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Prepared for:	Department of Climate Change, Energy, the Environment and Water
Purpose:	Submission to the consultation on the First Nations Clean Energy Strategy
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Overview **The First Nations Clean Energy Strategy needs to better integrate concepts from the Closing the Gap initiative and support the measurement of energy security.**

The First Nations Clean Energy Strategy should better integrate the target outcomes of the Closing the Gap initiative, especially those that focus on essential services, such as energy. This implies regular reviews and annual reporting on the progress of the Strategy. This would require collecting key data and adopting additional guiding principles. A key recommendation is to help the Productivity Commission measure Target 9B as it relates to energy access and energy security. Other data should be collected and reported to inform First Nations people and Strategy stakeholders of key energy issues.

Are the draft principles and goals proposed appropriate and achievable? Are there any gaps or do you have suggestions for others that could be considered?

The guiding principles of the Strategy should also be informed by the Closing the Gap initiative.
In addition to the United Nations Declaration on the Rights of Indigenous People and the Sustainable Development Goals, the Guiding Principles of the Strategy should also be informed by these examples.

***Closing the Gap Socioeconomic outcome area 9*: *Aboriginal and Torres Strait Islander people secure appropriate, affordable housing that is aligned with their priorities and need*.**

***Closing the Gap Target 9B*:**

By 2031, all Aboriginal and Torres Strait Islander households:

within discrete Aboriginal or Torres Strait Islander communities receive essential services that meet or exceed the relevant jurisdictional standard

in or near to a town receive essential services that meet or exceed the same standard as applies generally within the town (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 reserve").

Note that this target was not measured in the last assessment. The Productivity Commission website states that: *Target 9B is not able to be reported against as there is no data source currently available which includes all required data elements* (Productivity Commission, 2023).

Being able to measure this outcome for energy should be a key priority for the Strategy. Organisations that provide essential services to First Nations communities should report on the key indicators that First Nations people expect. There are 82 months until 2031 and no way of understanding this gap.

An additional Guiding Principle could be that: ***First Nations communities receive energy services that meet or exceed the relevant jurisdictional standard and have equivalent regulatory protections.***

<u>Closing the Gap Socioeconomic outcome area 17</u>: Aboriginal and Torres Strait Islander people have access to information and services enabling participation in informed decision-making regarding their own lives.

Energy data reporting and data access practices should be comparable with other Australian communities. This should include mandates for the reporting of critical information, such as the rate of electricity disconnections for First Nations communities. While disconnections are reported for major cities and other regions, they are often not reported for households that prepay for electricity.

The Consultation Paper mentioned that the Strategy will 'ensure quality information and resources' and it is an objective. However, a comparison with the Closing the Gap initiative implies that this should be elevated to be a Guiding Principle that states: ***First Nations peoples will have access to information and services enabling informed decision-making regarding their own use of energy and the broader clean energy transformation.*** Informed decision-making requires the collection and reporting of key energy data to inform First Nations people.

<u>Closing the Gap Socioeconomic outcome area 1</u>: Aboriginal and Torres Strait Islander people enjoy long and healthy lives.

Better alignment with the Closing the Gap initiative would mean that the link between energy, welfare, and health is a more central part of the Strategy. This interaction is not well defined in this version of the Strategy. This should change as the Interim Feedback Report from Engagement to Date mentions health more often than the Consultation Paper. Examples from engagements include:

- *Unreliable and unaffordable power not only puts First Nations people's mental, cultural, and physical health at risk, but stands in their way to access information services, resources and work opportunities, including the means to generating an income.*

- *The use of pre-paid power cards to pay for electricity supply can lead to frequent unplanned disconnections. This was highlighted by participants as a major contributor to financial, health and wellbeing stress.*

- *Community members also described the linkages between poverty, housing, energy access, and health in First Nations communities - highlighting that inadequate and / or poorly maintained housing drives up energy usage, results in higher costs and more frequent disconnections and can drive poor health and economic outcomes through reduced access to heating, cooling and refrigeration.*

Consistent with these statements, an additional Goal should specify that: ***First Nations communities are not more exposed to adverse health outcomes associated with temperature-related energy insecurity.***

Consistent with better aligning the Strategy with the Closing the Gap initiative is ongoing monitoring and reporting on the progress of the Strategy. An annual report on the progress of implementing key actions should be part of the Strategy and made publicly available. The Closing the Gap Information Repository provides an example of this being done for other indicators.

