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1 Summary

This chapter sets out the overall approach to stakeholder engagement for the Project, what has been done to Final Investment Decision (**FID**) and what will be done for the Project. It covers the status as at FID and how each workstream is to be dealt with for Project execution and the way forward.

Snowy Hydro has an effective stakeholder engagement strategy and framework in place to ensure that during project execution we clearly communicate with stakeholder groups, can identify and manage issues and work collaboratively on aspects of the Project as required.

1.1 Introduction

Effective stakeholder engagement is fundamental to Snowy Hydro's success and delivers a tailored engagement strategy in the lead-up to FID. A well-formulated stakeholder engagement strategy and framework enabled targeted stakeholder engagement that contributed to the successful achievement of many Project milestones and has been critical in overcoming some of the challenges faced.

The stakeholders are segmented into four broad groups: the local community, governments, industry groups and the media. Some stakeholders have direct involvement in the Project allowing Snowy Hydro to partner with them, others are public influencers or policymakers who contribute in parallel.

The energy market is changing rapidly and strong relationships across the sector enables Snowy Hydro to understand and adapt to the changes. The increasing level of regulatory scrutiny and intervention in the energy market continues to be unprecedented. Climate, environment, and energy policies are rapidly evolving. Regular participation in industry forums and policy working groups ensures that Snowy Hydro contributes to and influences policy outcomes.

Public interest in (and scrutiny of) Snowy Hydro is also at a new high, particularly since the announcement of the Project in March 2017. The increasing level of media interest in Snowy Hydro's business means there is ongoing engagement with the media and company commentary on energy policy and operational issues is sought after and widely reported.

Being in the public and media spotlight exposes Snowy Hydro to increased risks and stakeholder sensitivities. While managing the numerous and sometimes conflicting interests of all stakeholders presents challenges, Snowy Hydro's proactive and effective stakeholder management has led to widespread support among key stakeholders, positive media coverage, the ability to contribute to the policy debate and maintaining goodwill and trust within the community.

This success is attributed to the value proposition of the Project as a solution to a national problem, the critical role Snowy Hydro plays in the market, and the

strength of Snowy Hydro's existing relationships, particularly within the community. Snowy Hydro has a clear stakeholder engagement strategy implemented across the business and tailored to meet the needs of each stakeholder group.

The communications, interactions and flow of information are tailored to recognise the interests, perspectives, and role of each stakeholder. Snowy Hydro delivered a wide program of activities, including hosting community information sessions, site visits, technical briefing sessions, Project events and participation in conferences, policy forums and regulatory working groups. These activities have been supported through the presentation of clear and consistent messages distributed through a wide range of printed materials, information on the Snowy 2.0 section of Snowy Hydro's [website](#), in videos and social media channels.

As the Project has progressed, the stakeholder engagement strategy and the activities undertaken have been evaluated and adjustments have been made where improvements were identified. High-priority aspects of the Project were identified from the outset and focused engagement occurred as a result.

1.2 Scope and exclusions

The intent of this chapter is to articulate the evolution of the consultation and engagement process, as it transitioned through the Feasibility Study to FID, the impacts and issues raised, and how Snowy Hydro continues to manage community stakeholders through the different stages of the Project.

Snowy Hydro's governance requirements are detailed in *Supporting Chapter Twenty - Governance*, and the responsibilities and regulations applicable to the Contractor are set out in *Supporting Chapter Fifteen - Contractor's execution approach*.

1.3 Activities undertaken

After the Feasibility Study, Snowy Hydro continued to deliver and refine the stakeholder engagement strategy. The strategy identified key stakeholder groups, their influence and interest in the Project. This information matched the communications approach, activities and style of engagement, meeting all parties' needs and reflecting their level of involvement in the Project.

For example, engagement with local councils has been frequent and ongoing, with discussions around potential local issues addressed in detail. In contrast, the engagement with industry groups has been structured around participating in industry events, to increase their general awareness of the Project and address specific interests such as water usage or engineering aspects of the Project.

As the relationship with stakeholders developed, Snowy Hydro continued to tailor and adapt its approach. Engagement during the Feasibility Study phase was high-level, as much of the key Project information was still being developed and refined. Communications increased in detail as information about the technical and planning aspects of the Project have become more defined.

The engagement and the identification of issues early in project planning is still key to success. The stakeholders have specific and varying requirements for interaction and local community engagement has been prioritised from the start and will continue for the life of the project (and beyond). A strategic approach has been taken with media engagement, targeting specific events and milestones, as well as local regional media. During the Project build, this engagement will be most intense around major construction milestones.

