



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

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

29 August 2025

Dear Ms Jolly,

Re: Support for Essential Energy's ring-fencing waiver to deliver training in regional NSW

Regional Development Australia Northern Inland strongly supports Essential Energy's application to the AER for a ring-fencing waiver to deliver additional contestable training courses to the electricity industry, and to establish a training academy with hubs in regional areas of NSW (Parkes, Grafton, Orange, Wagga Wagga, Tamworth and Goulburn). Specifically, our region will host the Tamworth Training Academy and is also the location for the New England Renewable Energy Zone (NEREZ).

Upon completion, the NEREZ will be the largest Renewable Energy Zone in NSW with an intended network capacity of 8 gigawatts. According to NSW EnergyCo, it is expected to support around 2,000 operational jobs and 6,000 construction jobs over the next 10 to 20 years. Given the large skilled workforce required, Essential Energy's proposal to develop a regionally located training academy in Tamworth to provide technical training, safety education, and career pathways for electrical apprentices, trainees, and existing workers is critical to the success of the NEREZ. Furthermore, The Race for 2030 report underscores a looming shortfall of 10,000–19,000 skilled electricity workers annually through 2035 in NSW, driven by renewable projects in the REZs and the transmission network upgrades. Building a skilled workforce in regional NSW to support transition delivery and network reliability will be required. Essential Energy's proposal is only seeking to target around 10 per cent of the unmet needs gap identified for skilled electricity workers in its network footprint based on its analysis.

The current availability of training services in our region for the electricity industry is exceptionally limited and essentially uncontested. Within our region, only the TAFE New England Campus offers on-campus electrical training via a Certificate III Electrotechnology Electrician (Apprenticeship). There are several online TAFE courses in the Renewable Energy Sector offering a Statement of Attainment for existing electrical workers. RTO courses are limited due to our small market size and tyranny of distance.

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Locally available electrical training courses are key to maximising the employment and economic development benefits of the NEREZ, as well as minimising the need for a fly-in/fly-out or drive-in/drive-out workforce. Essential Energy's proposal has the potential to provide significant employment outcomes for regional people in both transmission and private generation/storage projects that will proliferate over the next 10-20 years. Without sufficient training opportunities or a skilled workforce, these projects are at risk of significant delay.

Addressing the unmet demand for skilled renewable electricity workers will have enormous benefit for NEREZ projects and regional economic development. The provision of regional training academies will keep workers local for their training and employment, contributing to the growth and prosperity of the many regional communities that will host these projects now and into the future. The transition to a lower-carbon economy presents a generational opportunity for regional NSW, particularly in Renewable Energy Zones. Many stakeholders are required to ensure this successful transition. We fully support Essential Energy in their endeavours to address training and workforce shortages through this waiver request and the establishment of their regional Training Academies.

Please contact me if you require any further information regarding this submission.

Yours sincerely,

Nathan Axelsson

**Executive Director**