

ZENENERGY



ZEN'S RESEARCH PROJECT INVESTIGATING HOW WE CAN ACCELERATE AUSTRALIA'S JOURNEY TO A RENEWABLE ENERGY SUPERPOWER.

This is Transition: A research project to support a successful energy transition for all.

ZEN has commissioned quarterly, national qualitative and quantitative public opinion research conducted by highly regarded research firm, Essential Media.

As Australia's first 1.5°C energy retailer, we will continue to stay across key issues impacting Australia's energy transition, by asking Australians and sharing our findings with them.

Each quarter's research will focus on a theme topical for the energy transition to enable a deeper exploration of people's opinions and motivations behind the issues and concerns raised only at the surface level in other opinion research.

We will use the results to continually refine and enhance how we engage with our key stakeholders as we accelerate Australia's journey to becoming a renewable energy superpower.

Context

After decades of delay, Australia's transition away from fossil fuel-powered electricity to renewable energy is gaining pace: too quickly for some communities and individuals, but too slowly to address the science-driven imperative to cut carbon emissions.

Policy incentives for generation projects are stimulating investment. Mandatory climate disclosures, due to become law on 1 July 2024, and long-term emissions reduction plans, aimed at achieving net zero by 2050, are now firmly part of the Australian regulatory landscape.

Delays to approvals are frustrating developers and risking government commitments as a result of under-funded agencies, overly complex and antiquated planning regimes, as well as opposition from community, First Nations, and environment groups.

A lot of work is being done to benchmark what successful community engagement around projects should involve, including case studies of good and bad examples. A deeper understanding of the reasons for concern and opposition and the value systems and motivations of impacted people, is very limited. Currently, there is no regular public social research report on Australians' attitudes to energy transition issues.

Why, after more than two decades of championing renewable energy to rapidly replace fossil fuels has the environment advocacy sector gone quiet in its support? Why has other issues such as social justice, community amenity and an inherent distrust of development distracted them instead?

Understanding why doubt and opposition emerges and sticks to something inherently good for people and the planet is vital for ZEN as it enters the asset development phase of its business and seeks to be true to its values, genuinely earning a social licence.

By understanding the risks and potential roadblocks to acceptance during a project's inception, project delivery can be more robust, streamlined, and purposeful.

Methodology

ZEN and Essential Research review current news, industry, and political discourse on the energy transition to agree on a theme for each quarter and then add questions to Essential's weekly national opinion poll of 1,100+ Australians.

Raw results are then post-weighted to reflect current ABS demographic data and provide a reliable view of public opinion to within + or – 3% (ISO standard deviation). Issues of interest emerging from the polling are then further explored in online focus groups to understand the reasons behind opinion, including the values systems influencing decision-making and the positions people take about the energy transition.

This is Transition

ZEN is a disruptive energy retailer with a business model built around the idea that Australia can be a renewable energy superpower.

We champion a sustainability-driven ecosystem of customers, investors, and partners to propel the country towards net zero by, or before, 2050.

A successful transition to powering the nation with clean, renewable energy depends on all Australians understanding and supporting what's required and how to get there.

Transition means a lot of change. Change to how the whole industry is structured. Change to the participants in the energy industry. Change to how we build partnerships. Change to how we transact and trade. Change to the people we need. Change to the skills we need. Change to the leaders of the industry. Organisations exiting, new ones disrupting. Change to where we build. Change to who we build with. And change requires insight and engagement.

This is Transition is a 12-month research project that digs deeper into the minds of Australians than other available public research and reflects their priorities back to business and industry, as well as government decision-makers, to help inform and shape a fair, just, and sustainable journey to net zero.

First Quarter Results

Key findings

1. Two years after Australians voted for stronger national action on climate change, most people continue to have a positive view of the outcome of the country's transition to renewable energy.
2. 57% of respondents thought combatting climate change, lowering energy costs and new career opportunities will provide the greatest economic benefit to Australia. Only 17% did not select an option.
3. While the end result of the transition is viewed positively, many Australians are unconvinced about the

sophistication of renewable energy technologies to replace fossil fuels, and they blame government for failing to provide the necessary leadership to ensure the transition is successful.