Community and stakeholder sentiment towards the Project has been monitored and informed by participating in stakeholder events, briefings, meetings and committees, formal rounds of community consultation, media and social media monitoring and market research. These activities helped in evaluating the effectiveness of the strategy and activities, with the approach being adapted as required.

1.4 Stakeholder group identification and engagement activities

The awareness generated from the initial announcement of the Project attracted four major stakeholder groups.

Stakeholder feedback about the Project, ongoing media monitoring and recent market research have enabled Snowy Hydro to evaluate the success of the engagement strategy and address any emerging stakeholder issues or concerns.

1.5 Engagement status as at FID

Stakeholder engagement continues to be led from the top by Snowy Hydro's CEO, COO, General Counsel, and the wider Executive Team. They have been supported by the Corporate Affairs Team who work with business units across the Snowy Hydro Group (**Group**) (particularly the regulatory, community, procurement, legal and water and environment teams).

Feedback and close-knit interactions remain key to ensuring a positive narrative is persisted with the groups.

Stakeholder engagement will remain critical to the Project as it progresses. On a broad level, continued efforts must be maintained to raise general awareness of the Project in the wider community and the productive relationships built to date with those groups directly involved in the Project, as well as continuing to reach out to new groups. Snowy Hydro will work closely with the Principal Contractor(s) to align our stakeholder engagement and ensure communication is consistent during construction.

2 Activities undertaken

Snowy Hydro's stakeholder engagement strategy objectives have been consistent since the Feasibility Study. They are to:

1. **Create awareness** of the Project and the role Snowy Hydro plays in the NEM among key stakeholder groups;
2. **Own the Project narrative** and have clear key messages regarding the Project so external and internal communications messages are consistent across stakeholder groups;
3. **Retain and build stakeholder support** at all levels for the Project to help create third-party advocates for the Project and ensure cooperation between Snowy Hydro and stakeholders as required throughout the Project;
4. **Influence outcomes** by building strategic relationships and working in partnership with key stakeholders to ensure the matters impacting the Project can be progressed or managed (for example, achieving planning approval for the Project);
5. **Identify and manage emerging issues** through early engagement and timely communication in order to minimise the impact these issues may have on the Project; and
6. **Be customisable, flexible, and dynamic** to ensure activities and communication materials effectively align with stakeholders' and Snowy Hydro's requirements throughout the Project. Messages are tailored within an overarching communications framework to ensure consistency.

Snowy Hydro successfully engaged with all stakeholder groups and continues to meet the objectives through a program of activities and the use of clear communication materials. Specific initiatives include:

1. Multiple rounds of formal community consultation through presentations and 'drop-in' sessions;
2. Formal meetings, project briefings and technical workshops with stakeholders on key issues;
3. Participation in project working groups and established intergovernmental committees;
4. Presentations at conferences and events relevant to key stakeholders;
5. Provision of materials for stakeholder groups including printed materials, information on the website, social media and videos;
6. Hosting of site visits with key stakeholders;
7. Sponsorship of key local and industry events;
8. Media engagement through media releases, editorial content, media briefings and responding to media enquiries
9. Input into policy and regulatory processes, including participating in working groups and preparing submissions to enquiries and policy consultation.
10. Utilising the Snowy Hydro Discovery Centre and Visitor Centres to share information about the project and showcase display materials;
11. The development of specific web pages, portals and forms to help people engage with us on important issues including:
 - a. The Exploratory Works EIS community consultation web portal; and
 - b. The Snowy 2.0 Business Register for local business to register their interest in contracting opportunities.

As the Project progressed, the strategy and activities have been evaluated and the approach adjusted where necessary. Aspects of the Project were identified where focus was needed, such as the need for environmental and planning approvals, preparing for Shareholder approval and progressing transmission.

Stakeholder engagement cuts across every aspect of the Project and sits under all the workstreams. It is an aspect of the Project that will continue well into the operational years. Once the Project is operational, stakeholder engagement will be managed as part of the business as a whole.

Through ongoing engagement, market research and surveys, Snowy Hydro learned more about the stakeholder groups' views of the Project, priorities and concerns that constantly inform the engagement actions. Hearing and understanding the local community's concerns around certain issues, such as road closures, allowed for engagement and resolution with specific issues.

Formal market research as a 'pulse check' and as a key input into the EIS added data to establish some baseline community sentiment. The research identified high levels of support for the Project within the wider community and measured sentiment on certain issues that will potentially arise as the Project progresses.

3 Stakeholder group identification and engagement activities

Prior to the Feasibility Study, the main objective of the engagement approach was to promote awareness of the Project. For the wider community, Snowy Hydro's objective is to maintain a general awareness and continue to increase the level of knowledge about the Project as it progresses; involved stakeholders will need to be managed to continue productive ongoing relationships.

