Submission No 53

INFRASTRUCTURE FOR ELECTRIC AND ALTERNATIVE ENERGY SOURCE VEHICLES IN NSW

Organisation: Narrabri Shire Council

Date Received: 2 May 2025



Our Reference: 22616 Your Reference: Contact Name: Do

2261607 DLA:SR EV Inquiry Donna Ausling

Committee Chair: Ms Lynda Voltz, MP Legislative Assembly Committee on Transport and Infrastructure NSW Parliament House Macquarie Street SYDNEY NSW 2000

By email: transportinfrastructure@parliament.nsw.gov.au

Friday, 2 May 2025

Re: Inquiry into infrastructure for electric and alternative energy source vehicles in NSW – Narrabri Shire Council Submission

Dear Ms Voltz,

Thank you for the opportunity to provide feedback in relation to the inquiry into infrastructure for electric and alternative energy source vehicles in NSW.

Local Context

Narrabri Shire is located in the <u>North West Slopes</u> region of NSW. The primary settlement of Narrabri is located adjacent to the <u>Namoi River</u> and at the confluence of the <u>Newell</u> and <u>Kamilaroi Highways</u>. The local government area (LGA) is strategically positioned halfway between Sydney and Brisbane, and is considered to be resource-rich. Key local industries include mining and agriculture. At the last Census (2021) the resident population was 12,721 persons.

Narrabri Shire Council's vision is articulated in the Community Strategic Plan as follows:

"Narrabri Shire will be a strong and vibrant regional growth centre providing a quality living environment for the entire Shire community."

The township of Narrabri is considered to be one of the most flood prone settlements in NSW. The community of Wee Waa, located west of Narrabri, is periodically completely isolated by flood waters for long periods (up to two weeks) and is protected by a ring levee. Narrabri Shire contains a number of vulnerable and at-risk communities that are flood-affected. These communities have a high Aboriginal population, low socio-economic base and are also ageing in nature.

A total of 6,949 workers were employed In Narrabri Shire, as of 2021. This employment is concentrated in the agricultural and mining sectors. Mining is a capital-intensive sector, producing high output per person employed. The industry workforce is dominated by FIFO and DIDO workers from surrounding LGAs and further afield who are not captured in local employment statistics.

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Narrabri Shire Council is currently supported by the following public EV charging stations:

- Narrabri Town Hall Car Park 2 x NRMA charging stations
- Narrabri Visitor Information Centre Car Park 4 x Tesla charging stations

Apart from public EV charging stations as mentioned above, private enterprise accommodation providers have installed EV charging infrastructure for their travelling customers. There are some stand-alone sites as well. There is no data currently available on the location of all private EV charging sites within the Shire.

Council has prepared a draft Renewable Energy Action Plan (REAP) to assist in guiding decision-making surrounding renewable energy. In late 2023 Council also participated in a pilot project with the NSW Government Sustainable Councils program to identify and assess candidate sites for charging suitability.

Narrabri Shire Council provides the following feedback to the Inquiry in accordance with the associated terms of reference as a staff-level submission:

Funding and location of electric vehicle chargers or infrastructure for other potential energy fuel sources:

In June 2021, the NSW Government released its Electric Vehicle Strategy which outlines the state plan to accelerate the electric vehicle (EV) transition in NSW. Under this strategy, EV sales are forecast to increase to more than 50% of all new passenger vehicles by 2031. To prepare councils for the upcoming EV transition in their region, the NSW Sustainable Councils program supported councils to identify and assess sites for charging suitability.

The NSW Government under the Sustainable Councils programs engaged ChargeWorks to assist a number of local government authorities, including Narrabri Shire Council to assess suitable council-owned destination charging sites and identify opportunities for councils to lease car spaces to fast charging providers. As part of these services, ChargeWorks was engaged to conduct feasibility assessments of shortlisted sites and to assist with destination charging grant applications.

As part of the program, ChargeWorks worked with internal council stakeholders to identify suitable sites for EV charging and visited each council area to assess the key locations and gain an understanding of EV driver experiences. A corresponding report, *EV Charging Feasibility Assessment* was delivered to Council in November 2023.

The report was designed to inform applications to the *NSW destination charging grant funding rounds* for council sites. This report was also intended to inform council discussions with fast-charging providers for future fast-charging grants. The recommendations presented in the report were based on an assessment of

site suitability in relation to use case, site constraints, and cost-benefit considerations. site constraints and cost benefit considerations.