4. Australians are, regardless of this criticism, looking to Government, rather than the private sector, to drive the transition, remind them why it is necessary, inform them of the facts about the ability of renewables to replace coal and gas and drive down electricity prices. People are vulnerable to negative, oppositional messaging, particularly in regional Australia where the greatest benefits of the transition can and will be realised.
5. Young Australian voters reject older voters' belief that local concerns about the impacts of renewable energy projects are more important than combatting climate change. Those aged 18 to 34, accounting for more than a quarter of all voters, are more supportive of Government retaining ownership of renewable energy projects and higher numbers of younger voters are looking to Government to provide the leadership necessary to secure their safe, healthy future.
6. Consultation is viewed cynically and only a genuine partnership will cut it for communities where projects are proposed. Australians have consultation fatigue and deep cynicism about tick-the-box efforts on energy projects.
7. Early, proactive engagement with locals, Traditional Owners and other important stakeholders that involves people in decision-making and co-designing aspects of projects is what communities are demanding for their acceptance of construction 'in their backyard'. Project benefits must be set aside early and allocated based on local needs. Local needs can no longer be predefined with cash splashed on, for example, new footy jerseys.

Instead, deeper systemic issues a community and the region in which it is located face, are important for developers to identify early and contribute to influencing positively.

More than twice as many people are concerned about the possible impact of new energy projects on wildlife and the natural environment than those worried about possible visual or property price impacts.

Topline poll results

- Nationally, combatting climate change is the most popular benefit to shift to renewables (22%). Reducing household bills (19%) and new jobs and skills (16%) were the other popular responses.
 - There are differences by voting intention.
 - Labor voters are most likely to select reducing climate change (24%, but more likely than others to select jobs and skills (18%).
 - Coalition voters were most likely to say the main benefit of the transition is cheap bills (20%).
 - Greens voters were most likely to say reducing climate change (34%) and more likely than others to select green exports (22%).
 - Those selecting “No benefits of transition” were older respondents (24% among those aged 55+), Coalition voters (21%) and minor parties/independents (30% - this group is predominantly One Nation and UAP voters).