Snowy Hydro identified four key stakeholder groups: governments, local community, industry groups and media (**Key Stakeholder Groups**). Snowy Hydro recognised stakeholder and subgroups' needs have varied in the lead-up to FID and engaged with each group at the level appropriate to their involvement in the Project. While the overarching engagement principles remain consistent, the underlying activities and tools were tailored as needed and the approach to engagement will remain dynamic to meet the needs throughout the life of the Project.

3.1 Government

3.1.1 Definition

While this stakeholder group is referred to as Government, it encompasses departments, agencies, committees, and parliamentarians across all parties and jurisdictions.

3.1.2 Government as sole shareholder

A key subgroup of the government stakeholder group, as the sole shareholder, is the Commonwealth Government (this engagement is addressed in *Supporting Chapter Twenty - Governance*).

3.1.3 Government (government as a policymaker and regulator)

Key drivers for engagement

The key drivers for engagement are:

1. Maintaining bipartisan national and state-level support and Shareholder buy-in critical for the Project;
2. Sustaining Project momentum and minimising risks arising from changes to the external political and regulatory environment; and
3. Influencing and negotiating policy and regulatory outcomes to benefit Snowy Hydro and its Retail Brands (**the Group**) across all relevant jurisdictions.

Snowy Hydro has established relationships with all levels of government, and recognises that building and maintaining bipartisan support and understanding of the Project is critical to its success. Snowy Hydro has been raising awareness of the Project at all government levels, with a heightened focus on areas such as environmental approvals and transmission.

In addition to investing in relationships with key government departments and providing regular briefings and updates, Snowy Hydro attends government forums and inter-agency meetings to ensure a coordinated approach across government services where needed.

Snowy Hydro is engaging with governments on emerging or changing energy policies impacting the Group; this includes participation in formal settings such as Senate Estimates and contributing submissions or feedback directly and through peak industry bodies to enquiries. As noted, some critical aspects of the Project require intensive government engagement. These include obtaining appropriate Commonwealth and NSW state government approval for key environmental activities, changes to the NSW Snowy Hydro Corporatisation legislation and government endorsement of adequate transmission augmentation which is essential to the Project. See *Supporting Chapter Eleven* for information on the Critical State Significant Infrastructure (**CSSI**) process, the Environmental Impact Statement (**EIS**) and the water licence review, and *Supporting Chapter Sixteen* for transmission.

Broad categories of Government stakeholder groups identified

1. Federal and State Government Departments and agencies (within relevant policy areas such as energy, environment, climate change, planning, treasury, finance, infrastructure and regional affairs);
2. Federal and State regulatory agencies (such as AER and AEMO);

3. Federal and State Ministers and Opposition spokespeople (within relevant policy areas such as energy, environment, climate change, planning, treasury, finance, infrastructure and regional affairs);
4. Federal and State Members of Parliament and Senators; and
5. State and Federal Parliamentary and policy committees.

3.2 Community

3.2.1 Overview

Snowy Hydro has strong relationships with local communities and a sound understanding of local stakeholder needs and interests. Construction on the scale of the Project, will bring benefits and impacts on local communities. In light of this, the community engagement campaign for the Project started early and has remained a high priority.

The identification of Community as a key stakeholder group highlighted the diverse nature of the group and its occupants and prompted the further granulation into distinctive subgroups with clear differentiation in expectations and understanding. Focused solutions were applied to the remaining key stakeholder groups as each had a cohesive objective and specialised personnel used to negotiating with stakeholder interaction.

Regular engagement with local communities will continue over the life of the Project and will be delivered in conjunction with the principal contractors.

Drivers for community engagement include:

1. Ensure the local community and stakeholders are kept informed about the Project;
2. Understand the interests and concerns of local communities and stakeholders;
3. Provide opportunities for stakeholders to ask questions and provide feedback early enough so that project design can adapt where possible;
4. Control project narratives in order to manage community and stakeholder expectations; and
5. Build and strengthen partnerships with the community and stakeholders.

Broad sub-groups identified include: Identified community stakeholder groups include:

1. Local Government - Snowy Valleys and Snowy Monaro Regional Councils;
2. Local Aboriginal - Walgalu and Ngarigo people as well as locally resident aboriginal peoples from other groups;
3. Local community and the regional townships (Talbingo, Tumut, Tumbarumba, Cooma and Adaminaby);
4. Business groups and local businesses, including Chambers of Commerce, and
5. Local special interest and community groups - recreational users, fishing groups, horse riding groups, tourism operators, training providers, accommodation providers etc

3.2.2 Community engagement activities

Local Government

Regular meetings and briefings have been held with both the Snowy Monaro Regional Council and Snowy Valleys Council throughout the Project to date. This has included briefings to councillors and staff as well as one on one interactions with relevant councillors and staff within both council areas.

