

19 June 2025

Mr Mark Banasiak Chair Portfolio Committee No. 4 – Regional NSW

Dear Mark

NSW Parliamentary Inquiry – Impact of Renewable Energy Zones (REZ) on rural and regional communities and industries in New South Wales

Thank you for the opportunity to provide further advice to the Committee, following on from our submission to the Inquiry and evidence provided at the hearing.

Please find following detailed responses to each question raised.

In summary, please note four key points:

1. **Independence** – EWON's independence in enshrined in our foundations. The energy ombudsman function is established in NSW legislation¹. In accordance with EWON's Constitution and Charter, the Board and Ombudsman ensure that independence underpins all the work we do.

In 2024, an independent review² of EWON found that:

- EWON operates in accordance with the <u>Benchmarks for Industry-based Customer Dispute</u> <u>Resolution</u> – one of which is independence
- EWON is an excellent industry ombudsman scheme.
- Our community outreach program represents best practice.
- EWON's approach to supporting vulnerable and disadvantaged complainants received praise from all stakeholder groups interviewed for our work in this area.
- Our casework demonstrates high levels of both procedural and distributive justice.
- EWON is seen to be one of the few trusted voices in the energy sphere.
- 2. **Effectiveness** another one of the Benchmarks mentioned above As an industry ombudsman scheme we are a membership-based organisation. Industry participants are required to be members of EWON. This membership model ensures EWON's effectiveness, including the Ombudsman's power to make binding decisions. Further expansion of EWON's jurisdiction into generation and storage needs to be supported by appropriate regulatory requirements for renewable energy infrastructure developers to be members of EWON.

¹ Electricity Supply Act 1995 s96B

² EWON 2024 independent review

- 3. Trusted voice A core objective of transmission and renewable energy zone jurisdiction is to be a 'trusted voice' in the sector. In our most recent independent review, the review team concluded that EWON is seen to be one of the few trusted voices in the energy sphere. Such a position is very difficult to attain, easy to lose, but of the utmost importance to the members of EWON, service users and the wider public as it enables EWON to make significant contributions to the effectiveness of the energy market.³
 The primary role of any consumer ombudsman scheme is to encourage public trust in the industry over which they have jurisdiction and not simply to resolve complaints. EWON exists as part of the industry's integrity function. We have commenced establishing our 'trusted voice' in our new role in renewable energy infrastructure through community and stakeholder engagement undertaken to date and the enquiries and complaints we manage.
- 4. **Promotion of Internal Dispute Resolution and EWON** all members, including Transgrid, EnergyCo and ACEREZ have a key role in promoting their Internal Dispute Resolution (IDR) (complaints management systems, policies and processes) and EWON's role i.e. advising landowners and community members that they have a right to contact EWON for independent advice and information and if necessary, dispute resolution. To date, it is clear to EWON that all three members need to significantly increase their focus and practice, including by their contractors / agents, in promoting IDR and EWON. Doing this proactively will build trust in the energy transition and reduce complaints to their businesses and EWON.

We welcome any further opportunity to engage in the inquiry – for clarification of any of our responses, please contact Ms Stephanie Saill, Head of Energy Transition,

Kind regards

Janine Young
Ombudsman & Chief Executive Officer
Energy & Water Ombudsman NSW

³ EWON 2024 independent review page 7

Response to Supplementary Questions

1. How are you independently assessing the fairness and transparency of the complaints handling process of renewable energy companies, especially regarding sensitive issues such as property access, easement acquisitions, and damage to private land?

A principal responsibility of EWON under our Charter is to *encourage* and provide advice to members on the development and maintenance of good complaint handling practices to assist in the reduction and avoidance of complaints.⁴

It is not our role to assess the fairness and transparency of EWON member complaints handling processes. It is however, our role to support their development of effective internal dispute resolution systems, policies and processes.

We began working with EnergyCo and ACEREZ, in August / September 2024, to assist them in their development of best practice complaint handling systems, policies and procedures; including advising that complaints processes must be accessible and transparent. Further, that both entities need to promote their complaints systems to landowners and community members. Similar advice and assistance has been provided to Transgrid since it became a member in 1998.

We have provided all three entities with resources to assist them develop a complaint handling policy that meets the Australian Standard AS 10002:2022 – Guidelines for complaint management in organisations. These resources include a template complaint handling policy and practical guides clearly outlining requirements for their website and active promotion of complaint handling procedures, including access to EWON.