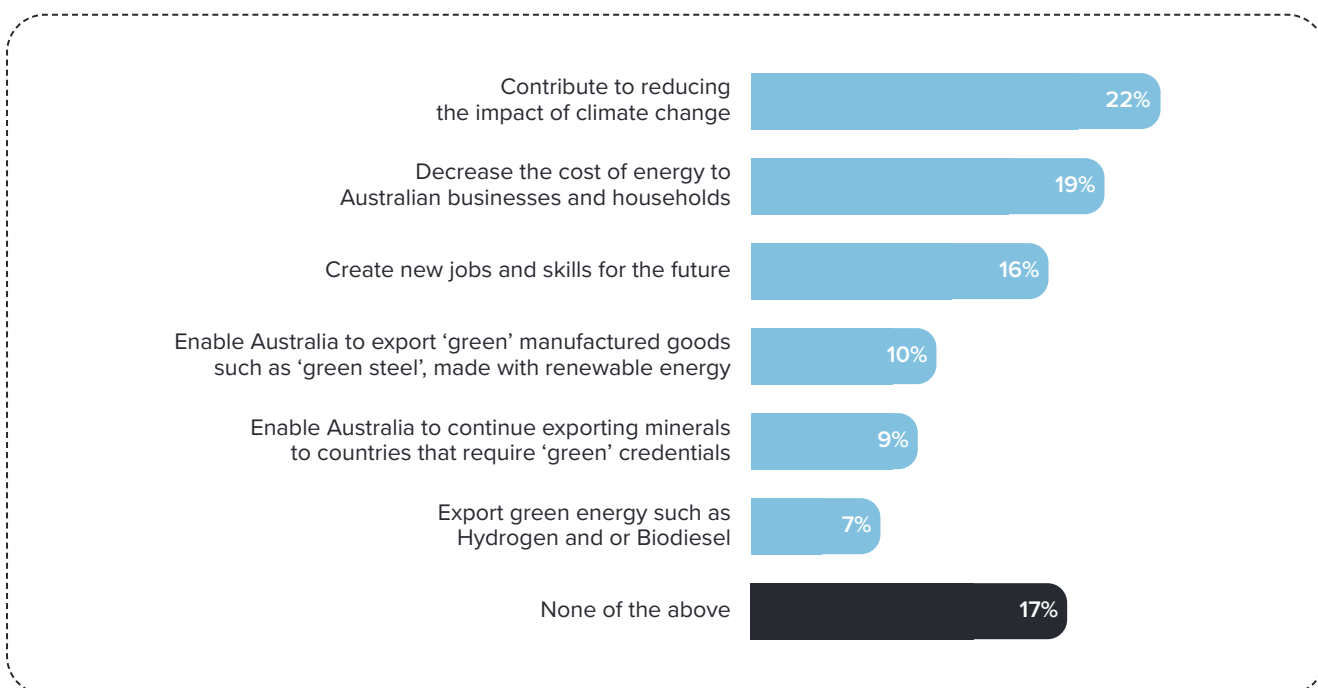


Figure 1 - Which of the following do you think will provide the biggest economic benefit for Australia as a result of the transition to renewable electricity?

- There are three main reasons for the delay in the transition, and these views are linked with voting intention.
 - 27% believe the technology isn't advanced enough, which is the top reason among Coalition voters (31%).
 - 25% believe governments haven't provided enough leadership, which is the top reason among Greens voters (42%).
 - 24% believe the necessary infrastructure isn't in place, which is the top reason among Labor voters (29%).
 - Private investment is not seen to be an issue, with just 12% thinking private companies unwilling to invest has been the major barrier to a quicker transition.

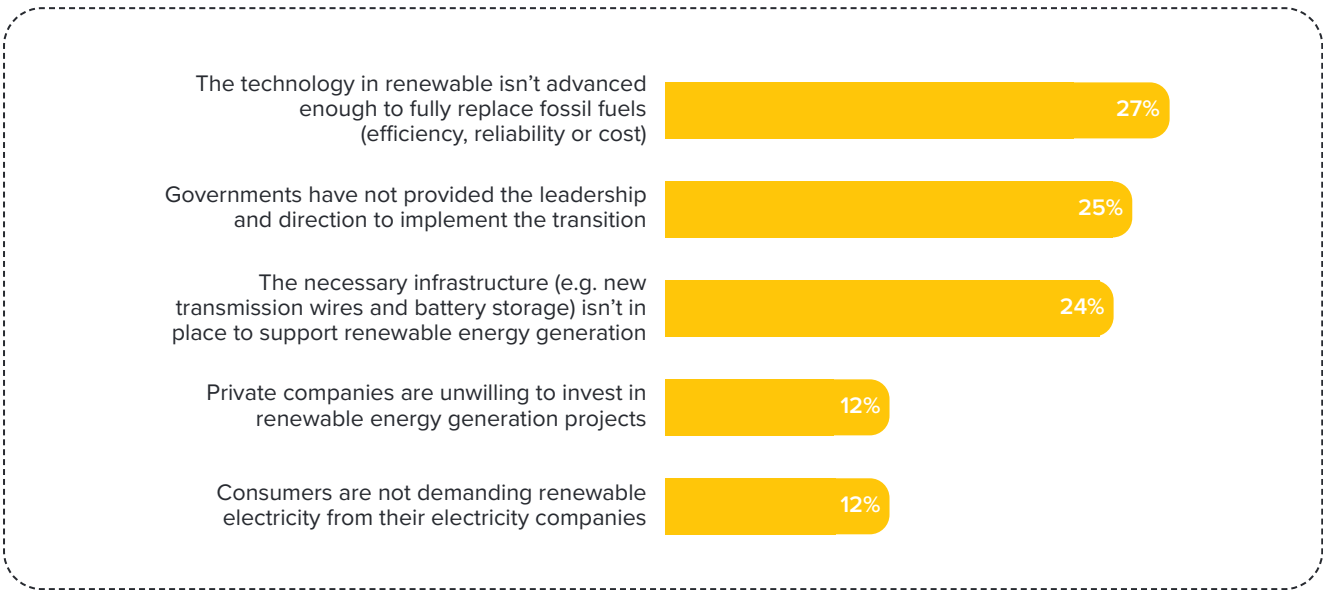


Figure 2 Which of the following options is closest to your view about why the transition to renewable energy isn't more advanced in Australia?