Council found the report highly beneficial in guiding decision-making in respect of the location of EV charging stations and associated supporting infrastructure. The ultimate challenge, and what has limited fulfilment of its ultimate potential, is summarised as follows:

- The electricity network, like many rural and regional areas, lacks capacity and overall reliability can be very poor.
- The continuing impacts of the ongoing industrial dispute between Essential Energy and the Electrical Trades Union (ETU) have created significant uncertainty and disruption to EV installation programs. Refer also to the enclosed media statement at **Attachment 1** of this submission as background.
- The cost of installation, even when subsidised by available grant funding, is out of financial reach of many rural and regional councils. A recent project investigated for the community of Wee Waa and in line with the EV Charging Feasibility Assessment recommendations, saw a potential capital cost for a fast charging station in the hundreds of thousands of dollars. This project also had little likelihood of any significant return on investment, making the project largely unfeasible.

In respect of Council's own fleet management and transitional arrangements, in accordance with its draft Renewable Energy Action Plan (REAP), Council has elected to undertake a conservative approach for the following reasons:

- There is an absence of clear direction to local government and a dearth of current technical capability and capacity (particularly in rural and regional areas) which is needed to guide strategic procurement decisions in this space.
- An aggressive transition approach is cost-prohibitive given that EV fleet can be in some instances double the cost.
- There is an absence of a clear policy framework (i.e. a fleet transition policy) that the local government sector can confidently rely upon.
- There are a range of technological impediments, including no viable commercial hybrids currently being in the marketplace that are suitable for rural/regional needs.
- An overarching lack of local supply opportunities was identified, including manufacturer competition which serves to drives up cost.
- There is a current lack of clarity of roles both internally and external to Council.
- Challenges with the management of heavy plant focus on investigation and market monitoring and research as based on current trends this type of plant is more likely to go to hydrogen.
- Various political considerations at all levels of government.

Through review and discussion of EV fleet transition opportunities there is a potential for strong alignment to the Council integrated planning and reporting (IP&R) cycle. As part of this established process and conduct ongoing assessment and reviews as technology transitions.

Council notes that the electric vehicle (EV) fleets incentive is a payment scheme that assists eligible organisations procure battery electric vehicles (BEVs) and optional smart chargers. Funding under this program is designed to cover part of purchase price and operating cost gap between a BEV and an equivalent internal combustion engine vehicle.

The Kick-start funding option provided for a simple application process for organisations looking to procure 10 or fewer BEVs and optional smart chargers. A fixed incentive is provided for different types of vehicles, as outlined below:

- Passenger vehicles and SUVs: \$5,000 per vehicle and \$1,200 per optional smart charging port
- LCVs up to 4.5 tonnes Gross Vehicle Mass (GVM), excluding light trucks: \$5,000 per vehicle and \$1,200 per optional smart charging port
- Light trucks up to 4.5 tonnes GVM: \$10,000 per vehicle and \$3,000 per optional smart charging port

This program is currently administered by Department of Climate Change, Energy, Environment and Water. Under this program any eligible organisation procuring up to 10 BEVs and optional smart chargers from the approved list. These BEVs and smart chargers must be used within the organisation's own fleet.

Under the terms of this funding round, the project was required to be commenced by 24 July 2024 and completed by 30 June 2025. The grant permitted expenditure for part of the EV purchase or the leasing cost for eligible BEVs and optional smart chargers (one per incentivised BEV).

Council noted at the time that that the incentive cannot be used for the procurement of:

- HEVs and PHEVs
- vehicles above 5 tonnes
- second-hand BEVs
- new or used ICE vehicles converted to BEVs
- motorcycles (off road, road, scooters, e-bikes, mopeds, ATV/SSV sideby-side vehicle)
- trailers and caravans
- airplanes
- boats
- any vehicles not set out in the 'vehicle— categories' section
- Novated leasing was also excluded from the incentive.

Council did not pursue a grant application under this scheme given the practical limitations of the scheme, the overall costs of electricity augmentation to the candidate sites, and the overarching financial considerations in addition to the lack of organisational technical capacity in this area. The current suitability of EV fleet and machinery for the rural/regional context was also a key consideration to not pursue funding under this particular scheme.

As mentioned previously, Narrabri Shire has two public EV charging stations. One under the banner of NRMA and the other Tesla. For these companies to operate in Narrabri Shire, Council is effectively a partner in the establishment of their businesses. This comes about due to the fact that Council neutralises existing car parking infrastructure in town to accommodate charging station infrastructure, potentially a substation and spaces for cars to charge.