Each application for EWON membership is assessed against EWON Board approved principles which ensure the appropriateness and adequacy of information about complaint handling procedures, including the right to access EWON. A holistic view of complaint issues is adopted in assessing procedures, which includes sensitive issues such as property access, easement acquisition and damage to private land.

Renewable energy infrastructure entities that are EWON members have access to our member portal which provides access to valuable resources, including the member manual, complaint handling manual, news updates, reports and complaints data. Additionally, we hold regular induction sessions for new members, providing a step-by-step guide to established complaint handling principles and EWON's dispute resolution processes. In early 2025, we held a dedicated renewable energy infrastructure member induction, with 35 staff from EnergyCo, ACEREZ and Transgrid attending.

2. Can you detail how EWON's dispute resolution service ensures that community complaints about renewable energy projects are proactively addressed, rather than simply reacting to entrenched disputes?

EWON's jurisdiction enables us to receive and investigate complaints from directly impacted landowners and individual community members. It also enables us to provide independent advice and information to individuals seeking it directly from us or to broader groups proactively, via our

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⁴ Clause 2 EWON Charter.

community and stakeholder outreach and engagement program. Our outreach and engagement program has two key objectives:

- informing and educating community members and landowners about their rights and responsibilities
- preventing and/or reducing complaints.

We have established an extensive community outreach and education program which includes regular attendance at community events and hosting our own events. Key activities to date include:

- Attending 12 agricultural shows and markets across NSW since February 2025, mainly in Renewable Energy Zones (REZ) including engaging one on one with over 220 community members.
- Hosting a week of drop-in sessions in Central West Orana REZ in May, talking to 66 local community members about the issues in their region and providing independent advice and assistance about local developments.
- Developing and distributing independent information and resources to inform and educate community members.
- Establishing a dedicated renewable energy infrastructure section on our website.
- Developing several factsheets and other resources that are available online and distributed at the events we attend.

We also draw on our complaints data and insights from our community engagement activities to monitor and report on complaints and systematic issues. This reporting is used to influence improvements of member practices and consultation; government policy and regulatory change to improve practices and consumer protections.

3. How is EWON working to capture the broader community impact of complaints beyond individual cases?

Building on our responses to Q1 and Q2, another facet of EWON's awareness raising role is to regularly engage with relevant stakeholders and the media.

This includes engaging with:

- State and Federal MPs
- Councils
- Peak bodies
- NGOs
- Local Aboriginal Land Councils.

At these engagements we share information and advice about our transmission and renewable energy infrastructure jurisdiction including how our service assists community members.

This aspect of our community and stakeholder engagement acts as a key listening post for EWON; we gather insights about individual and community experiences and learn about the unique issues facing regional communities impacted by REZs. This knowledge provides us with a broad and varied perspective, which is vital in ensuring our independence. Our stakeholder network in renewable energy infrastructure continues to grow and inform our reporting to EWON members and government as well as assisting us in planning our ongoing and future activities.

With respect to media engagement, EWON is proactive with media releases in relation to jurisdiction expansion and when we release reports i.e. Annual report and Spotlight On systemic issue reports. We also ensure we respond to request for Ombudsman interviews when approached by media about issues within EWON jurisdiction. To date, this has included 9 radio interviews, 4 TV interviews, one podcast appearance and quotes supplied to two print articles.

4. How many complaints has EWON received about the fairness or clarity of compensation and easement processes? What has been the outcome of these complaints?

The expansion of EWON's jurisdiction into renewable energy infrastructure complaints commenced on 1 December 2024. Since then, EWON has received five complaints about compensation in relation to transmission projects and the acquisition of easements.

For each of these complaints, the landholders had already agreed to the easement acquisition and compensation. The reason for seeking EWON's independent advice and assistance has related to building communication with transmission developers; Transgrid and ACEREZ, which have responsibility for building transmission infrastructure in accordance with easement acquisition agreements and negotiating land access agreements.

Early insights based on contacts to date with affected landholders is about dissatisfaction with the initial compensation offer made, and stories of needing to fight for a fair price. Landholders have also shared they didn't consider the process a 'negotiation' and ultimately agreed to the compensation offered as the threat of compulsory acquisition loomed; and that the time taken to progress to a situation they could 'live with' had worn them down.