3. People lean towards greater community involvement during infrastructure development – but NOT full empowerment.
 - 30% said the best engagement was partnership during each stage (COLLABORATE) and 23% preferred consideration at every stage (INVOLVE).
 - Full empowerment (Decision-making in the hands of the community) was favoured by just 10%.
 - There was no difference between capital/non-capital participants for any of these responses.

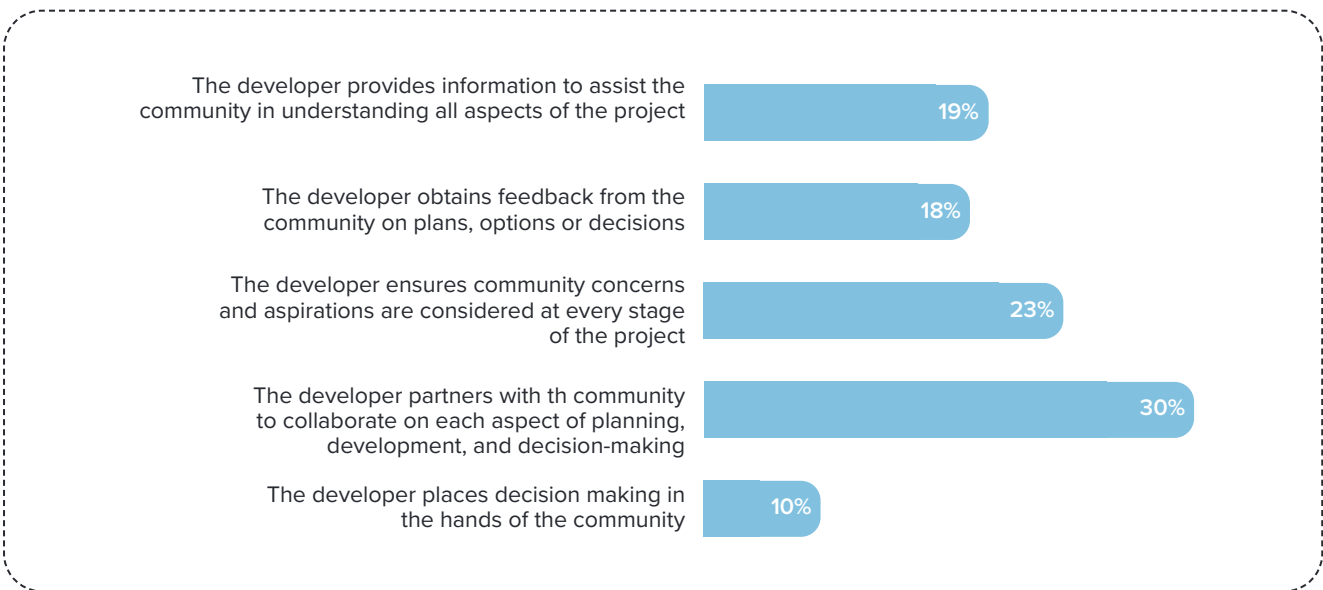


Figure 3 Which of the following approaches do you think is the best way for developers to engage with local communities?

- 4. The majority of respondents supported of energy generation either being owned by governments (75% support for Federal government, 76% support for state governments) and Australian-owned private businesses (73%).
- While there was a minority support for both foreign businesses, support for these was significantly higher among younger people (aged 18-34), and subsequently those with a university education, living in capital cities, in full-time employment and intend to vote Labor or Greens.