Council engagements have sought to obtain input into social and environmental impact assessment processes. Information has been sought on councils' interests and perspectives, and have provided feedback on these issues where appropriate. Relationships with councils are now well established and this is likely to continue and improve over the course of the Project.

Local councils concerns have centred on impacts to infrastructure and services and possible impacts to housing and accommodation supply and demand. This will require ongoing engagement as Project requirements become clear.

Traditional Owner Groups

The Project and Snowy Hydro's business are based on the use and occupation of some land areas that have intrinsic value to traditional owners.

Preparation of the Project's EIS to date has required a formal process of Aboriginal community consultation in accordance with the NSW Office of Environment and Health (**OEH**)'s Aboriginal cultural heritage consultation requirements. The Exploratory Works EIS has detailed these engagements, as will the Main Works EIS in preparation (see *Supporting Chapter Eleven*).

There has been ongoing consultation with key identified Aboriginal groups, land councils and NPWS liaison groups that include traditional owners.

One of the aims of our engagement with Traditional Owners is to ensure they have the opportunity to access training, employment and business opportunities throughout the Project.

Local Communities

To date, engagement has delivered positive outcomes and increased the awareness and understanding of the project throughout the region. Particularly effective was the development of an online 'community portal' that shared information with the public about the Exploratory Works EIS (including interactive maps, videos, images etc).¹ Community consultations held in local communities (Cooma, Tumut, Adaminaby, Talbingo, Tumbarumba) have also been an effective tool.

Three rounds of community information sessions have been held across the region since the Project began, with over 700 community members engaged and

¹ See <https://v2.communityanalytics.com.au/snowy/ew/downloads>.

sessions tailored to the needs of each community. Those attending included local residents, business owners, tourism operators, and media.

Further community engagement has also been undertaken through a range of presentations to community groups and stakeholders throughout the region and beyond.

Business opportunities for local companies is of great interest important area for communities across the region and some 50 local businesses have been involved in the project to date. The Snowy 2.0 Business Directory was established in May 2018 and as at FID, more than 220 businesses have registered their interest.² The potential principal contractors have indicated a commitment to provide opportunities for local procurement, employment and training. Information sessions targeted specifically at potential employees, as well as businesses, will be held as the Project progresses. Strong relationships continue to be developed with local businesses and Chambers of Commerce.

Through the engagement process, local communities have voiced views about the potential impacts associated with recreational access (see below), traffic, pressures on housing, and increased demand for social services. These are considered to be manageable, but will require monitoring through the Project.

Recreational users and tourism operators

The Project is expected to impact on fishing, horse riding, camping, swimming and other recreational activities in the Project area.

Surveys with users of the Project area over the last year have provided a reasonable picture of recreational use and how the various areas are valued. Additionally, meetings have been held with recreational user groups and local tourism operators.

More generally, the availability of tourism accommodation and increased traffic in the area are seen as other potential tourism impacts in the region. Communications plans have been developed to manage the road restrictions and traffic impacts in the region for local residents, visitors and tourists.

In order to address likely residual impacts, actions are being developed, particularly with NPWS to identify and develop alternate recreational options.

3.3 Industry groups

3.3.1 Key drivers for engagement

The key drivers for engagement are:

1. Building external advocacy and third-party support for the Project from key industry bodies and business groups;
2. Communicating and promoting a consistent understanding of the benefits of the Project through industry group events and conferences;

² See <https://www.snowyhydro.com.au/our-scheme/snowy20/business-opportunities/>.

3. Fostering industry momentum, support for and/or alignment with the Group's strategic policy and regulatory positions; and
4. Identifying any specific issues or concerns held by these groups so they can be addressed.

Snowy Hydro has been engaging with industry groups and influencers to educate and inform them about Snowy 2.0. Snowy Hydro has also been providing speakers for industry events where there is value to do so and participates in a range of industry workgroups and forums. .

Snowy Hydro has a strong existing network of business relationships and has been leveraging these networks and industry group memberships as appropriate, to build and maintain third-party support and momentum for the Project. A range of communication materials has been produced to support presentations and meetings, and to serve as an educational tool in building awareness of Snowy Hydro's role and operations.

Snowy Hydro will continue to monitor upcoming industry events and participate where there is a clear strategic benefit to the Group or the Project. As Project milestones are achieved, there will be a need to update key industry groups and engagement will be focused on key activities and times.