On the other side of the coin, EnergyCo and Transgrid have shared with EWON that easement acquisition was overwhelmingly positive, with up to 97% of landowners coming to agreed / negotiated settlements rather than settlement via compulsory acquisition.

Given EWON's jurisdiction is now in place, we no doubt will be called upon by landowners in other REZs prior to land acquisition being agreed and therefore will increase our knowledge and understanding about what's working well and what needs to be addressed.

5. How common are disputes between landholders or community members and renewables or transmission companies?

From 1 December 2024 to 12 June 2025, we have received 40 complaints about transmission or renewable energy projects. Of these 40 complaints, 8 were about wind or solar developments that are out of our jurisdiction. We have a no wrong door referral process and refer complaints that we are not able to investigate to the most appropriate entity, most commonly the Australian Energy Infrastructure Commissioner.

What can be drawn from this data. EWON members may say that this is indicative that their engagement with landowners and community members is positive and that there is trust in their work in particular across the Central West Orana REZ.

However, our landowner and community engagement and oversight of Transgrid, EnergyCo and ACEREZ practices is that there is very little promotion of member complaints systems or of EWON and its role.

Most people we have met have only heard about EWON via our engagement in their communities. In order to build trust in energy transition, this needs to change.

6. What kind of disputes does the Ombudsman typically see? How successful is it in resolving the disputes that it deals with? Is the Ombudsman able to share any relevant data with the committee?

In 2023/2024 EWON received 28,067 complaints with the high majority about disputed high bills. In 2023-2024 we investigated 3,360 complaints. Of these 3,152 were finalised with a conciliated or negotiated resolution. This means that almost 94% of complaints were resolved via EWON's conciliation and investigations teams having achieved a fair and reasonable outcome, having regard to laws codes and regulations and good industry practice. 208 were finalised on the basis that no further investigation was warranted – this is where the EWON member has made a fair and reasonable offer to resolve the complaint (as assessed by EWON) but the customer has not accepted that offer. I was not required to make any binding decisions – required when a member refuses to make a fair and reasonable offer to resolve the complaint (again, as assessed by EWON).

Additional data is available from EWON 2023-2024 Annual Report and in the appendix.

With respect to our systemic issue impact, the Inquiry may wish to consider one of our most recent reports <u>Electricity metering competition</u>: who benefits? - Energy & Water Ombudsman NSW. As a result of this report, we have formed a cross energy sector roundtable working group to address the consumer detriment impact arising from the smart metering rollout. In time we will most likely publish a similar report relating to our renewable energy jurisdiction.

7. How does EWON ensure affected residents understand their rights before signing agreements?

Our renewable energy infrastructure jurisdiction was established from 1 December 2024 – too late for the landowners associated with transmission development in the Central West Orana Renewable Energy Zone, Project Energy Connect and some landowners with property impacted by Humelink and VNI West transmission projects.

However now that we have this jurisdiction, we will be able to provide independent advice and assistance to all landholders impacted by developments in the other REZ and those yet to come to agreement with Transgrid for Humelink and VNI West.

Our advice to landholders seeking assistance before signing agreements, is to refer the landholder to the Centre for Property Acquisition and to share other relevant resources and guidelines, including the NSW Farmers Renewable Energy and Transmission Landholder Guide.

EWON does not provide legal advice and we are very clear with landowners about what our role is and equally, what our role is not. In addition to our advice and referrals for additional information, we always refer a landholder to seek legal advice before signing any legal agreement.

8. What examples have you seen where poor community engagement has led to disputes or complaints?

Dissatisfaction with the community engagement practices of entities involved in transmission and REZ development is the most common issue raised with us to date.

Of the 40 complaints received between 1 Dec 2024 and 18 June 2025, 25 have identified poor community engagement as an issue.

Examples of poor community engagement from our complaint data include:

- A community member tried to contact an EWON member with questions about their project via the phone number on their website but the call rings out without connecting to anyone.
 The community member tried two related phone numbers on the website but again, no answer or recorded message advising of the right number to call.
- Neighbours of projects tell us they feel left out of the community consultation as it is only focused on landholders hosting the infrastructure despite impacts on neighbours i.e. visual, noise, dust and traffic movement impacts.
- Several complainants have told us staff turnover in member companies has resulted in key information / agreements not being shared and therefore a breakdown in contact and continuity with landholders.