A key recommendation is to: ***help the Productivity Commission measure Target 9B as it relates to energy access and energy security.***

What needs to change to ensure that First Nations peoples can access reliable, clean energy on an equitable basis, including those First Nations peoples located in metropolitan, regional and remote areas of Australia?

Consistent regulations across metropolitan, regional, and remote areas are needed. Regulatory differences can be extreme. It is concerning that energy regulation disparities include life support protections, guaranteed service levels, and disconnection reporting requirements.

White et al. (2024) assessed whether communities receive five types of protections. These are:

(1) life-support protections,
(2) guaranteed service levels,
(3) clear solar connection processes,
(4) disconnection reporting requirements, and
(5) complaints process clarity and independence.

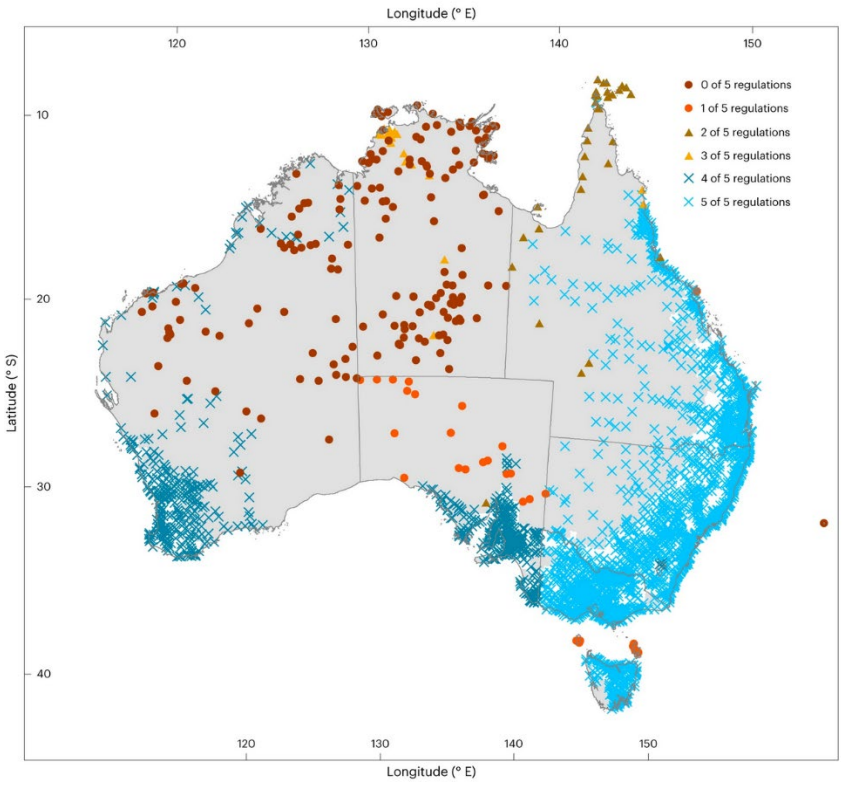
White et al. (2024) finds that First Nations communities are 15% more likely to be underserved across multiple metrics and remote communities are 18% more likely to be underserved.

First Nations settlements are:

- 48% less likely to have solar connection clarity,
- 10% less likely to have complaints process clarity,
- 61% less likely to have life support protections,
- 46% less likely to have guaranteed service levels, and
- 63% less likely to have disconnection reporting requirements.

