach is to involve community upfront through the development of indicators/ criteria to inform decision making for zone or route selection. These criteria could be added to current metrics and models adding local intelligence and knowledge as well as embedding local priorities and desired outcomes.

This is substantially different to the current approach and would require a much higher degree of openness and honesty about the decisions being made and the trade-offs required. However, communities would also feel more empowered to navigate the external interests in their area, knowing much more about the process and their rights and obligations.

## ENABLING CONDITIONS:

- Trust between community, government, industry and other institutions.
- Ability to engage in iterative decision making via dialogue rather than debate.
- Procurement that recognises and supports resourcing community intelligence and on ground sense making for developers.



## INSIGHTS FOR IMPLEMENTATION

There are many examples of **place-based approaches**, using the collective (collaborative) impact model operating in communities across Australia. The core elements of the approach are well documented and have been proven to be extremely effective in building the conditions for success, through more collaborative and inclusive ways of working, towards shared goals.



## 03. MAXIMISE OPPORTUNITIES

### THE POLICY INTENT

- Working in partnership with local communities, actions by governments are evidence based and align with a region's strengths to work towards a sustainable future.
- Governments encourage innovation, support emerging industry needs, support outcomes for First Nations people, and help attract investment for long-term success.
- Governments ensure local communities have access to services, like training and employment pathways, to support their future.
- Governments actively consider how to support those most vulnerable to the impacts of decarbonisation and have regard for the needs of future generations.

### THE CURRENT REALITY

Many industrial sized renewable energy transition projects around the world carry community hopes for job creation and economic development. However, the reality is that regional economies are not equipped to magically renew themselves, economically or socially. The scale of disruptions to local systems exacerbates the existing pressures on limited resources within communities. Local regional economic and social systems are already strained from managing competing pressures like youth offending, access to health services, education crises and workforce shortages.

Assuming communities are equipped and ready to drive their own outcomes, without acknowledging that locals and regions are facing numerous barriers that will continue to prevent them maximising the benefits from the energy transition, unless addressed.

#### **Barriers include a lack of:**

- Inclusive regional governance mechanisms
- Clear and effective communication and engagement channels
- Holistic, coordinated and strategic planning across agencies and portfolios
- Community involvement in planning and decision-making
- Resourcing for community capacity building for active participation and partnering.

### THE PATTERN THAT KEEPS REPEATING:

#### **Lack of strategic, coordinated and holistic planning**

Policy development around the energy transition, reflects the (unfortunately common) limited understanding of regional innovation systems and the existing knowledge, skills and competences required to support development and diversification (Campbell and Coenen, 2017, Asheim and Isaksen, 1997).

The lack of holistic, coordinated and strategic planning at a local and regional level, both by government and communities, means that projects are planned and executed in isolation of each other and the "big picture, severely limiting the capacity to embed sustainable social and economic benefits.

## THE NEW PATTERN REQUIRED

### **Maximise opportunities of every region through a place-based approach**

Maximising the potential of every region through a place-based approach requires the consideration of the context specific characteristics, existing capabilities and legacies of each region (OECD, 2019). It also requires understanding the interlinked mix of local technologies, infrastructures, markets and regulations as well as local actor interests and capabilities (Campbell and Coenen, 2017).

Research has shown that allowing for new governance approaches and new voices in regional governance helps regions overcome the influence of vested interests which can block regional development and innovation.

The best way to rapidly understand a regional innovation system is to involve a broad range of local stakeholders in dialogue (OECD, 2019). This means bringing in the resources and expertise of local employers, training associations, universities, VET providers and civil society to map the current state and identify future needs. Successful dialogue among stakeholders may require regional policymakers take an active leadership role (OECD, 2019).

Renewable Energy Zones in particular will have broad scale impacts on all elements of local and regional economies and communities, and it is imperative that there is visibility for all stakeholders, of the cumulative impacts of the energy transition, both positive and negative, at the different stages of development.

### ENABLING CONDITIONS:

- Willingness to take a multilevel approach to regional innovation systems that exploit both place-specific local resources as well as external, world-class knowledge.
- Community agreement that business as usual is not enough, widespread appetite for change and awareness of the opportunities of change.
- Real time data is being generated and shared across portfolios to report on what is happening at the broader community or systems levels.



