



MAXIMISING OPPORTUNITIES FROM RENEWABLE ENERGY DEVELOPMENT

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THE PAST DECADE HAS SEEN governments change their approach to climate change and renewable energy policy. While there remains some uncertainty, business and subnational governments are progressing the development of small and large scale renewable projects, as well as micro-grids. The Australian Renewable Energy Agency (ARENA) and the Australian Government have also supported a number of projects across Australia.

This was reflected at the 2017 AIATSIS National Native Title Conference in Townsville where Indigenous Business Australia (IBA) joined with ARENA to convene a panel of experts to discuss the commercial and emerging opportunities presented by the renewable energy sector.

This article provides a brief update to Aboriginal and Torres Strait Islander groups, communities and individuals about some of these new and emerging opportunities in the renewable energy sector.

MARKET AND POLICY UPDATE

The past 12 months has seen a continuation of the renewable energy boom in Australia for both large scale projects and household systems. The Clean Energy Council estimates that in 2017, 5,470 jobs were created on 5,206 megawatts of large scale projects, such as solar and wind farms.⁴ In 2017 there was a 41 per cent increase in rooftop solar systems across all states and territories when compared to the uptake in 2016.⁵

The uptake of renewable energy has been driven by decreasing costs in storage, solar and wind technology. Further, developments at a State and Territory level are continuing to drive shifts, including:

- The release by the Northern Territory (NT) Government of its “Roadmap to Renewables” in late 2017, which sets out how the NT could meet 50 per cent renewable energy by 2030. The NT Government has indicated an appetite to see greater Indigenous ownership of renewable energy generation infrastructure across the NT;

- The Queensland Government retaining its pre-election 50 per cent renewable energy target by 2030 and net zero emissions (carbon neutral) target for 2050;
- The Victorian Government continuing its reverse auction procurement of renewable energy;⁶ and
- The South Australian Government establishing the world’s largest lithium-ion battery in December 2017. This project is helping to demonstrate the significant role that large scale energy storage can play in stabilising our electricity grids.

While the general trajectory of the renewable energy sector is certainly positive, until the finalisation of the Australian Government’s National Energy Guarantee there remains some policy uncertainty, which continues to influence investment behaviour.

Emerging opportunities are not without risks. Like traditional power and energy transmission projects, risks associated with renewables projects include a

requirement for land access which can intersect with other land users, including native title groups.

LOOKING BEYOND COMPLIANCE AS BEST PRACTICE ENGAGEMENT

In a native title context, the requirements of the *Native Title Act 1993* (Cth) (NTA) should not be overlooked as the basis for leveraging new opportunities. For example, s 24KA of the NTA provides that native title holders and registered native title claimants have the same procedural rights as they would have in relation to the grant of other interests on the assumption that they instead held analogous agricultural or pastoral interests, or ordinary title.⁷ This is particularly the case where co-benefits, social licence, reputational and other business requirements are relevant to a project.

In some jurisdictions, engagement for cultural heritage purposes will also be a pre-requisite for project approvals. This presents an opportunity to open early discussions about how requirements under the NTA can also be met efficiently and to explore other potential commercial opportunities.

LEVERAGING NEW OPPORTUNITIES FOR NATIVE TITLE GROUPS

Renewable energy projects present an opportunity for commercial operators to partner with Indigenous communities for mutual benefit. The potential benefits for Indigenous communities include:

- replacing diesel generators in remote communities with solar and battery systems can reduce residents' energy costs, improve energy security and decrease emissions of carbon and other air pollutants; and
- groups with land assets and who are connected to regional or national electricity networks can invest in renewable energy projects and benefit from electricity sales to government or corporate customers.

Beyond land assets, there is significant scope for Indigenous businesses to take part in the energy transition in other ways. This is reflected by the growing number of Indigenous domestic and commercial solar businesses across the country.

CASE STUDY: BUNGALA SOLAR FARM

The Bungala Aboriginal Corporation (BAC) is a not-for-profit organisation focused on employment and training opportunities for local Aboriginal people. BAC owns Emeroo Station and the Ostrich Farm near Port Augusta in South Australia. Together these properties comprise 11,331 hectares of land, of which 800 hectares on the Ostrich Farm is being leased for the solar farm development.⁸

As the owners of land in the area, the BAC is benefiting from the development of a 300MW solar farm through lease payments. Additionally, BAC negotiated employment and procurement outcomes for Aboriginal people in the construction and operation of the facility, which was their primary focus when negotiating with the project developer.