These data are also displayed in a Guardian news article: https://www.theguardian.com/australia-news/2024/feb/05/one-in-five-australians-lack-basic-consumer-electricity-protections-research-finds

Figure 1: Absence of legal protections across multiple dimensions – including cases of zero



Source: White et al. (2024) https://doi.org/10.1038/s41560-023-01422-5

In relation to getting roof-top solar connected, Riley et al. (2023) details a case study of residents who are among the first to install and grid-connect rooftop solar to a prepay home in Australia's remote Northern Territory. In this case, the network provider Power and Water Corporation had no existing precedent to easily facilitate connection of solar with prepay metering.

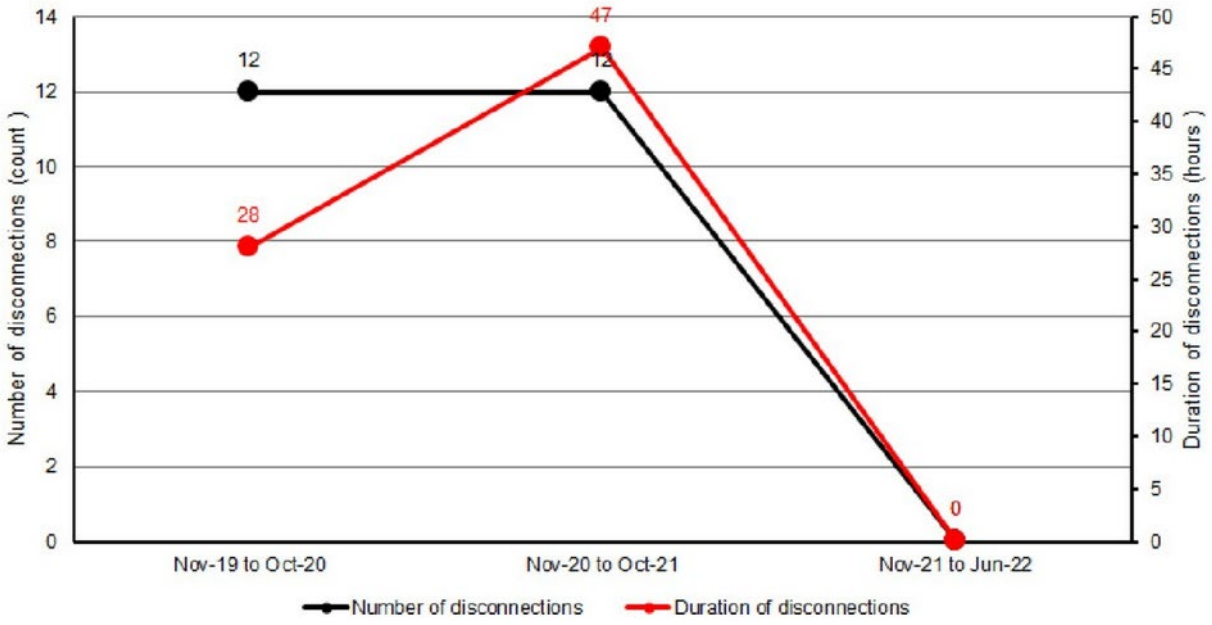
The initial solar connection application was rejected based on regulatory and technical barriers related to a lack of institutional knowledge about the compatibility of solar and prepay, as well as the absence of a prepaid metering option on the relevant paperwork.

Power and Water Corporation and Jacana subsequently committed to ensuring the project progressed on the basis of cooperating in a trial led by Original Power.

After installing roof-top solar PV, there has been an observable reduction in household energy drawn from the grid, reduced energy expenditure, and there were no more involuntary self-disconnections.

Consistent with these findings, an additional Goal should specify that: ***First Nations communities are part of discussions and decisions on whether roof-top solar or a remote grid option are best for their community.*** This should not be left to utilities that may prefer the easier option, which would ignore the very large co-benefit of installing roof-top solar, i.e. better energy security, less de-energisation, and reduced energy expenditure for the individual households.

Figure 2: Number and duration of self-disconnections pre and post solar installation



Source: Riley et al. (2023) https://doi.org/10.1080/00049182.2023.2214959

What strategies are most likely to improve how quality information, data and resources concerning the clean energy transformation is developed and disseminated to First Nations communities?