9. How does EWON plan to ensure awareness and accessibility of its services in remote or vulnerable communities?

As previously mentioned, EWON's community outreach program has been independently assessed as best practice. Each year our general outreach team coordinates regional, rural and remote community Bring Your Bills events involving up to 20 community / government service providers and generally 2-4 members (energy retailers and the local network) for one stop shop advice and assistance. Our First Nations Community Engagement Officer, an identified position, organises additional Bring Your Bills events in regions with high need or high population of First Nations people. At these Bring Your Bills events we invite financial counsellors, Service NSW, Revenue NSW, Births, Deaths & Marriages, the top three retailers and network company for the region, the local Council and local assistance services.

EWON's Energy Transition team was established with a commitment to undertake at least two regional trips per month, regularly involving the Ombudsman. Our focus to date has been to reach communities that are closest to proposed developments and will therefore be the most directly impacted. We have undertaken many community engagement events in the Central West Orana REZ, as the first official REZ with construction already underway.

We have attended events in New England, South-West and the Hunter and are working to ensure we can carry out regular events in all REZ communities.

A key learning to date is that we will need to expand our Renewable Energy Infrastructure outreach program as work commences in the New England and Hunter Central Coast REZs. We will be working through that challenge (resourcing – people and funding) in coming months. At the same time, we will be working with REZ members so that they improve their promotion of their complaint services and EWON – when they effectively take up this responsibility, the need for our team to be regularly out in community may decrease.

When we promote EWON, we also promote the other channels for landowners and community members to contact EWON including:

- By phone, via a freecall 1800 246 545
- In person, at our office or outreach events

- Writing a letter or fax, via a reply-paid service a key channel for some older community
 members and also for community members with unreliable phone and internet connectivity
- Online complaint form / EWON website

Our website and factsheet information are provided in plain English and several languages; we have translation services available and the National Relay Service for those with hearing difficulties. Community members can also make a complaint via an advocate.

10. What mechanisms are in place to ensure EWON remains independent when funded initially by government and later by developers?

Building on the key issue of independence outlined in our introduction, we plan our activities and measure our success against the Commonwealth Government Benchmarks for Industry-based Consumer Dispute Resolution of:

- accessibility
- independence
- fairness
- accountability
- efficiency
- effectiveness.

Independence is also one of <u>EWON's values</u>. We are impartial, we approach our work transparently and openly. Independence is at the core of everything we do, in the frameworks, systems and processes we work by, in the way we communicate with members, industry, government and customers.

The EWON Board ensures EWON's independence through having an independent Chair, Louise Sylvan, and its equal composition of consumer and industry representatives. A Consultative Council is also established under our constitution to provide a forum for us to engage and consult with stakeholders including representatives from consumer groups and small business and all members.

EWON is funded by members on a not-for-profit basis. Fees cover all operational activities under the EWON Charter. Our funding is based on the user pays principle and is underpinned by:

- equity and fairness
- transparency and efficiency
- · consistency and predictability
- simplicity and affordability.

Funding for the initial set up and scoping to expand into the renewable energy infrastructure was provided via a two-year (FY25 and FY26) NSW Government grant to avoid our existing members cross subsidising this work.

We have already commenced developing a funding model for renewable energy infrastructure members so that this jurisdiction is industry funded from 1 July 2027. This will be developed with in depth consultation with relevant members and other key stakeholders.

Industry funding is at the core of having those members whose service results in complaints to EWON being paid for by those members – a clear message that is aimed at driving improvements in consultation, complaints management system and customer service.

11. What trends and potential issues relevant specifically to regional communities does prior research or consultation indicate as likely arising and how will EWON aim to reconcile these?

Prior to expanding jurisdiction we engaged with stakeholders, analysed reports and extensively researched media mentions. We identified that issues were most likely about:

- poor and/or lack of consultation
- the burden on regional communities to benefit the city
- environmental impacts
- who's who with so many developers and proposed developments.

As a starting point, we developed a dedicated section of our website and dedicated resources aimed at educating community members about the work being undertaken, the roles and responsibilities of different industry participants and other avenues for information and redress.

We also actively engage with stakeholders including the Australian Energy Infrastructure Commissioner, NSW Ombudsman and others to establish referral pathways aligned with our no wrong door approach. We are working on a 'no wrong door' referral factsheet, that will be publicly available, to simplify the complaint avenues open to community members and mechanisms for seeking information and/or to lodge complaints.