BAC has highlighted the following as key lessons the group learnt from their negotiations with the project developer:

- Don't forget your power in the negotiation. Think broadly in terms of the commercial opportunities that can be secured, including the potential for part ownership of the project.
- Obtain commercial support to benchmark prices offered for any lease (or other) payments, to ensure that you are receiving a competitive offer.
- Keep in mind that the people you are negotiating with today may not be the people who end up owning and operating the facility, as projects are often sold to other parties. Therefore ensure that all commitments and obligations are clearly documented.

- If you are seeking employment, training and procurement outcomes, ensure that these are quantified (e.g. x per cent of contracts for local Indigenous suppliers) and include reporting obligations so they are clearly understood by all parties.

IBA'S ACTIVITIES IN THE RENEWABLE ENERGY SECTOR

IBA is working to enable Aboriginal and Torres Strait Islander people to realise the commercial benefits of renewable energy in a number of ways. IBA is doing this by:

- collaborating with Indigenous organisations in the development of renewable energy investment opportunities that provide strong commercial returns and broader economic outcomes, such as Indigenous employment and procurement;
- providing tailored renewable energy leasing solutions for Indigenous communities, organisations and businesses; and
- supporting the emergence of Indigenous businesses seeking to work in the sector – be they solar installers, project developers, energy retailers or technical advisers.

The recently announced Northam Solar Farm is an example of one of IBA's renewable energy investments. This partnership, involving IBA, Carnegie Clean Energy and Bookitja Pty Ltd,⁹ involves the construction of a 10MW solar farm in Northam, Western Australia, and will aim to deliver electricity to about 3,000 households. In the words of our Chair Eddie Fry, 'IBA is very excited to be getting behind this project and helping to bring it to life as it is one of the first large scale solar projects in the country with Indigenous ownership.'



- 1 Portfolio Manager, Renewable Energy, Indigenous Business Australia. Harriet has worked in the clean energy and carbon management sector for the past 11 years and leads IBA's investment activities in renewable energy. She enjoys working with Indigenous groups across the country regarding the available opportunities within the sector.
- 2 Senior Manager, Policy, Advocacy and Strategic Projects, Indigenous Business Australia. Jonathan has over a decade of experience working with Indigenous people across Australia, both remotely and in urban areas in senior legal, policy and strategy leadership roles and on complex economic development matters and projects.
- 3 Director, Comhar Group. Emily is an environment and climate change law specialist who has worked across a range of native title and indigenous land tenure matters. Over

the past decade, she has assisted private sector clients with land access and approval issues for the development of renewable energy projects throughout Australia. Emily's experience also includes advising on green development pathways and environmental offsets and markets.

- 4 See <<https://www.cleanenergycouncil.org.au/policy-advocacy/renewable-energy-target/jobs-and-investment.html>>
- 5 See <<http://www.cleanenergyregulator.gov.au/About/Pages/News%20and%20updates/NewsItem.aspx?ListId=19b4efbb-6f5d-4637-94c4-121c1f96fcfe&ItemId=480>>
- 6 See <<https://www.energy.vic.gov.au/renewable-energy/victorian-renewable-energy-auction-scheme>>
- 7 See s 24KA (7) The native title holders, and any registered native title claimants in relation to land or waters in the area concerned, have

the same procedural rights as they would have in relation to the act on the assumption that they instead held:

- (a) to the extent (if any) that the land concerned is covered by a non exclusive agricultural lease (see section 247B) or a non exclusive pastoral lease (see section 248B)—a lease of that kind; or
 - (b) to the extent (if any) that paragraph (a) does not apply—ordinary title; covering any land concerned or covering the land adjoining, or surrounding, any waters concerned.
- 8 It is acknowledged that the BAC is not specifically a representative body for the Traditional Owners of the land which it owns, nor is the project area subject to a native title determination.
 - 9 A wholly-owned entity of the Perth Noongar Foundation.

Above: Ballardong Noongar Traditional Owner Mr Murray Yarran delivers the Welcome to Country at the Northam Solar Farm site.

Previous page: IBA with our Northam Solar Farm co-investors and Minister Ben Wyatt at the smoking and sod-turning ceremony at the project site. L-R: Karen Jacobs (Bookitja Pty Ltd), Minister Ben Wyatt, Mike Ottaviano (Carnegie Clean Energy), Cronje Wolvaardt (IBA) and Cedric Jacobs (Perth Noongar Foundation).

Credit/s: Carnegie Clean Energy and Indigenous Business Australia.