The Strategy should report on key indicators and outcomes in a way that is similar to the Closing the Gap initiative. Data requirements should not be different for organisations that deliver services to First Nations communities. A memorandum of understanding for data reporting should be established for organisations that deliver services to First Nations communities. This should then be adopted by regulatory agencies. It should be extended to other essential services, such as water.

Organisations that deliver services to remote First Nations communities in each State and Territory should report critical information on the services they provide. As they are not Federal institutions, then other mechanisms would be needed, such as a memorandum of understanding that requires these organisations to report data in a similar manner.

The Strategy should ***establish a memorandum of understanding for data reporting across all the organisations that deliver services to First Nations communities***. This data needs to be reported publicly and communicated to residents. While this could start with energy, it should be extended to water and other essential services. This should then be a foundation document adopted by regulatory agencies that monitor the organisations providing essential services, such as energy and water provision. The data requirements should be informed by the Strategy and consultation with First Nations people.

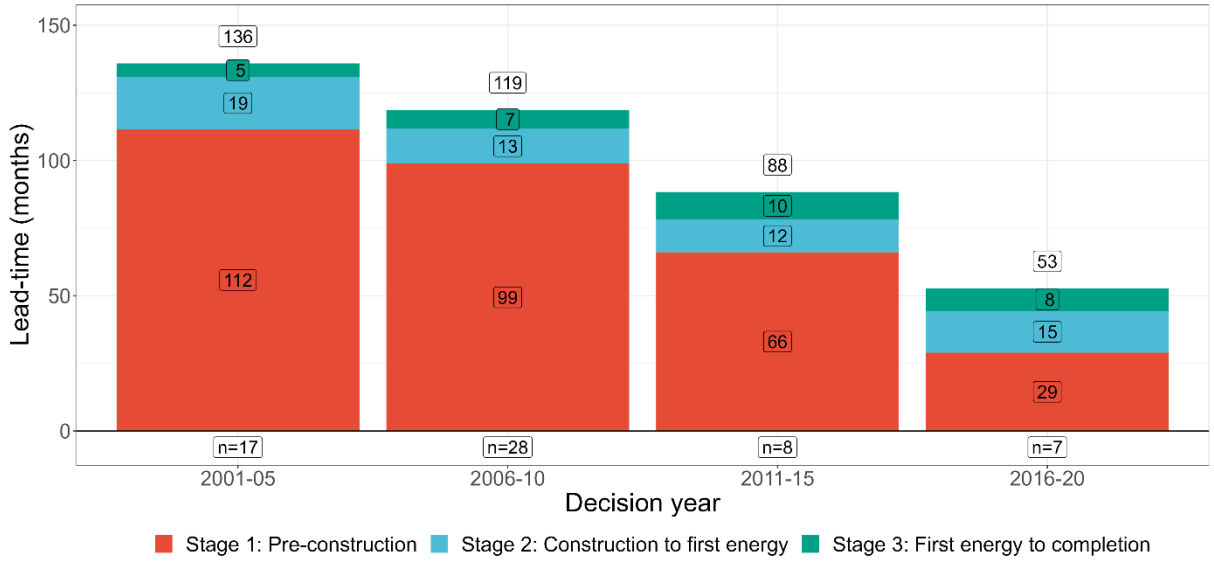
What actions will lead to greater First Nations ownership of major renewable energy projects?

The Strategy should report on the lead-times of renewable energy projects with First Nations co-ownership.