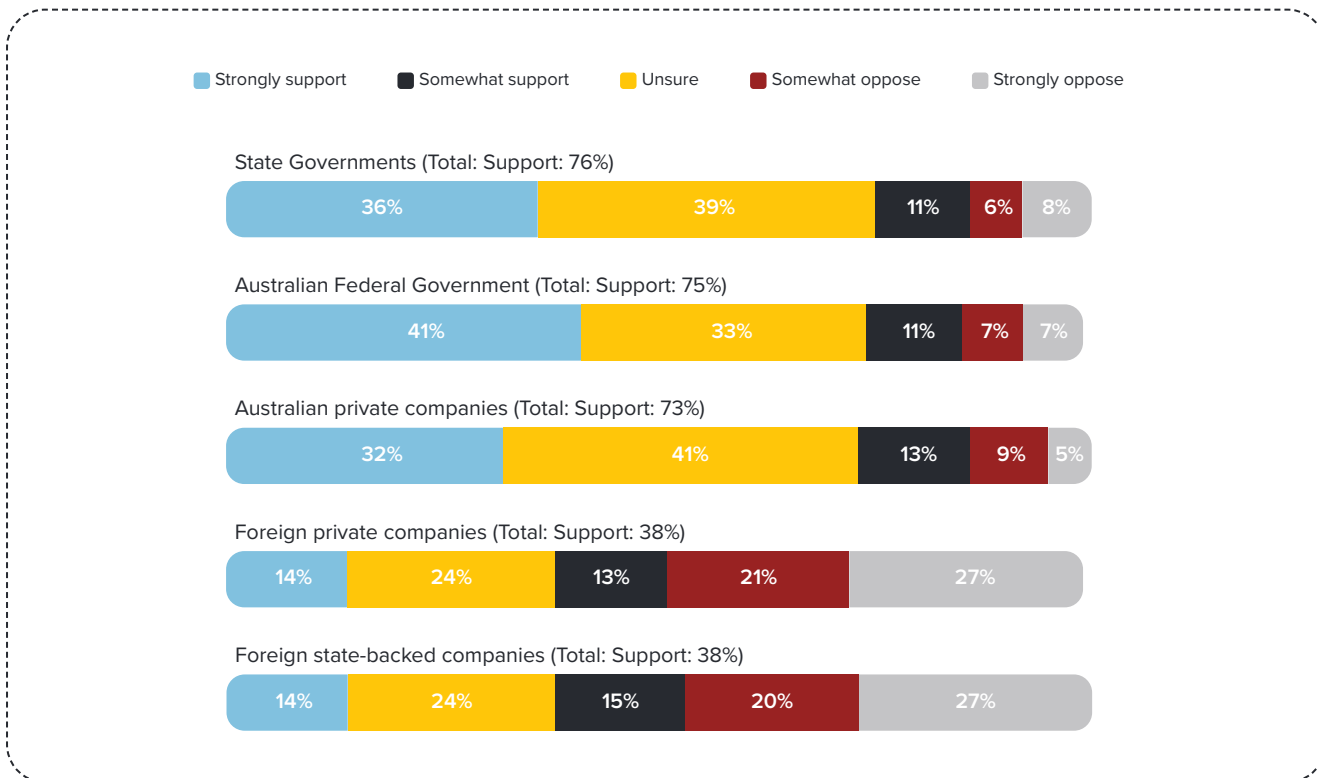


Figure 4 To what extent would you support or oppose each of the following entities owning renewable energy generation facilities in Australia?

- 5. The preference for local communities vs. national need is polarising:
 - 46% believe local community demands should be prioritised, 54% believe the transition should be prioritised.
 - Those more likely to back local communities include older people (52% among those aged 55+), those in non-capital areas (51%), Coalition voters (56%) and Minor party/Independent voters (56%).
 - Those more likely to choose prioritising the national need for transition include those aged 18-34 (61%), those with university education (61%), those living in capital cities (57%), in paid employment (59%), Labor and Greens voters (64% and 76% respectively)

- Local community concerns should be prioritised over national climate and energy transition commitments. Even if this means slowing down or cancelling some renewable energy projects.
- Australia’s commitment to reduce its climate emissions and transition to majority renewable energy by 2030 should be prioritised. Even if this means projects are approved despite some community opposition or concerns.