12. It was mentioned that only 24 formal complaints were received so far. What mechanisms are in place to detect broader community dissatisfaction that may or may not result in formal complaints?

As part of EWON's awareness raising activities the EWON Energy Transition team regularly attends community events includes agricultural shows, fairs, markets, community events as well as arranging meetings with relevant and diverse stakeholders in the regions impacted by transmission infrastructure and REZs. In the previous 6 months the Energy Transition team has:

- Engaged with community members via stalls at 17 community events.
- Organised over 40 meetings with various industry, community and government stakeholders.
- Toured three work sites to better understand the impacts firsthand.

As part of the grant funding requirements, we are committed to undertaking at least two regional trips per month to raise awareness of our function and learn about the local issues firsthand. Both the community and stakeholder engagement as well as our complaints data informs our public reporting and contributions to policy initiatives.

A map of our engagement activities is included in the appendix.

13. Have you identified any repeat issues or systemic patterns in the REZ complaints you've received so far?

From our complaints data and insights from our engagement activities we have identifying emerging patterns that relate to three main categories:

Inadequate consultation - the most common issue raised with us.

- Community members do not feel heard landholders are taking time out of running their farms to attend the consultation sessions and share their issues, but feel their feedback is not taken on board, and they don't hear back after the sessions. This contributes to a feeling of distrust towards the "city folk" running the consultation, which is made worse by project decisions coming out of the consultation that contradict their feedback.
- Not genuine consultation feels like a "tick a box" exercise. Consultation does not adequately reach all of the community, it is concentrated on the landholders who will host the infrastructure, while neighbouring properties feel ignored.
- Local knowledge is ignored and undervalued resentment from community members
 attending consultation sessions to provide crucial local information that is then ignored in
 favour of engineering reports. Some locals also feel their time is not valued when they
 attend multiple consultations, while project staff receiving the information are paid.
- Continuity of contacts revolving door of project staff involved means information sharing is patchy.
- Councils feel caught in the middle, a role they did not expect to play and are sometimes ill equipped for.
- Transparency of information the big picture of why NSW is approving projects and the details of project phases and timelines is missing. Lack of awareness that EWON can assist.

Acquisition issues – landholders

- Land valuation landholders feel the initial land value compensation offer is purposefully low. Landholders have said they have had to fight for a fair price. Landowners have shared the stress and pressure they feel given the threat of compulsory acquisition.
- Placement of transmission lack of transparency on decisions about the location and lack of willingness to work with landholders to find common ground and/or make changes after the map is drawn based on desktop analysis.
- Taxation the easement acquisition compensation payment and Strategic Benefit Payment is taxed. Landholders say it feels like the government is giving with one hand and taking back with the other.
- Just Terms Act inadequate for transmission. Compensation offers do not take into account loss of income; it is on measured on the value of the land. There is a lack of clarity around how much of the landholder's legal costs can be covered.
- Long term impact the time to negotiate all agreements and disruption for the construction and energisation phase is up to 10 years.
- Mental health impacts negotiating something most landholders have little experience with means time away from regular farming operations with somethings severe outcomes and the process has also fractured neighbour relations.

Community wide issues

- Cumulative impacts ongoing and compounded impacts for the community and region.
 Changes to the landscape, reduction in productive farmland, lack of coordination to minimise impact, traffic, transport and service interruptions and delays.
- Water where project sites will draw water from. How will this affect individual farmer's needs or aquifers for the region? How will wastewater be disposed when many local facilities are at their limits?
- Traffic impacts increase in volume impacts the local small businesses and schools, Over Size
 Over Mass (OSOM) vehicles are already delaying traffic on major roads, it is unclear what this
 impact will be as the cumulative impacts from all projects have not been combined.

- Benefit sharing communities want legacy projects including education, training and health services Community benefits have not been addressed as much as individual benefits.
- Telecommunications internet reception is very patchy in many regional areas as we have experienced in every one of our outreach / engagement events. Community members have shared concerns about the increased strain on the already inadequate telecommunications services with the influx of workers and people on the roads. While the worker camps have promised wi-fi for the camps, this doesn't address connectivity issues while travelling to and from and when working on site. There are real fears that in the event of an emergency, impacted workers will not be able to call for help and/or alert others of a major safety incident.
- 14. It was said that EWON currently covers major transmissions projects, but not yet wind, solar or battery storage developers. What reforms would be necessary to expand EWON's jurisdiction to include all REZ-related proponents from the outset, especially private renewable developers?