Instead of an entire network of new infrastructure only being feasible if the Commonwealth and State Governments allocate funding to the industry with local government expected to donate land, it does not seem a commercially viable proposition. Council is of the belief that where possible, charging points should be located in the substantial network of existing service stations located across the country. There are already existing facilities in these locations like, rest rooms, refreshment areas with simple things like water and consumables to clean windscreens. Pulling into an existing service station also allows the electric vehicle driver to benefit from the already established supporting road infrastructure like acceleration and deceleration lanes which is a substantial safety benefit and maximises the passing continuous flow of traffic. Using the existing service station network condenses the purchasing of energy by the consumer (be it petroleum or electric) into one location. By being able to concentrate EV charging stations into existing service station infrastructure, this will free up recently neutralised EV car spaces to be used for what they were originally intended for which is a convenience areas for customers to frequent the main street businesses.

b. The viability of alternative energy sources for freight, heavy vehicles and other licenced vehicles in regional communities:

As detailed in the preceding section, the use of alternative energy sources is not currently considered viable in regional areas. Further consideration should be given to providing rural and regional local government with the following additional support:

- Further technical capacity building including the development of detailed guidelines and standards to inform decision-making; and
- Untied financial contributions to requisite first and last mile electricity infrastructure for key EV locations.

c. Use of existing infrastructure and measures to ensure a competitive market, including 'ring fencing' policies:

As detailed in the NSW *State Infrastructure Strategy 2022-2042* continued investment in high-quality infrastructure is essential to support and strengthen the productivity and international competitiveness of NSW industries. The availability, cost and quality of public infrastructure are important levers government can use to boost productivity and overall prosperity.

It should be further noted that Council has regularly met with companies over approximately the last 14 years who are endeavouring to construct and operate large scale solar farms. This takes up an enormous amount of Council time and resources as we go through a whole range of the same areas consisting of zoning, location, community consultation, environmental assessment, etc. To date, there has been much preliminary work, but apart from a couple of specific small scale solar farms, there has been no investment in solar for the benefits of the local or wider community.

This is effectively attributable to the fact that the Commonwealth and State Governments that assert they want to take the country from a fossil fuel based centralised electricity distribution system, have not been forthcoming with the funding to increase the poles and wires substantially to accommodate a renewable decentralised system. This lack of funding for the critical poles and wires upgrades means there continues to be capacity constraints on the current electrical distribution network.

With substantial investment in poles and wires infrastructure across the country by government, private enterprise and financial institutions will have the confidence to fund and construct in large scale renewable energy facilities that will be the catalyst for Australia to deliver a Net Zero outcome by 2030.

d. Measures to ensure the transition of workers from affected industries and industry standards:

The Narrabri Shire Council has recently prepared a detailed submission to the *NSW Parliamentary Inquiry into beneficial and productive post-mining land use* which addresses a range of worker transitional considerations. A copy of this submission can be accessed from:

https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquirydetails.aspx?pk=3046#tab-submissions

e. Any other related matters:

A significant amount of misinformation and disinformation currently exists surrounding the management of emerging renewable technologies, particularly with respect of lithium batteries. Government policy and information/guidance collateral in this space is currently either inconsistent, and is in some instances, considerably lacking. This is ultimately contributing to a climate of fear surrounding community safety risks associated with renewable technologies and a disconnect between the policy positions of key stakeholder agencies and supporting community collateral. Refer also:

- <u>Nation-leading safety and information standards for lithium-ion battery</u>
 <u>products now in effect | NSW Government</u>
- <u>https://engage.essentialenergy.com.au/community-</u> <u>batteries/widgets/414666/faqs#question115260</u>
- Debunking 10 EV Fire Myths AfMA

As detailed in the preceding section, there is a significant lack of technical expertise, particularly in rural and regional areas surrounding renewable technologies. The assertion that stakeholder agencies such as electricity providers, Fire + Rescue NSW, and the NSW Rural Fire Service are currently working cohesively toward shared goals may overstate the present level of collaboration, particularly given the nature of the arguments being presented.

Consequently, urgent intervention is needed in this space to support all tiers of government in the delivery of the Net Zero 2030 Policy framework to ensure that its overall objectives can be achieved. Alternatively, the policy should be appropriately reframed. Until a clear direction position is established, scaffolded by agreed standards which are risk/likelihood and evidence-based, and underpinned by science, community tensions will continue to grow unabated. This will ultimately threaten future capital investment and potentially destabilise local economies, particularly those that are in transition. Furthermore, it will make the greatly lauded climate change policies both unrealistic and unachievable.

Council trusts that the above advice assists and should you require any additional information or clarification in this regard please contact Council's Director of Planning and Sustainability, Ms Donna Ausling on (02) 6799 6866 or by emailing council@narrabri.nsw.gov.au

Yours faithfully,

Eloise Chaplain General Manager



Media Statement

03 December 2024

Ongoing and escalated industrial action planned by the Electrical Trades Union (ETU), and the 'threat' to implement 72 hour strikes across the Essential Energy network is disappointing and threatens the delivery of a reliable supply of power to regional, rural and remote NSW and parts of southern Queensland. It is also delaying progress on residential, commercial and energy generation projects. Our regional communities have been negatively impacted by industrial action since August 2024.

Essential Energy is committed to bargaining in good faith and delivering an Enterprise Agreement that reflects a fair and reasonable wages offering for its employees, while considering current market conditions and cost-of-living pressures.

