First Nations Clean Energy Taskforce Department of Climate Change, Energy, the Environment and Water

By email: FNCES@dcceew.gov.au

29 February 2024

To the Taskforce,

#### Submission on the First Nations Clean Energy Strategy

Thank you for the opportunity to provide input to the development of the First Nations Clean Energy Strategy. The Central Land Council (CLC) is a Commonwealth corporate entity established under the Aboriginal Land Rights (Northern Territory) Act 1976 (ALRA), with statutory responsibilities for Aboriginal land acquisition and land management in the southern half of the Northern Territory (NT). The CLC is also a Native Title Representative Body established under the Native Title Act 1993.

Through our elected representative Council of 90 community delegates, the CLC represents the interests and aspirations of approximately 20,000 traditional landowners and other Aboriginal people resident in its region. Our region covers approximately 780,000 km² (an area almost the same size as New South Wales) – more than half of which is Aboriginal freehold land under ALRA. In addition, native title rights have been won, and traditional owners unable to claim land under the ALRA have succeeded in obtaining rights to small areas known as Community Living Areas under NT legislation.

Despite having asserted and won land rights over such a substantial landmass, the wealth extracted from Aboriginal lands and waters continue to disproportionately accumulate to people other than traditional owners, and Aboriginal people in Central Australia continue to be left behind.

For this reason, we welcome the development of a First Nations Clean Energy Strategy intended to ensure that Aboriginal people participate in and benefit from the clean energy transition. We broadly support the guiding principles, goals and objectives proposed for the strategy. The strategy must be grounded in principles of energy justice and explicitly seek to avoid reproducing the winners and losers of existing energy systems.

Rather than responding to the individual questions in the consultation paper, we have highlighted priority issues for our Council overleaf. For future correspondence regarding this submission and the development of the strategy, please contact





#### Note on context

In making this submission, the CLC assumes that the Taskforce has a good understanding of the particularities of electricity provision in our communities that will need to inform policy and program responses in the NT. These include:

- Unique regulatory arrangements for the delivery of electricity in remote communities, including generation and retail provided to 72 remote communities by Indigenous Essential Services (not-for-profit subsidiary of the NT Government-owned Power and Water Corporation).
- Prepayment arrangements for remote customers and the disparities in regulatory protections for those customers.
- The predominance of diesel generation for remote communities, with some hybrid diesel solar power systems and one community powered by gas.

We also note some particularities in relation to housing:

- Almost three quarters of Aboriginal people (74.6 per cent) in the NT live in remote communities
  or on homelands/outstations.
- Almost all housing in remote communities in public housing.
- Most Aboriginal households in the NT (62 per cent) are renters. This includes 35.4 per cent who
  rent in public housing and 13 per cent who rent through a community housing provider. Only
  16.1 per cent of Aboriginal households in the NT are home owners.<sup>1</sup>

## The urgent need to address energy poverty in remote NT communities



Energy poverty in remote communities in the Northern Territory is unacceptably high. As the Taskforce is aware, most Indigenous households in remote communities in the Northern Territory use prepayment electricity meters: when money runs out, so does the power.

While the lack of reporting of electricity disconnections in the NT<sup>2</sup> has historically masked the very high levels of energy insecurity in remote communities, recent research has made this more visible. Analysis of prepayment meter data taken from 3,300 households in 28 remote Aboriginal communities showed that almost all households (91 per cent) experienced at least one disconnection during the year. Almost three quarters (74 per cent) had their power disconnected more than 10 times. Households with high electricity use located in the central climate zones (i.e. within the CLC region) had a one in three chance of a same-day disconnection on very hot or very cold days.<sup>3</sup>

The impact of such frequent disconnections on people's health and wellbeing, and the social and economic lives of communities are significant, and at times extreme.<sup>4</sup> This video on energy justice produced by the Purple House Language Group describes the daily hardship well.<sup>5</sup>

<sup>&</sup>lt;sup>2</sup> White, L. et al (2024) 'Geographies of regulatory disparity underlying Australia's energy transition', *Nature Energy*, Vol 9, (p.92-105) (weblink)

