

9th February 2024

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

Submitted electronically.

Dear Minister Bowen,

PIAC submission on the First Nations Clean Energy Strategy Consultation Paper

The Public Interest Advocacy Centre (PIAC) welcomes the opportunity to respond to the Department of Climate Change, Energy, the Environment and Water's (the Department) First Nations Clean Energy Strategy (the Strategy) Consultation Paper (the Paper). We support the work of the First Nations Clean Energy Network (FNCEN) and their involvement in this process. We commend their recommendations, and recommend their perspectives, and those of other First Nations stakeholders, be prioritised in response to the Paper, and subsequent steps of the development of the Strategy.

PIAC strongly supports the development and implementation of a national First Nations Clean Energy Strategy which is informed, shaped and implemented through the direct involvement of First Nations stakeholders and communities. The Strategy is a crucial opportunity to address systemic inequity and disadvantage experienced by First Nations people and communities, through improved access to dependable, sustainable, and affordable energy services, and greater agency and control in their engagement with the broader energy system and industries. Further, as highlighted through this process, the ongoing energy transition can greatly benefit from the invaluable community knowledge, experience and connection to Country of First Nations people and communities.

PIAC supports the current intent, direction, scope and approach of the Strategy. We reiterate the necessity for a First Nations Clean Energy Strategy to be led and shaped by First Nations stakeholders and communities, and co-designed with them to meet the needs of First Nations people and communities in the way that best works for them. The process to date has demonstrated these core principles and we strongly encourage continued commitment to ensure this process is led and shaped by First Nations stakeholders, and that further stages of design, implementation and review embed this approach.

Principles, goals and objectives

PIAC supports a strategic framework centred on robust principles and explicit objectives that are shaped by the perspectives of First Nations people, communities, and stakeholders, and

that are framed to meet their needs. The enabling governance infrastructure of the strategy will be crucial to translating it into tangible action and tracking and assessing its progress and impact.

In its current iteration it is evident that more robust mechanisms are required to translate the strategy into action and track, measure and review progress against the principles, goals and objectives. PIAC strongly supports the feedback provided by participants that ‘tangible action and concrete plans with timelines to hold government, industry and other stakeholders accountable’¹ is needed.

We highlight the need for the measures developed under the final objectives and principles to be concrete, with committed targets (and associated dates), and concrete funding or development processes where required. Where necessary, these concrete targets should be reflected in the objectives to embed progress markers in the strategy and enable assessment of the strategy. Any measures developed must be shaped by First Nations people, communities, and stakeholders to meet their needs and centre their perspectives of how best to achieve the objectives. While the Paper demonstrates laudable intent, without development of and commitment to these concrete measures, there is a clear risk the strategy will not result in the desired outcomes for First Nations people and communities and for the energy transition.

We recommend the Department further consult with First Nations people, communities, and stakeholders to refine and design a comprehensive suite of implementation measures (with concrete targets and funding where required), as well as a robust monitoring and assessment framework.

Recommended actions

PIAC has an ongoing organisational relationship with the First Nations Clean Energy Network (FNCEN) and reiterate our support for the policy and funding actions detailed in their submission to the Paper as examples of the kind of practical, tangible and meaningful measures required to be committed to as part of the Strategy. We support the process enabling FNCEN to consult further, in detail, on these measures, to develop and further refine them for implementation as part of the Strategy.

PIAC agrees that the Strategy must be founded on recognition that current frameworks related to energy and housing (among others) are an unacceptable source of inequity in essential energy service outcomes and protections for First Nations people and communities. We strongly support the perspective of First Nations stakeholders that ‘many First Nations communities and individuals do not presently have access to affordable, reliable electricity’ and that ‘achieving access to clean, reliable and affordable electricity’² for all First Nations people and communities is a minimum required standard for the Strategy to meet. Measures to address this inequity should commence with meaningful consultation with First Nations people, communities and stakeholders to identify:

- Energy service access needs,

¹ DCCEEW (2023) [First Nations Clean Energy Strategy: Interim Feedback Report from Engagement to Date](#), p.19

² DCCEEW (2023) [First Nations Clean Energy Strategy: Interim Feedback Report from Engagement to Date](#), p.13

- Energy service support and protection needs,
- What outcomes are important.

Commencing with these fundamental questions can inform the design and implementation of specific policies, reforms and technical solutions or services required. Centring the needs and perspectives of First Nations people, communities, and stakeholders means solutions can be designed and ideally implemented by them, to maximise their benefit. It is likely outcomes from such a process, meaningfully conducted, would align with the more specific technical solutions or services including access to solar, implementation of stand-alone-power-systems (SAPS) and microgrids, First Nations owned retail services, training and capacity building and First Nations participation in renewable energy projects. But it is crucial that outcomes and needs are determined first, and then shape the technical and policy solutions. Access to particular technology, products or services is not the key determinant of better outcomes. These things should be employed and shaped by what best meets the scope of outcomes and needs defined by First Nations People and Communities, lest past mistakes be repeated.