## INSIGHTS FOR IMPLEMENTATION

Overseas experience tells us that **there are huge opportunities to increase the benefits from the energy transition through greater community involvement**. Case studies from Italy, Spain, Denmark, Germany and the Czech Republic show that community ownership and benefit sharing are key to increasing the regional socio-economic benefits that flow from the energy transition. **Regional innovation strategies** (coordinated across portfolio areas) can play a key role in mobilising regional renewal and a 'coordinated' transition of a regional economy (Campbell and Coenen, 2017, Grabher, 1993).

**Intermediary organisations** can also play an important role in building communities' ownership, enhancing (technical, entrepreneurial and managerial) capacities, transferring knowledge and technology, establishing innovative financing models and shaping policy. The significance of intermediaries is reinforced by international experiences of renewable energy projects, including Indonesia and the UK (Guerreiro and Botetzagias, 2018, Sovacool, 2013).





## 04. BUILD LOCAL CAPABILITY AND SHARE KNOWLEDGE

### THE POLICY INTENT

- Governments support a place-based approach that builds local capacity and capability.
- Governments recognise community knowledge and leadership, and ensure local communities have access to accurate and relevant information, so local leaders and decision makers can identify opportunities early, respond strategically and sustainably support their communities into the future.

### THE CURRENT REALITY

#### **Inadequate lead time for communities to engage**

Communities and regions are not well prepared and have not had adequate lead time to ensure the community is truly part of the decision-making process. The level of community readiness to take up a role as a “partner” in the energy transition process is generally low. Many communities don’t have the capacity or capabilities to engage as a collective, so it’s left to individuals to try and have their say. The costs for individuals – in both time and money are not acknowledged. This is as a barrier to participation, as many simply cannot afford to bear those costs.

#### **Consultation with a select few**

Those communities that are more advanced in terms of “organising” and have representative bodies or local intermediaries (like Re-Alliance) are more likely to be invited to the table and have their voices to be heard, embedding a level of inequity from the outset. Representative groups will only ever represent a proportion of the community, highlighting the need for inclusive governance mechanisms, to ensure that a diverse range of voices are heard.

The official community “consultation” processes can be alienating for people and so many opt out of engaging, or give up trying to have a say. When people feel shut down and not heard, this leads to even less engagement and more likelihood of public protest.

The competitive nature of the contracting processes for new energy infrastructure is prompting an influx of energy organisations into the regions, seeking to engage with community members to gather their local knowledge – “community intelligence”, and to build corporate brand awareness for future “social licence”. As noted above, this approach imposes costs on individuals and their good will is rapidly diminishing.

### THE PATTERN THAT KEEPS REPEATING

#### **Power dynamics**

The power structures in major infrastructure projects are fundamentally unequal. Government and industry hold almost all the power, through decision making power, authority, influence and financial resources. Communities hold limited power – except through protest and litigation – which can take significant resources, financial, social and time.

Unsurprisingly, community consultation is treated as a necessary step to acquire “social licence”, to be risk-managed, minimised and the box ticked. Objections and concerns are to be neutralised, so that they don’t result in project delays or cost blowouts.

## Underlying assumptions

There are many underlying assumptions held about communities that can be seen in the way community “consultation” processes are being undertaken.

- It is assumed that if an opportunity is created, but people choose to not participate, then their lack of participation is interpreted as either neutrality or consent. There is little consideration of barriers to participation or the importance of actively seeking out and including diverse voices.
- Communities are treated as passive recipients, who will be lucky to get the interest and investment in their local area, rather than as partners with knowledge and expertise that can be a material contribution to developing genuinely better solutions for projects.
- The loudest voices and those with influence are attended to – assuming that communities are homogenous and there are not diverse viewpoints that should be treated as equally legitimate.

## THE NEW PATTERN REQUIRED

### Resource communities to participate

Communities need to be supported by resourcing for community intelligence and informed decision making.