<sup>&</sup>lt;sup>3</sup> Longden, T. et al (2022) 'Energy insecurity during temperature extremes in remote Australia', Nature Energy, Vol. 7 (p.43-54) (weblink)

<sup>&</sup>lt;sup>4</sup> "Bodies start to cook': poor housing in remote communities puts lives at risk in northern Australia heatwave', C. Kelly, The Guardian, 8 December 2022 (weblink)

<sup>&</sup>lt;sup>5</sup> Power Story, S. Quilty and Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation (Purple House) Language Main Office: Group (weblink) ay, Alice Springs NT 0870 | Post: PO Box 3321, Alice Springs NT 0871 T (08) 8951 6211 F (08) 8953 4343 ABN 71 979 619 393 Regional Offices: Alparra (08) 8956 9955 | Atitjere (08) 8956 9722 | Kalkaringi (08) 8975 0885 | Mutitjulu (08) 8956 2119 | Papunya (08) 8956 8658 | Tennant Creek (08) 8962 2343 | Yuendumu (08) 8956 4118

The levels of energy insecurity experienced by our communities reflect a combination of deep and worsening levels of poverty, an increasingly extreme climate<sup>6</sup>, poor quality housing<sup>7</sup> and a lack of basic consumer protections.<sup>8,9</sup>

While all of Australia is facing a cost of living crisis, it is important to emphasise just how extreme the poverty levels have become for Aboriginal people in the NT. The poverty rate in remote NT communities is more than 60 per cent. <sup>10</sup> In dollar terms: the median weekly personal income for an Aboriginal person in the CLC region is \$315 per week. <sup>11</sup> This level of poverty is unparalleled elsewhere in the country and evidence of serious policy failures by successive Territory and Federal governments.

Perhaps of greatest concern, as the map overleaf shows, this situation is deteriorating: while Indigenous poverty rates have been decreasing across most parts of the country (albeit to a small degree), in the NT they are escalating at an alarming rate<sup>12</sup>:

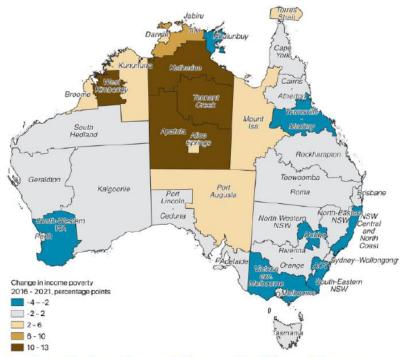


Figure 4: Change in Indigenous income poverty rates by Indigenous Region between the 2016 and 2021 Censuses

Source: Dr Francis Markham, submission to the Inquiry into the extent and nature of poverty in Australia (October 2023)

While the strategy rightly seeks to provide economic opportunities for Aboriginal people to own, invest in and benefit from clean energy projects, a first order concern for CLC constituents is their ability to afford to keep the power on. This is something the strategy can and must address.

<sup>&</sup>lt;sup>6</sup> 'Too hot for humans? First Nations people fear becoming Australia's first climate refugees', L. Allam and N. Evershed, The Guardian, 18 December 2019 (weblink)

<sup>&</sup>lt;sup>7</sup> Ibid; Quilty, S. et al (2022) 'Climate, housing, energy and Indigenous health: a call to action', *The Medical Journal of Australia*, 217(1):9-12

<sup>&</sup>lt;sup>8</sup> White, L. et al. (2024) 'Geographies of regulatory disparity underlying Australia's energy transition', *Nature Energy*, Vol. 9 (p.92-105) (weblink)

<sup>9 &#</sup>x27;NT refuses to adopt new 7 Start Energy Efficiency standards for homes', Health Habitat, 2 September 2022 (weblink)

<sup>10</sup> Figure 3 on p.6 in the submission by Dr Francis Markham to the inquiry into the extent and nature of poverty in Australia, (weblink)

<sup>&</sup>lt;sup>11</sup> ABS Census 2021

## A clear framework for community benefit

The clean energy transition has the potential to alleviate energy poverty and ease the acute cost of living pressures experienced Aboriginal people in our communities – but only if the appropriate policy and regulatory settings are in place.

