



FUTUREYE

Futureye Feedback on the Draft 2021 Inputs, Assumptions and Scenarios Report

Futureye is an international management consulting specializing in social licence. We provide advisory services that includes strategy, strategic foresight, community participation, communication and risk. We enable our clients to anticipate evolving societal expectations and managing uncertainty through planning, engagement and innovation utilising scenario planning (among other foresight tools).

We appreciate AEMO providing the opportunity to submit our input into the Draft 2021 Inputs, Assumptions and Scenarios Report. We reviewed the report with interest and are delighted to see that AEMO is committed to continued engagement on the content of this Draft 2021 IASR in the interests of increasing transparency and stakeholder engagement. We hope that our feedback will help improve the quality of AEMO's forecasting and planning, and associated outcomes for energy consumers and the energy sector.

We note that societal acceptance of the new infrastructure and its implications for the timing of project delivery in case of delays is not considered nor is it outlined among the uncertainties that informed the scenarios (Figure 1).

We appreciate that there might be multiple reasons for this parameter not to be included, such as:

- the current regulatory setting which is geared towards the “right to operate” rather than the social licence to operate which is reflected, for example, in section 93 of the Building Act 1993;
- the existing guidelines to cost-benefit calculations within the RIT-T process which exclude impacts on individuals' property and therefore might make this consideration seem less relevant in the development of the scenarios which will ultimately inform future RIT-Ts; or
- other reasons.

However, we would like to highlight the importance of including the parameter of social licence as one of the critical uncertainties as well as the importance of addressing it at the early stages of infrastructure planning.

As seen from the survey conducted among the members of the Infrastructure Sustainability Council of Australia (government, asset owners, suppliers, contractors and consultants), already now the uncertainty around the acceptance of the new infrastructure by communities that it affects is affecting the pipelines of critical infrastructure developments:

- **61% of respondents experienced project delays** as a result of protests and regulatory barriers, out of which 41% indicated that their consultation strategies did not include a collaborative strategy development process with key stakeholders or transparent reporting of project progress to the community.

- **60% of respondents believe that all relevant stakeholders are not meaningfully engaged** during the early stages of projects. (All stakeholders defined: includes groups often underrepresented e.g. low-income groups, women, youth and children, elderly, people with disabilities, job-seekers and the unemployed, minority groups, those in isolated communities/environments).
- Respondents reinforced the need to **embed sustainability from the earliest possible stage** as the most effective solution to avoid diminishing returns and maximise benefits realisation.

These results, combined with the increasing stakeholder influence on business and policy around the world are highlighting the need for considering implications of this parameter in the scenario planning, conducting a cross-impact analysis of this parameter on other uncertainties and looking for opportunities to introduce more genuine community engagement at earlier stages of the infrastructure planning process.

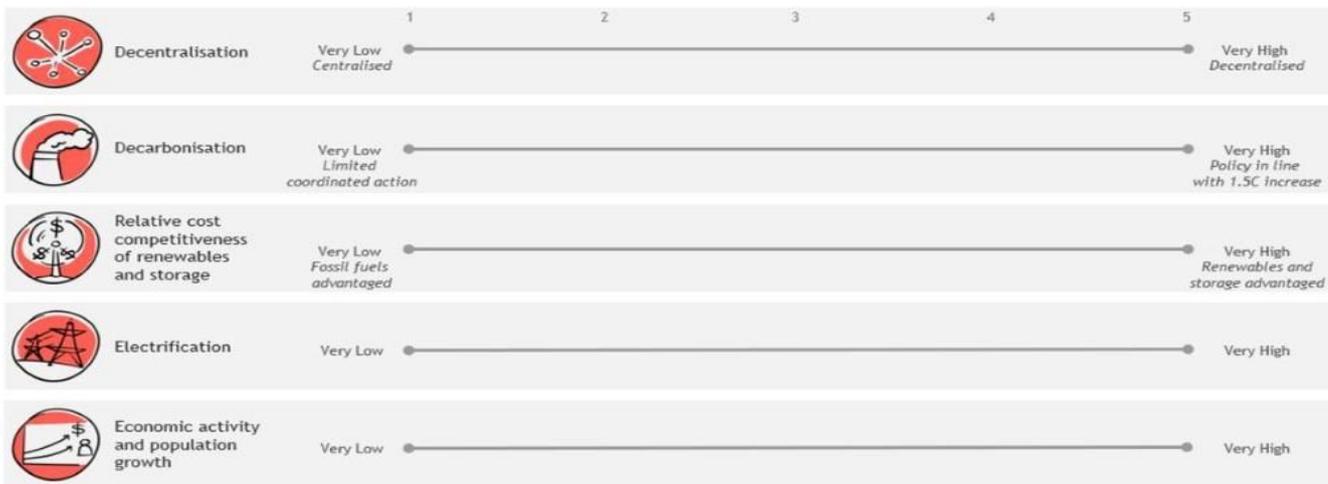
The lack of it can not only impact the costs associated with infrastructure delay but also have implications on energy supply. If not part of the scenarios, the risks could be included in the section “material to forecasting and planning the NEM”.

More generally, the changing societal values do not seem to be considered in the current scenarios, except for the awareness of climate change and its implications on personal choices of electricity consumers. This presents an opportunity for more thorough consideration.

Finally, in terms of engaging the community in the consultation process at this early stage, we were not clear whether the report’s reference to “consumer groups” and the “consumer panel” means that AEMO understands the most critical view or whether it is business consumers and non-engaged consumers. If so, it is likely to be skewed in a way that doesn’t indicate emergent societal risks. In addition to increasing the transparency on the reach of the consultation, we suggest that there is an opportunity for stronger engagement of the community on social licence aspects of the planning already at this early stage in the process using social research, focus groups and through multicriteria participatory decision-making.

Once again, we thank you for the opportunity to provide our feedback and look forward to future opportunities to be part of the consultation process.

Figure 1 The scenario development framework



We would be delighted to speak to these points or any additional questions.

Best regards,

Katherine Teh
Managing Director