- Context appropriate action needs to be taken to resource new capabilities and capacities required. These can include building local capabilities as well as providing access to skilled professionals where required.
- Employing fit for purpose human capital provides much needed support to communities facing change, including:
  - financial expertise to understand financial rights, risks and models
  - mediators to help navigate complex social and intergenerational relationships in the competitive environment
  - legal support to help understand rights, negotiate deals and navigate the legal system of ownership, benefits and contracts
  - skills in data analytics and access to data, in particular land use, transmission routes, project data and benefit.

They also require resourcing for sustained community participation in visioning and co-design.

- Communities need inclusive and participatory processes to systematically imagine alternative and sustainable futures.
- Broad communication of and access to the results of community futures visioning, reducing duplication of effort by the many interested parties seeking to understand community priorities.

## ENABLING CONDITIONS:

- Industry and government actors to value community as experts in experience of how things work and what needs to change. Including being willing to invest in ensuring community can properly provide this expertise.



## INSIGHTS FOR IMPLEMENTATION

**The level of community readiness** to participate as an equal partner is an important consideration in implementation planning. Indicators of a high level of community readiness may include:

- Community conversations are already underway with diverse voices from multiple sectors discussing what is needed for a collaborative response.
- Champions from different parts of the community are working together to actively grow a new narrative of hope and agency.
- A diverse range of influencers from across community are exploring a shared vision for change and what working together over the long term to achieve lasting change would look like.

In many contexts, achieving this level of readiness will take time, capability building and support. If a community has a low level of readiness, it may mean that regional governance structures may need to evolve as capability develops so that there is increasing community authority to steward the shared agenda.





## 05. COORDINATED AND COLLABORATIVE (GOVERNMENT)

### THE POLICY INTENT

- All levels of governments play complementary roles, aligning with existing local plans for transformation while bringing each governments' perspectives to planning.
- Actions are holistic, coordinated and proportionate to impacts.
- Siloes within and across the levels of government are overcome to ensure timely and joined up outcomes.
- Governments proactively respond to emerging needs and opportunities.

### THE CURRENT REALITY

While new governance structures have been established to support the energy transition at the Federal and State levels including the Energy and Climate Change Ministerial Council through National Cabinet, the Energy Transition Agency, EnergyCO in NSW, VicGrid in Victoria, there is a lack of coordination across government agencies and siloes, industry and other actors.

For local communities, who already navigate the complexity of siloed service systems with limited local capacity, the lack of local level coordination and management of cumulative impacts are already being felt. We hear that the existing challenges across portfolio areas from Environment, Planning, Housing and Workforce have already been exacerbated. With the pace and intensity of the energy transition strains on local service systems will be exponentially worse.

### THE PATTERN THAT KEEPS REPEATING

#### **Uncoordinated policy development and implementation planning**

The energy transition is affecting diverse industries, infrastructures and portfolios across energy, economics, infrastructure, workforce, environment, land use health, education and welfare. Despite new coordinating authorities established at the State and Federal levels, there continues to be no coordinated approach to policy development and implementation planning for a REZ zone, remaining siloed and disconnected and sometimes contradictory.

What's missing are the effective regional and local level mechanisms to facilitate coordination, information sharing, and shared planning to manage the implementation within an individual REZ. The consequences – many unintended – will become more and more visible as the projects and transmission progress.

### THE NEW PATTERN REQUIRED

#### **Coordinated and collaborative policy development**

Policy development must be informed by overarching and comprehensive strategies that acknowledge and account for the range of complexities and cumulative impacts that will result from energy transition.

The energy transition is a unique opportunity for all levels of government to reimagine their roles and the ways in which they seek to create and support regional development and renewal.

There is no 'one-size-fits-all' policy solution suitable for the energy transition, as it impacts the whole of society and individual communities in different ways.

Instead, there needs to be a broader, more strategic policy lens that acknowledges and accounts for the range of complexities and cumulative impacts that will result from energy transition and inform development and adoption of overarching and comprehensive strategies.