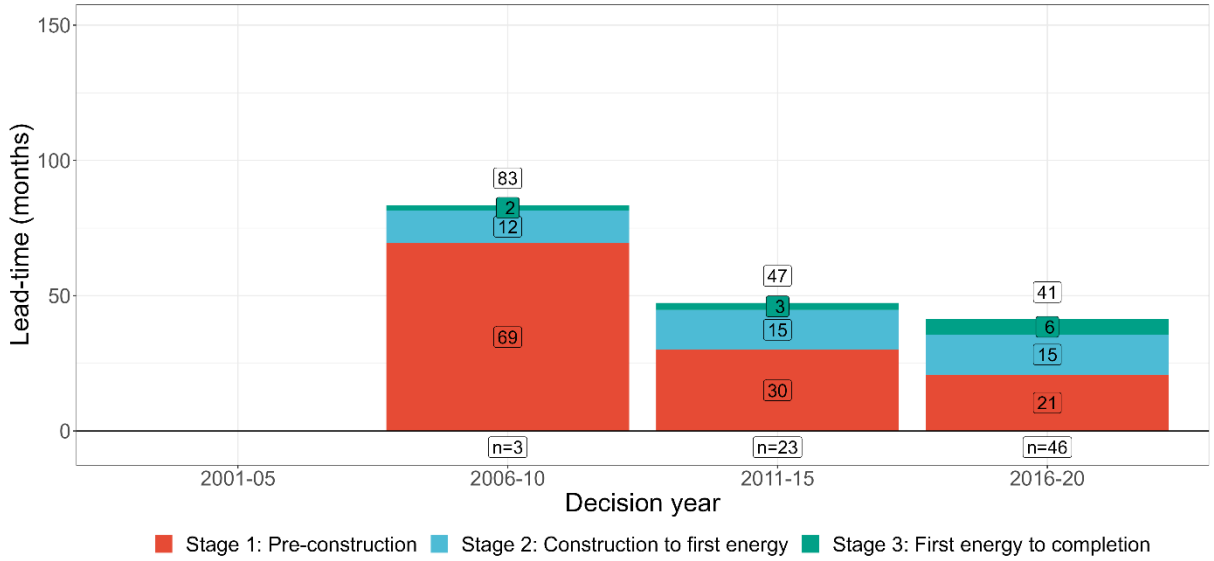
Lead-times of renewable energy projects are rarely reported. A recent study, Clapin and Longden (2024) has reported lead-times. In the future, these estimates could be used as a comparison for renewable energy projects with First Nations co-ownership to confirm that no notable differences are found. If so, then this would encourage more renewable energy projects with First Nations co-ownership. The dataset is available online. These data are for the NEM, so will need expansion.

The Strategy should ***establish a framework for reporting on the development lead-times of renewable energy projects with First Nations co-ownership***. This data could be compared to lead-times for projects in the NEM, as reported below.

Figure 3: Total project development lead-times for National Electricity Market projects



a) Onshore wind



b) Solar PV

Source: Clapin and Longden (2024) https://doi.org/10.1016/j.eneco.2024.107337

What aspects of the current regulatory environment that presently govern Australia's energy system most impact First Nations people's ability to participate in and benefit from the clean energy transformation? What strategies would be effective in reducing these impacts?

Regulatory disparities should no longer be ignored or excused.
The Australian Energy Regulator should stop excluding Power and Water Corporation from the distribution orders and instead define a sub-set of data requirements for organisations that deliver services to First Nations communities across Australia. These requirements should be informed by the Strategy and consultation with First Nations people. They should allow for both post-payment and pre-payment customers but measure comparable data.

At the moment, the Draft Annual Information Orders Explanatory statement states:
We have maintained our position to exclude Power and Water Corporation from the distribution Orders and instead define the annual reporting obligations for Power and Water Corporation under a separate RIN. This is because, compared to other distributions networks in the National Electricity Market, Power and Water Corporation:
• is smaller in network size,
• undertakes unique functions such as management of the technical code, market dispatch operations and transmission functions,
• has community service obligations to remote communities,
• is transitioning to NEM arrangements.
The Power and Water Corporation Notice will allow for reduced information reporting in circumstances where it has not yet developed its systems and processes to meet the required reporting standards, but otherwise will be consistent with the distribution Orders. We expect to transition Power and Water Corporation to the distribution Orders in the future. https://www.aer.gov.au/system/files/2023-12/Draft%20Annual%20Information%20Orders%20-%20Explanatory%20statement%20-%20December%202023.pdf

Regulatory disparities are too common and are too often excused, so an additional Goal of the Strategy should specify that: ***Disparity in regulations and data requirements should be addressed urgently and consultation processes should be implemented. These regulations should not be weaker for organisations that deliver services to First Nations communities.*** One key example is the reporting of service performance, which should be measured consistently across Australia, no matter if post-payment or pre-payment operates.