Currently, this is not the case. The NT Government has recently commenced consultation on its Remote Power Systems Strategy (RPSS). The primary objectives of the strategy are to reduce the costs to government of electricity generation and contribute to the NT Government's emissions reduction target. With no explicit commitment to sharing cost savings with remote prepayment customers, at this stage, the proposed strategy will do nothing to reduce electricity costs and therefore improve energy security for remote Aboriginal households.

Further, while generous subsidies have been provided to home owners in the NT – including through the NT Government's Home and Business Battery Scheme<sup>14</sup> – remote residents who want to install their own solar have no access to government incentives, and face multiple regulatory and technical barriers.<sup>15</sup> A demonstration project on the home of Warumungu traditional owner Norman Jupurrurla Frank in Tennant Creek has shown that it is possible to overcome these barriers and integrate prepaid power meters with rooftop solar on public housing, but not easily.<sup>16</sup>

Outside remote communities, NT Government efforts to provide solar access for public housing tenants has been similarly slow. A solar battery trial for 15 public housing households commenced in 2023.<sup>17</sup> Given that 35.4 per cent of Aboriginal people in the NT are public housing tenants<sup>18</sup>, accelerating the provision of solar for public housing – urban and remote – should be a priority under the strategy.

To quote Mr Frank, "In Tennant Creek at the moment, only rich people have got solar."19

Given the extent of inequality experienced by Aboriginal people in the NT and the equity goals proposed in the draft strategy, there is a strong case for substantial Australian Government investment under the First Nations Clean Energy Strategy to be directed towards the provision of solar power for remote communities and on urban public housing in the NT.

Any Federal investment must come with clear criteria to deliver direct community benefit, explicitly including facilitating reduced electricity costs for the energy consumer.

<sup>&</sup>lt;sup>13</sup> Northern Territory Government, Remote Power Systems Strategy, Frequently Asked Questions, 2024 (weblink)

<sup>14</sup> https://nt.gov.au/industry/business-grants-funding/home-and-business-battery-scheme

<sup>&</sup>lt;sup>15</sup> White, L. et al (2024) 'Geographies of regulatory disparity underlying Australia's energy transition', *Nature Energy*, Vol 9, (p.92-105) (weblink)

<sup>&</sup>lt;sup>16</sup> Riley, B. et al (2022) 'Connected: rooftop solar, prepay and reducing energy insecurity in remote Australia', Australian Geographer, Vol. 54, p.325-346 (weblink)

<sup>&</sup>lt;sup>17</sup> Northern Territory Media Release: Alice Springs public housing solar trial kicks off, 4 May 2023 (<u>weblink</u>)

<sup>&</sup>lt;sup>18</sup> More than half of the 62 per cent of Aboriginal people in the NT who are renters. See Australian Bureau of Statistics (ABS) Northern Territory: Aboriginal and Torres Strait Islander population summary 2022 (weblink)

## Addressing regulatory disparities

Maximising the effectiveness of anticipated investment in solar for remote communities requires parallel work to improve energy performance and thermal comfort of existing and new houses in remote communities, and address inequities in the current regulatory regime.<sup>20</sup>

Despite the climate extremes in the NT, the NT Government has not adopted the National Construction Code (NCC) 2022 minimum requirements for new homes to achieve the equivalent of 7 star performance under the Nationwide House Energy Rating Scheme (NatHERS), instead retaining a 5 star minimum. Aboriginal people living in remote public housing bear the cost of inadequate housing that they can't afford to heat or cool.

Further, recent research has highlighted the clear racial divide in electricity protections across Australia, but particularly in the NT. <sup>23</sup> The research has shown that prepayment customers in most remote communities in the NT don't have access to any of the five basic energy consumer protections considered by the research:

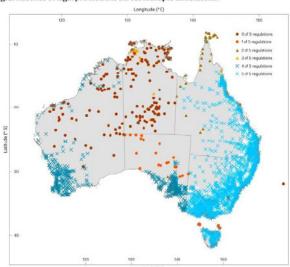


Fig. 2: Absence of legal protections across multiple dimensions.