Essential Energy has worked constructively this year to progress the Enterprise Agreement, including direct engagement with the combined unions and bargaining representatives since May 2024. This has included 19 bargaining meetings, three conferences at the Fair Work Commission and two Enterprise Agreement offers.

Throughout bargaining, the Unions have not materially shifted their position or made a counteroffer to reach an agreement. They have maintained a position that each of their 157 claims is critical and must remain on the table for consideration. The Unions have not provided any constructive feedback to Essential Energy on either of our two offers, the most recent of which contained an industry-leading wages offer.

The combined union claims include a 24 per cent pay increase over the next three years in wages, plus a 1.5 per cent increase in superannuation. The Electrical Trades Union (ETU) has also claimed a \$4.50 per hour per employee retention allowance, representing a cost of \$82 million over the life of the agreement.

The outcome of the Unions' "8/8/8" wages claim alone would be approximately \$275 million, having a direct impact on customer's energy bills and increasing the cost of living.

Most recently, Essential Energy, the combined unions and bargaining representatives have participated in a Section 240 dispute process in the Fair Work Commission (FWC) which did not result in meaningful progress.

Offer made to NSW Government

The recent statements made by the Secretary of the ETU refer to offers being made to the New South Wales Government. There was no reference to such an offer being made in any bargaining meeting attended by Essential Energy and bargaining representatives, including the bargaining meeting held today, Monday 2 December 2024.

Under the Fair Work Act, bargaining occurs between bargaining representatives. The New South Wales Government has not been appointed as a bargaining representative in the bargaining for a new Essential Energy Enterprise Agreement, and has not been involved in the bargaining between Essential Energy and the other bargaining representatives, which includes the ETU.

State owned corporations operate at arm's length from Government.

Industrial action



Essential Energy continues to bargain in good faith and progress bargaining in a constructive and efficient manner for the benefit of employees, customers and the NSW community.

Despite this, the industrial action driven by the ETU and Mining and Energy Union (MEU) continues across regional, rural and remote NSW, deliberately impacting customers and small businesses through unpredictable cancellations of planned outages that have a direct impact on the day-to-day activities of the NSW community.

The industrial action is financially crippling small businesses, especially Accredited Service Providers (ASPs), small businesses and sole traders who work in the electrical industry. ASPs report the union-inspired campaign has left them with significant out-of-pocket expenses, reduced turnover and, in some cases, created a risk of being forced to close their business if action continues.

Essential Energy is receiving daily correspondence from ASPs significantly impacted by the industrial action. In many cases ASPs do not understand why their businesses are being targeted by the ETU-led campaign that is threatening the future of family-owned businesses and hurting communities, across regional, rural and remote NSW.

Since 8 August 2024, more than 1200 planned outages have been cancelled. This includes outages for Essential Energy-specific projects including maintenance and upgrades on the electricity network and 170 outages for ASPs.

Examples of projects impacted include housing developments, business renovations and extensions including single dwellings that need power for building or for people to move in too and upgrade work to some schools.

As a regional organisation with its people at the heart of the communities in which they live and work, Essential Energy is disappointed that there doesn't appear to be any prospect of the ETU-led campaign subsiding despite ongoing negotiations with bargaining parties.

Overview of Essential Energy Enterprise Agreement offer - voted down by employees:

- Increases to remuneration:
 - Year 1: Wage increase of 7 per cent
 - Year 2: Wage increase of 4.5 per cent or CPI whichever is higher; PLUS 0.5 per cent increase in superannuation (to 16.5 per cent)
 - Year 3: Wage increase of 3.5 per cent or CPI whichever is higher; PLUS 0.5 per cent increase in superannuation (to 17 per cent)
- One-off upfront \$5,000 payment (inclusive of superannuation)
- Enhancement of existing allowances to reflect industry and legislative changes and introduction of new allowances recognising skills and value of functions and roles.
 - o Includes a 40 per cent increase to the on-call allowance.
 - Includes an average 34 per cent increase to shift allowance.



- Improvements in terms and conditions for Mature Age apprentices and Graduates, and commitment to increase annual intake of apprentices from 25 to 40 per year
 - Includes the mature age of an apprentice being lowered from 21 to 18 years of age.
- Enhancements to recognise ongoing commitment of employees and improved recall provisions
- Improved progression pathways for a range of role types across the organisation including a training package for several key field-related roles, and opportunities for progression based on employees' on-the-job experience
- Introduction of a \$299 annual wellbeing subsidy
- Improved benefits including:
 - o Greater flexibility in Long Service Leave including ability to take after seven years
 - o Ability to purchase up to four weeks' annual leave
 - o Introduction of two Cultural Leave days
 - o An additional Essential Energy Holiday to be treated as a paid public holiday
 - Inclusion of Study Leave and 26 weeks' parental leave in the Enterprise Agreement for both the primary and secondary carers.

<ENDS>

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