





4 September 2025

Ms Stephanie Jolly
Executive General Manager
Consumer, Policy and Markets Division
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

By email: <u>AERringfencing@aer.gov.au</u>

CCIA NSW SUBMISSION IN SUPPORT OF ESSENTIAL ENERGY'S RING-FENCING WAIVER APPLICATION – TRAINING ACADEMY PROPOSAL

Dear Ms Jolly,

On behalf of the Caravan, Camping & Touring Industry & Manufactured Housing Industry Association of NSW Ltd (CCIA NSW) I write to express our support for Essential Energy's application for a ring-fencing waiver to establish a regional Training Academy delivering contestable technical and safety training to the electricity industry.

As an organisation representing businesses in Regional NSW communities, including holiday parks, residential land lease communities (caravan parks and manufactured home estates), manufacturers, dealers and repairers of recreational vehicles (RVs, including motorhomes, campervans, caravans, camper trailers, tent trailers, fifth wheelers and slide ons) manufactured home builders and service providers to these businesses, we recognise the importance of building local workforce capability to support the energy transition and infrastructure development across NSW.

Essential Energy's proposal directly addresses the acute shortage of skilled electricity workers in Regional NSW, particularly in areas aligned with Renewable Energy Zones (REZs). The Academy's focus on delivering accredited Certificate IV courses from 2025, ahead of a full launch in 2027, is a timely and targeted response to immediate industry needs.

The initiative aligns with recommendations from the NSW Electricity Supply and Reliability Check Up Report (2023) and the Race for 2030 workforce projections, which highlight the need to double electricity sector employment by 2029. Without intervention, regional communities risk being left behind in the energy transition due to limited access to training and skilled labour.

We note that Essential Energy is seeking a waiver from clauses 3.1(b), 4.2.1, 4.2.2, and 4.2.3 of the Ring-fencing Guideline. The proposed model includes safeguards to prevent cross-subsidisation, with the Academy operating as a separate business unit, funded through corporate borrowings and sponsorships, and governed by Essential Energy's approved Cost Allocation Methodology. These measures ensure compliance with ring-fencing principles while enabling efficient use of existing infrastructure and brand recognition to attract high-calibre trainees.

Importantly, the Academy's impact on the contestable training market is expected to be minimal. The application demonstrates that existing Registered Training Organisations (RTOs) are not offering the proposed courses in the targeted regional locations. Therefore, Essential Energy's training will fill a gap rather than displace existing providers, and its enrolment projections are conservative, targeting 10% of forecast unmet demand.

From a regional development perspective, the Academy will enhance employment mobility, retain skilled workers in regional areas and support the delivery of critical infrastructure projects. It will also contribute to broader community benefit programs, including those mandated under REZ Access Project Development Agreements, as well as provide pathways for First Nations participation.

We support Essential Energy's Training Academy as a strategic, well-structured initiative that supports the National Electricity Objective. We trust the AER will approve the waiver application to enable this important investment in regional workforce development.

Yours sincerely,

Snannon Lakic

Head of Policy & Engagement Company Secretary