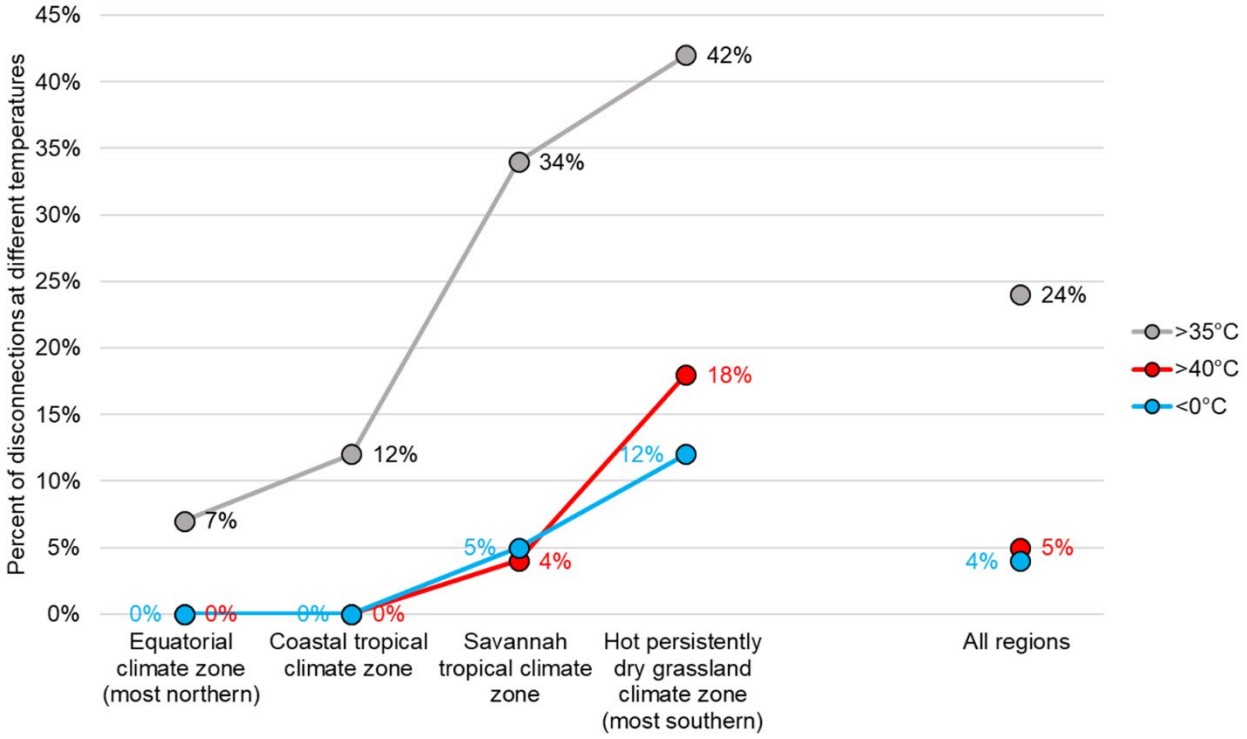
Regulatory disparities have material impacts on people and should not be ignored or excused – regulatory bodies need to better consult with those they are decision-makers for.
Regulatory disparities exist and have meaningful impacts. For example, the case of prepayment provides a stark example where access to energy is fundamentally different. Of most concern is the lack of consistent application of data reporting, the acceptance of de-energisation as a normal daily/weekly event, and the lack of protections for those on life support equipment.

Nearly all households (91%) experienced a disconnection from electricity during the 2018–2019 financial year. Almost three quarters of households (74%) were disconnected more than ten times. Households with high electricity use located in the central climate zones had a one in three chance of a same-day disconnection on very hot or very cold days (Longden et al., 2022).