Overall



Figure 5 Which of the following options is closest to your view about what should be prioritised in the transition to renewable energy and the development of new energy infrastructure?

6. The top concerns with building new renewable infrastructure were:

- Negative impact on wildlife and the environment 60% (Top 3 concern).
 - Lack of compensation for local people (52%).
 - Health and Safety risks (45%).
 - Lack of consultation (45%).
- Older people aged over 55 are most likely to be concerned with a lack of consultation (56% Top 3 concern).

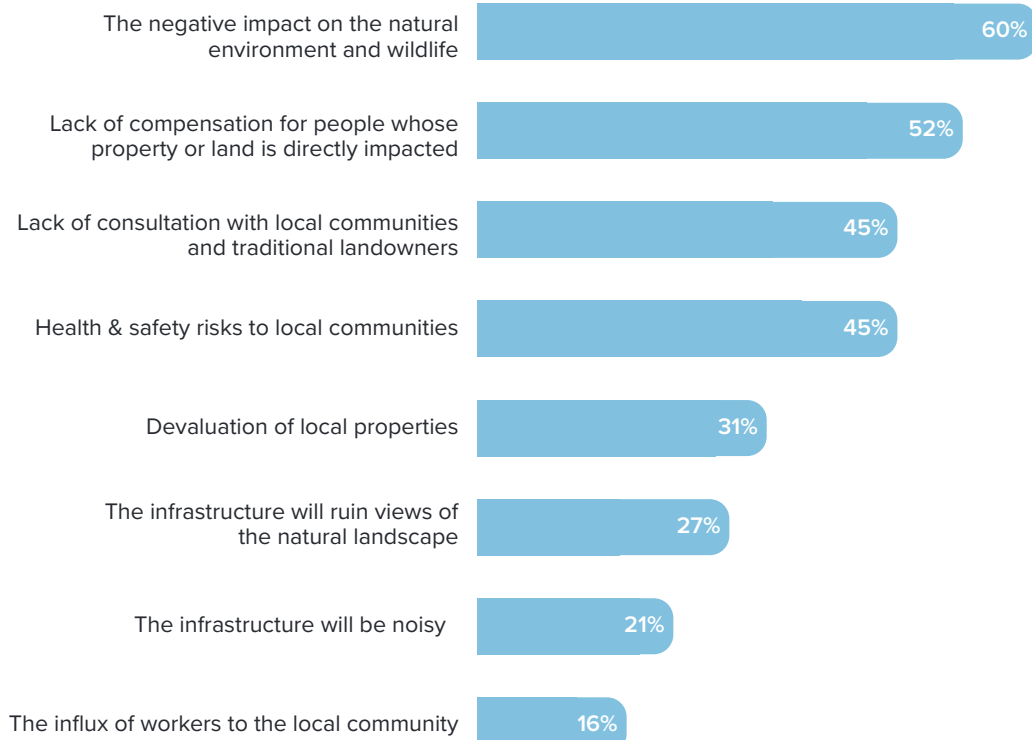


Figure 6 From the following list, please outline your top three concerns associated with building new electricity infrastructure (wind and solar farms, storage batteries and transmission wires) in regional and remote areas and communities? (%Top 3 Concern)

In Summary

In this first quarter's research, there is a strong bipartisan recognition of the economic benefits of the energy transition for Australia. There is a need for further communication to communities on the ability of renewables to replace fossil fuel generation and a desire for more guidance from governments as well as a considered understanding of the need for more infrastructure.

Australians want to be included in how development occurs within their community through the transition and do not want their energy infrastructure owned by non-Australian entities. There is a distinct and equal divide between those that think the national need should be prioritised over local community concerns and a strong desire to protect our precious natural environments, compensate those who are directly impacted through development and engage safely with local communities and traditional owners.

THIS IS TRANSITION

We acknowledge the Traditional Custodians of the land, waters and knowledge for the places where we gather to collaborate and strengthen communities. In our work, we recognise the importance of Country – not just as a place, but how it also maintains community, family, kin, lore and language. We pay our respects to Elders past, present and emerging.



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