3.4 Media

Engagement with the media has been ongoing since the announcement of the Project and will continue throughout the lifetime of the Project, especially around key milestones.

Snowy Hydro will also utilise its social media platforms to publish Snowy Hydro news and announcements while monitoring public comments and sentiment for the Project. Ongoing monitoring of media coverage is critical to identifying and managing emerging media issues.

Snowy Hydro news and media announcements related to the Project can be found on the [News & Media](#) page of the Snowy Hydro website.

4 Contractors' obligations

See Supporting Chapter Sixteen - Contractor's execution approach.

5 Engagement status as at FID

5.1 Ongoing overall stakeholder management

Once FID is taken, Snowy Hydro will move into an ongoing stakeholder management and monitoring phase. This phase builds on the work that we done to date and aims to maintain the strong working relationships that are already established.

While all stakeholder engagement to date has been managed by Snowy Hydro during the project implementation phase, the principal Contractor once

appointed will also have responsibilities in this space.

Snowy Hydro will continue to lead engagement with governments, industry and media with support from the principal Contractors as needed. For ongoing community engagement, given the principal Contractor will have a big presence on the ground and in the community, managing this group will be a shared responsibility between Snowy Hydro and the principal Contractor.

A community working group will be established to consider and inform the future community engagement strategy and implementation. Snowy Hydro will regularly verify and 'audit' that activities agreed in the joint community engagement strategy are taking place as per Snowy Hydro's requirements as owner and the contractual obligations of the Contractors.

5.2 Further stakeholder group identification

Snowy Hydro and the principal Contractor will continue to identify new stakeholder groups as the Project progresses.

Once a principal Contractor is appointed, new groups will be identified as logistical issues are resolved. For example, once a decision is made about which ports and roads equipment will be brought in from, those local councils, Port Authorities and communities along the transport routes will become a key stakeholder. Key construction decisions will identify new and emerging stakeholders and Snowy Hydro will engage with each in the successful manner as with all key stakeholders.

The Project, community and corporate affairs teams are also constantly out in the community, listening to media and public commentary and at industry events: another way to identify new stakeholder groups that Snowy Hydro may need to engage with.

5.3 Stakeholder group management

5.3.1 General

The approach and activities across the stakeholder groups vary during this phase depending on the level of involvement each stakeholder group has in the Project or the issues that arise. For many groups, this will be intense and ongoing (for example, working groups with the NSW Government). For others, the efforts will be targeted around key milestones.

5.3.2 Government

Ongoing conversations with the Shareholder and governments will continue to build on the existing foundations and knowledge base. Given the ongoing policy and regulatory scrutiny of energy markets, continued changes to energy policies are anticipated at Federal and State levels. The Group has established regulatory affairs teams at corporate, wholesale, and retail levels, and are working closely together to ensure clear and early visibility of upcoming changes, and active

participation in policy developments that may have a strategic impact on the Group.

5.3.3 Community

Continuation of in-depth two-way communication with the community will build on the stakeholder engagement completed to date. Meetings, business sessions, and 'drop-in' sessions to engage with the community will continue to be held to provide information, assess community support and gather feedback.

5.3.4 Industry groups

Snowy Hydro will continue to engage with key industry groups.

5.3.5 Media

The nature of the milestone will determine the corresponding media-related engagement activity, whether local, national or both.

5.4 Further work required during execution

Stakeholder engagement activities remain dynamic and will evolve in response to changing expectations and potential risks or issues. Snowy Hydro will continue proactively engage with stakeholder groups and ensure the strategy and underlying activities remain fit for purpose and effective.

We will continue to adapt our engagement strategy as the Project progresses and when stakeholder requirements change, while remaining consistent with the overarching objectives of the strategy.

Snowy Hydro will work closely with the principal contractors to make sure there is an agreed approach to stakeholder engagement (for all identified groups) across both companies with consistent messages, communication materials and activities.

8 Definitions and abbreviations

ABC	Australian Broadcasting Corporation
ACCC	Australian Competition and Consumer Commission
AEC	Australian Energy Council
AER	Australian Energy Regulator
BCA	Business Council of Australia
CSSI	Critical State Significant Infrastructure
EIS	Environmental Impact Statement
FID	Final Investment Decision
KNP	Kosciuszko National Park
LALC	Local Aboriginal Land Corporation
LGA	Local Government Areas
MOU	Memorandum of Undertaking
NEM	National Energy Market
NFF	National Farmers' Federation

NPWS National Parks and Wildlife Services
PEP Project Execution Plan
TEC Total Environment Centre

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