Drawing on our expertise in energy system consumer outcomes, regulation and protections, the remainder of our submission provides targeted comment on three important areas of reform that the Strategy will need to incorporate to ensure dependable and equitable access to affordable, clean energy services for all First Nations households and communities. This detail is intended to align with and support the recommendations and priorities outlined by FNCEN in response to this process.

Access to energy

PIAC supports the recognition in the Strategy that access to energy services should be promoted as a right. To deliver effectively on this intent we recommend a minor amendment so that,

‘Equitable access to dependable clean energy services is a right.’

We note that reliability has a specific, technical definition in the energy market, with that level being determined in tension with price. We consider ‘dependable’ more simply and holistically encompasses the social expectations regarding the continuity of energy services which is intended in this principle.

Affirming that access to dependable, clean energy services is an implicit right for all people, and specifically for First Nations people and communities, provides further justification that the key purpose of the Strategy is resolving current inequity of access (and outcomes) experienced by many First Nations people and communities. The recognition of this right is key to informing the further consultation, refinement, and implementation of the Strategy.

We contend that implicit in this right is equitable access to the supports and protections currently afforded to the majority of energy consumers in Australia through the National Energy Customer Framework (NECF), those protections being key to addressing inequities in energy service outcomes. The key point here being that ‘access’ is important, but equity of outcomes is the overarching consideration. First Nations people and communities, particularly in rural and remote areas, currently do not have equitable access to energy market supports and protections, including protections from disconnection. This lack of access to supports being a

key contributor to the inequity of outcomes those communities experience, for instance in exponentially higher rates of disconnection³.

Pre-payment systems

PIAC supports the feedback provided by participants that the 'use of pre-paid power cards to pay for electricity supply can lead to frequent unplanned disconnections' and that this was 'highlighted by participants as a major contributor to financial, health and wellbeing stress.'⁴ We note that pre-payment systems and arrangements have been mandated in certain areas in particular jurisdictions, and framed (inappropriately) as a solution to energy affordability and accessibility issues. We contend that requiring prepayment is not a solution to energy affordability and is rather a fundamental source of inequity.

We recognise that many communities have become familiar with prepayment, and that it is seen as a 'solution' to issues which impact many First Nations people and communities. Indeed, we understand there are aspects of prepayment systems that are viewed as beneficial to some communities that use them. We refer very consciously to 'prepayment systems', rather than prepayment meters to highlight that the technology is not the key issue. The requirement to pay in advance is. Further, we want to highlight that many of the aspects of prepayment arrangements seen as beneficial to communities can be accommodated within the 'post-payment' frameworks that are required to provide more equitable access to consistent protections and supports.

We contend there are better solutions to the issues First Nations communities face, that can provide the benefits of prepayment arrangements without the accompanying significant consumer harms that arise from requiring pre-payment arrangements. As they are currently structured, pre-payment arrangements are a source of fundamental inequity in the Australian energy system which overwhelmingly (if not exclusively) impacts First Nations people and communities.

PIAC recommends as part of the Strategy that a broader First Nations led review of pre-payment arrangements be conducted by the Department with the view to designing more durable alternatives to energy affordability and accessibility issues experienced by First Nations communities. Alternatives which remove inequities and improve the agency of First Nations people and Communities and ensure their energy services are structured and provided in ways which meet their needs.

We recommend the review:

- Be a First Nations-led, structured consultation with First Nations communities to identify the range of needs of First Nations households, the issues they face and the outcomes they want their energy services to deliver.
- Be conducted with the objective of ensuring full equality of access to consumer protections, supports and assistance for all First Nations communities.

³ The Guardian <https://www.theguardian.com/australia-news/2024/feb/05/one-in-five-australians-lack-basic-consumer-electricity-protections-research-finds>

⁴ DCCEEW (2023) [First Nations Clean Energy Strategy: Interim Feedback Report from Engagement to Date](#), p.13

- Have an explicit goal to ensure that involuntary 'self-disconnection' is no longer an issue by 2027.
- Draw on this structured consultation to develop a First Nations community energy service design model, shaped to meet the needs and preferences of First Nations people and communities. This model can integrate the beneficial aspects of pre-payment arrangements, while aligning with the wider post-payment framework of protections through the National Energy Customer Framework, to address inequities in protections and supports.
- Be able to recommend that service providers in impacted First Nations communities be required to utilise the service design model developed as a result of this consultation.

Efficient electrification

PIAC supports the recognition of roundtable participants that housing and energy are fundamentally entwined, and that the Strategy needs to incorporate the two. The feedback that poor energy efficiency is an impediment to reducing energy costs for First Nations households and communities demonstrates the necessity for the Strategy to prioritise efficient electrification of First Nations housing – and adopting the specific energy efficiency and electrification recommendations detailed by the FNCEN submission.

There are a range of concurrent processes including the National Energy Performance Strategy and the Trajectory for Low Energy Buildings that could help to inform this aspect of the Strategy. In any case the Strategy should be referenced by these processes, and they should align with, support and draw on its objectives, principles and measures.

PIAC would welcome the opportunity to discuss these matters further with the Department and other stakeholders.

Yours sincerely

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