Considering whether a settlement is underserved across multiple dimensions, compiling (i) life-support protections, (2) guaranteed service level, (3) solar connection process stated in contract, (4) disconnection reporting requirements and (5) complaints process clarity and independence (n = 3,047 settlements). Remote areas shown in grey.

Source: White, L. et al. (2024) Geographies of regulatory disparity underlying Australia's energy transition

These regulatory disparities compound the barriers created by disparities in wealth and access to capital – putting Aboriginal people living in remote communities and in town camps on the back foot when approaching the clean energy transition.

<sup>&</sup>lt;sup>20</sup> White, L. et al. (2024) 'Geographies of regulatory disparity underlying Australia's energy transition', *Nature Energy*, Vol. 9 (p.92-105) (weblink)

<sup>&</sup>lt;sup>21</sup> Northern Territory Government Residential building and energy efficiency: <a href="https://nt.gov.au/property/building/build-or-renovate-your-home/building-and-energy-efficiency">https://nt.gov.au/property/building/build-or-renovate-your-home/building-and-energy-efficiency</a>

<sup>22 &#</sup>x27;NT refuses to adopt new 7 Start Energy Efficiency standards for homes', Health Habitat, 2 September 2022 (weblink)

<sup>&</sup>lt;sup>23</sup> White, L. et al (2024) 'Geographies of regulatory disparity underlying Australia's energy transition', *Nature Energy*, Vol 9, (p.92-105) (weblink), see also: 'One in five Australians lack 'basic' electricity protections against issues such as disconnections during heatwaves', J.

Under the National Agreement on Closing the Gap (Target 9b), governments have committed to improving essential service standards for remote Aboriginal communities and town camps. This commitment should be acknowledged in the strategy:

Closing the Gap Target 9b: By 2031, all Aboriginal and Torres Strait Islander households:

- i) within discrete Aboriginal and Torres Strait Islander communities receive essential services that meet or exceed the relevant jurisdictional standard,
- ii) in or near to a town receive essential services that meet or exceed the same standard as applies generally within the town.<sup>24</sup>

The strategy should acknowledge governments' commitments under the National Agreement on Closing the Gap Target 9b to improve essential service standards for remote Aboriginal communities and town camps.

Regulatory disparities that limit the ability of Aboriginal people living in remote communities to benefit from the clean energy transition need to be addressed.

Actions that need to be taken include:

- A national database to actively monitor and measure levels of energy protections for households across the country.
- Adoption by all jurisdictions of mandatory electricity disconnection reporting.
- Adoption by the NT Government of the NCC 7 star energy efficiency rating for new housing.
   The CLC urges the Commonwealth to make this a requirement when entering into a new National Partnership Agreement on remote housing with the NT Government.

#### Supporting community-led projects

Despite the challenges outlined above, two communities in the CLC region are actively working towards community-owned solar projects. In Yuelamu, the Community Development Working Group of the Granites Mine Affected Area Aboriginal Corporation (GMAAAC), supported by the CLC, have invested \$70,000 of their own money in early-stage consultation and development. The community is now seeking funding for a detailed pre-feasibility study. The CLC is unaware of any systematic effort by the NT Government to capture the lessons from these projects (or others in the NT) so that they inform policy at a wider scale – including the design of the RPSS. In addition to these two community projects, a number of homelands residents in the CLC region have self-funded the installation of solar.

<sup>24</sup> Including if the household might be classified for other purposes as a part of a discrete settlement such as a "town camp" or "town based Main Office: Protection of the purpose of the following settlement such as a "town camp" or "town based Main Office: Protection of the purpose of the following settlement such as a "town camp" or "town based Main Office: Protection of the purposes as a part of a discrete settlement such as a "town camp" or "town based Main Office: Protection of the purposes as a part of a discrete settlement such as a "town camp" or "town based Main Office: Protection of the purposes as a part of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" or "town based Main Office: Protection of a discrete settlement such as a "town camp" of a discrete settlement such as a "town camp" of a discrete settlement such as a "town camp" of a discrete settlement such as a "town camp" of a discrete settlement such as a "town camp" of a discrete settlement such as a "town camp" of a discrete settlemen

Seeing more genuinely community-led projects get off the ground will rely on accessible funding for early-stage consultation and development, feasibility and implementation.