In Longden et al. (2022) we noted that: *the Essential Service Commission (for Victoria) observes that "customers who are disconnected from electricity or gas can face significant risks to their welfare… disconnection for non-payment reasons should only ever be a last resort"*. Australia's National Energy Retail Rules require that the retailer not arrange for the de-energization of premises having life

support equipment or during an extreme weather event, but this is not comprehensively applied in remote NT communities. (Page 51-52: https://rdcu.be/dsSRX)

Figure 4: Percent of disconnections by climate zones and temperature



Source: created using data from Longden et al. (2022) https://doi.org/10.1038/s41560-021-00942-2

Riley et al (2023) noted that within jurisdictions regulated by the National Energy Customer Framework (NECF) less than 1% (<61,000) of more than 6.7 million households in the NEM are recorded as experiencing a single disconnection event within an annual reporting window (Australian Energy Regulator 2019). By way of contrast, the energy insecurity of prepay customers living in non-interconnected regions is rarely tracked or disclosed in a transparent or organised way. Self-disconnections are therefore often less visible and less readily presented in public facing utility reporting (Dwyer and Vernes 2016). As observed by Ruiters (2007) 'the direct effect of prepayment has been to remove the public visibility and awareness of disconnections … and to 'privatise' that decision within the lives of the poorest households. Prepayment systems allow companies to escape the public opprobrium which disconnection brings' (Ruiters 2008; 2007).

A National Priority Service Register should identify those living at home with life support equipment.
The implementation of a national Priority Service Register should identify those people who need protection during extreme temperatures. It should identify those with life support equipment and a wider population of people with vulnerability to ill health during hot or cold weather based on their age and having certain illnesses or health conditions.

It should apply across Australia and not be subject to the regulatory disparities that prevail. The UK provides an example where a Priority Service Register operates.

People being discharged from hospital with life support equipment may not know that disconnection protections apply to them. They may not get reminded of low-income support schemes that subsidise life support equipment operation costs, such as the NSW Life Support Energy Rebate

https://www.service.nsw.gov.au/transaction/apply-for-the-life-support-energy-rebate-retail-customers or the Victorian Life support concession https://services.dffh.vic.gov.au/life-support-concession. These types of assistance should be rolled out across the country.

There should be a national registry so that medical practitioners can add their patients at the critical times (discharge from hospital). At the moment, it is left to the energy retailer to track whether people have life support equipment. But if people don't change retailers, there is no update to a priority services registry. To be effective, people with life support equipment should be identified at the time of discharge from hospital.

The Strategy should pioneer the concept of a Priority Service Register and identify those First Nations people who live with life-support equipment but are not protected from disconnection or do not receive financial support. The Strategy should ensure that: ***energy and health organisations implement processes to ensure that priority service First Nations people are protected from energy disconnection and aware of support schemes that help maintain the operation of life support equipment.***

Summary **The First Nations Clean Energy Strategy should be adapted and adopt these guiding principles, goals, and key tasks.**

Guiding principles:

- ***First Nations communities receive energy services that meet or exceed the relevant jurisdictional standard and have equivalent regulatory protections.***

- ***First Nations peoples will have access to information and services enabling informed decision-making regarding their own use of energy and the broader clean energy transformation.***

Goals:

- ***First Nations communities are not more exposed to adverse health outcomes associated with temperature-related energy insecurity.***

- ***First Nations communities are part of discussions and decisions on whether roof-top solar or a remote grid option are best for their community.***

- ***Disparity in regulations and data requirements should be addressed urgently and consultation processes should be implemented. These regulations should not be weaker for organisations that deliver services to First Nations communities.***

Tasks:

- ***Help the Productivity Commission measure Target 9B as it relates to energy access and energy security.***

- ***Establish a memorandum of understanding for data reporting across all the organisations that deliver services to First Nations communities.***

- ***Establish a framework for reporting on the development lead-times of renewable energy projects with First Nations co-ownership.***

- ***Energy and health organisations implement processes to ensure that priority service First Nations people are protected from energy disconnection and aware of support schemes that help maintain the operation of life support equipment.***

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