

5 September 2025

Ms Stephanie Jolly
Executive General Manager, Consumer, Policy and Markets Division
Australian Energy Regulator
Submitted electronically

Dear Ms. Jolly

JEC submission to Essential Energy training academy ringfencing waiver

The Justice and Equity Centre (JEC) welcomes the opportunity to respond to Essential Energy's ringfencing waiver application.

We understand Essential proposes to establish a training academy in Tamworth, with additional hubs throughout their network area in Parkes, Grafton, Orange, Wagga Wagga, and Goulburn. These locations are strategically aligned with Renewable Energy Zone (REZ) developments and aim to address the identified shortage of skilled electricity workers in regional NSW.

The application builds on an existing model – and existing waiver – providing regionally based Accredited Service Providers (ASPs) and their employees access to necessary training locally, reducing travel time and associated downtime. Essential is proposing a broader scope of training and dedicated academy with its own facilities and staff under this new waiver.

We consider this reasonable and, given the likely impact of persistent skills gaps in regional NSW, likely to benefit NSW consumers and communities. Essential's focus on training courses aligned with its own operational needs supports the case for its involvement, particularly as it is likely to be a major employer of academy graduates.

We are broadly supportive of the workforce development objectives underpinning the proposal. Building regional capacity is critical to ensuring efficient service delivery and long-term investment in the energy system. It is also likely to support more timely and cost-effective project delivery. While we do not see Essential as the primary actor in addressing these issues, we agree it has a legitimate and valuable role to play.

Our support for the waiver is contingent on ensuring that the training academy does not impose additional costs on NSW energy consumers. We understand Essential intends to operate the academy as a separate business unit, funded through shareholder loans and corporate sponsorship and fees.

We encourage the AER to carefully assess this aspect of Essential's proposal. Namely, it should ensure that regulated revenue is not used to establish or operate the academy, and that appropriate safeguards are in place to mitigate any risk of cross-subsidisation.

Provided these protections are upheld, we consider the proposal a constructive and timely contribution to addressing regional workforce challenges in the energy sector and support its approval by the AER.

Yours sincerely

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