Two overlooked areas of support include financial and other support for:

- The early stages of project development, including to undertake fulsome community consultation, and to help connect communities with technical experts to support project development and bridge the information asymmetry they experience with government and industry.
- The groundwork required to establish new community governance structures for the long-term management projects, including asset maintenance and the application of community benefits.

# **Engaging with industry**

The CLC acknowledges the substantial work of the First Nations Clean Energy Network to focus attention on the role of government and industry to put the rights, interests, consent and aspirations of First Nations people at the centre of the clean energy transition. Detailed resources have now been developed for industry to guide them in engagement, consent, participation and benefit-sharing with First Nations peoples on renewable energy projects. <sup>25,26</sup>

When it comes to utility-scale projects in the CLC region, to date, industry players negotiating with traditional owners have been unwilling to genuinely look at what traditional owners want to get out of a project. Their interactions with the land council and traditional owners have been led by their own commercial interests.

It is important that the best-practice principles outlined by the First Nations Clean Energy Network continue to be promoted to industry. More importantly, governments and financing bodies should be ensuring the application of those principles in their assessments of clean energy developments, including through requirements for grant funding and other financing.

## Ensuring strong water laws and governance as demand for critical minerals increases

Finally, we would like to draw attention to water security as a largely overlooked element of the clean energy transition in Australia that directly affects First Nations peoples. The clean energy transition is accelerating demand for critical minerals, including in the NT.<sup>27</sup> The mining of critical minerals generally requires large volumes of water for operation and has been a known and potential source of water contamination, including through acid mine drainage, wastewater discharge and tailings. Water use in the mining of lithium and rare earths in particular is substantial.<sup>28</sup> Given Australian Government policy under the Critical Minerals Strategy seeks to encourage more domestic downstream processing, the industry's future demand on water is likely to be even higher.

This is particularly concerning in Central Australia given the completely inadequate and widely critiqued state of water laws and governance in the NT.<sup>29</sup> Overall, NT water governance is characterised by a lack of transparency and enforceable planning, as well as a disregard for Aboriginal peoples' perspectives, Aboriginal cultural values, environmental health and evidence-based decision making. As expressed in our recent submission to the Productivity Commission on National Water Reform<sup>30</sup>, the CLC is deeply concerned by the lack of meaningful engagement with traditional owners and the failure of the NT Government to adequately take into consideration ecological and cultural impacts before approving high-impact developments and associated licences.

The First Nations Clean Energy Strategy must acknowledge the need for and support work to strengthen water laws and governance across the country as critical minerals mining increases.

Efforts by the Australian Government to accelerate the critical minerals industry should include support for states and territories to ensure they have the necessary regulations in place to ensure sustainable management of water resources, in line with the requirements of a refreshed National Water Initiative (NWI). This could include conditions on Australian Government investment.

The NT Government must comply with the NWI and implement mandatory and statutory-based water planning for all water resources in the Northern Territory as a matter of urgency.

clc.org.au

<sup>&</sup>lt;sup>27</sup> 'Northern Territory minerals reach new heights', A. Eastwood, Australian Mining, 7 December 2023 (weblink)

<sup>&</sup>lt;sup>28</sup> International Energy Agency, The Role of Critical Minerals in Clean Energy Transitions: Sustainable development and responsible development of minerals – *Indicators for water use for selected minerals* (weblink) Licence: CC BY 4.0

<sup>&</sup>lt;sup>29</sup> See open letter from 18 Australian water experts to the former NT Chief Minister Natasha Fyles (23 November 2022) expressing concerns about the NT's approach to water planning and regulation (weblink)