EWON can only investigate complaints about entities that are in jurisdiction ie our members. This includes retailers, distributors and transmission companies who have a licence and/or authorisation frameworks that requires them to join and maintain membership of EWON. Transgrid has been a member on this basis since 1998 and ACEREZ joined EWON in December 2024 following the grant of their transmission licence. In recognition of their integral role as the energy transition planner, EnergyCo also joined EWON by agreement in December 2024.

Large scale renewable energy generation and storage developers i.e. solar and wind generators and battery or hydro power stations are not yet within EWON jurisdiction.

We are currently working with NSW DCCEEW to explore options to expand membership to include renewable energy generation and storage. Potential reforms need to include adding EWON membership conditions in the NSW planning process, to network connections agreements or creating a licensing scheme for renewable energy generation developers.

It is critical that regulatory / government oversight for these entities is established including a mandatory EWON membership requirement. Mandatory membership ensures cooperation and compliance by members with EWON member responsibilities, including EWON's complaints management policies and processes and if necessary, when the Ombudsman makes a binding decision.

Without the inclusion of renewable energy generation and storage developers, landowners and community members will not have access to EWON for resolution of complaints / disputes about land access, community / landowner engagement, damage, stock gates being left open, biosecurity etc.

15. It was mentioned that EWON is government-funded until FY26, then funded by industry from FY27 onward, and concerns were raised about maintaining independence. Are there governance or structural safeguards EWON believes should be legislated to preserve independence once funding shifts from government to REZ developers?

Building on question 14, a regulatory mechanism mandating the requirement for EWON membership is a critical component of maintaining our independence and protecting our governance and

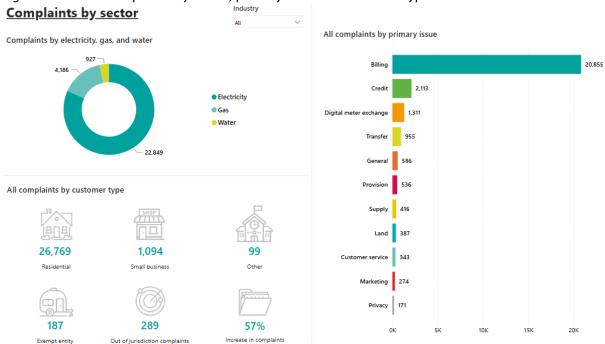
structural safeguards. Creating a mandatory mechanism requiring renewable energy generators / developers to become members of EWON will ensure equal access to EWON for all community members impacted by renewable energy development. While this mechanism is yet to be determined, once it is, support for implementation in a timely manner will be essential to establishing consumer protections for landowners and community members during REZ development and overall energy transition.

Appendix

Question 6 - Extracts from EWON's 2023-2024 Annual Report

The below figures provide a snapshot of our complaints from that financial year.

Figure 1 – EWON complaints by sector, primary issue and customer type in 2023-2024.



In terms of our success in efficiently resolving disputes in FY23-24 we only received 417 more complaints than we resolved. Overall, we resolved 92% of complaints in less than 30 days, 6% in 30–90 days and just 2% of complaints over 90 days. Almost all non-investigated complaints were resolved in less than 30 days.

Figure 2: Complaint resolutions for 2023-2024



Figure 3: Complaint outcomes in 2023-2024



For investigated complaints (3,360):

- 37% were resolved in less than 30 days
- 45% were resolved in 30–90 days
- 18% were resolved in over 90 days.

With the overwhelming majority being successfully resolved through facilitation or negotiation of an outcome the customer was satisfied with.

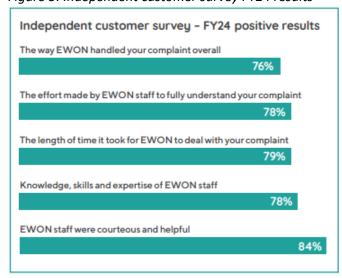
Figure 4: Investigated complaints 2023-2024



For more detailed information see our Annual Report.

In terms of customer satisfaction, a March 2024 independent customer survey found that overall customers are very happy with EWON staff, the ease of contacting us and our knowledge and skills. See the following figure for key satisfaction measures.

Figure 5: Independent customer survey FY24 results



Question 12 – Map of engagement activities