### **ENABLING CONDITIONS**

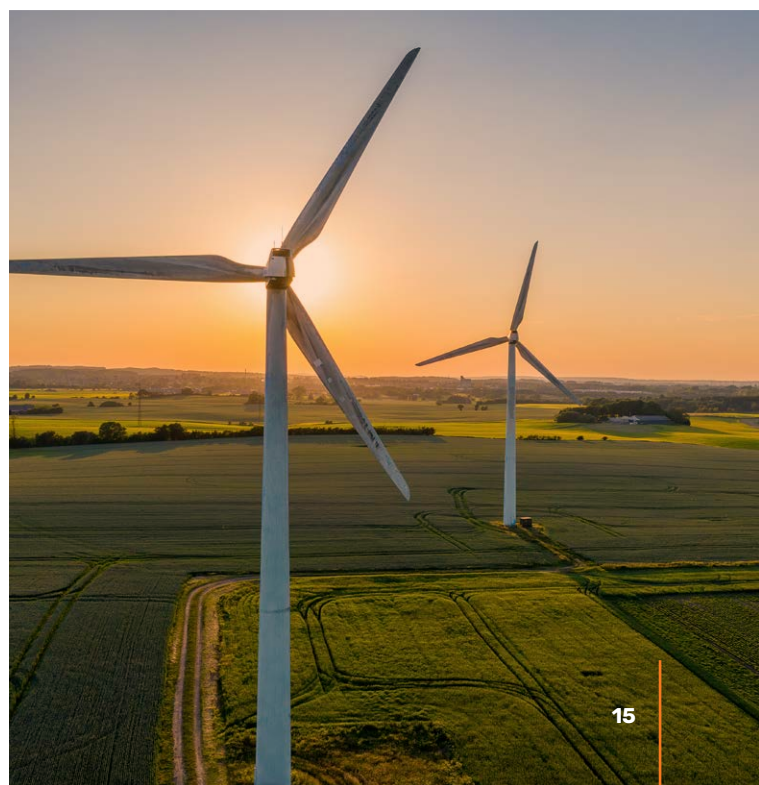
- Willingness to create policies and processes that match the complexity being experienced on the ground.



### **INSIGHTS FOR IMPLEMENTATION**

An OECD review of case studies in 16 regions found that while renewable energy represents an opportunity for stimulating economic growth in rural communities, a complex and flexible policy framework and a coherent long-term strategy is necessary to realise the potential benefits. (OECD, 2012).

**The need for more consistent institutional and regulatory environments** at both the national and local level, is not limited to the energy transition or Australia (Sovacool, 2013). Numerous case studies (including in Indonesia) highlight the significant risks created by high numbers of institutional actors and a lack of coordination in the government, being a key obstacle to renewable energy development (Guerreiro and Botetzagias, 2018).





## THE CALL TO ACTION

Old patterns are being followed in the energy transition that put its timely implementation and the opportunity for positive change at risk. To generate new outcomes, we must stop this repetition, and this needs to occur sooner rather than later.

Changing old patterns will help close the current gap between the intent of the National Transformation Principles and the current reality. The enabling of genuinely place-based and community-led approaches to implementation is pivotal to this pattern shift. A successful energy transition is only possible where community is authentically engaged, involved, and empowered. We know this can be established through:

- Partnerships that are underpinned by **new regional governance mechanisms** that enable, support and protect processes for local decision-making.
- Leadership and transparency that goes beyond one dimensional consultation, **shifting to genuinely engaging communities in iterative, ongoing dialogue** about local priorities, trade-offs and outcomes.
- **Coordinated and collaborative policy development informed by overarching and comprehensive strategies** that acknowledge and account for the range of complexities and cumulative impacts that will result from the energy transition.
- **Maximising opportunities of every region through a place-based approach** that considers the specific context, characteristics, capabilities and legacies of each regional innovation system.
- **Building local capability and sharing knowledge by resourcing for community informed decision making and sustained community participation** in visioning and co-design.

This is no small task. It will take a unique set of enabling conditions, particularly the willingness of all actors to engage in dialogue and to work, collaborate and lead together. It will also take a widespread appetite for doing things differently and a shared commitment to equitable and fair decision-making processes. The energy transition is too vast and the potential benefits too great to just go to waste.

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