

FIRST NATIONS CLEAN ENERGY STRATEGY | *CONSULTATION PAPER*

Australian Energy Producers | 9 February 2024

Introduction

Australian Energy Producers welcomes the opportunity to provide input into the development of the First Nations Clean Energy Strategy.

Australian Energy Producers supports the development of the First Nations Clean Energy Strategy's (the strategy) and the strategy's objectives that would support the empowerment of First Nations peoples to participate in and benefit from Australia's clean energy future. This includes partnering and benefit sharing in clean energy solutions and ensuring energy security for First Nations communities.

Australian Energy Producers supports meaningful engagement and agreement making with First Nations peoples so they can actively participate and benefit from the energy transition.

The Australian oil and gas industry acknowledges, and respects that Aboriginal and Torres Strait Islander people maintain a distinctive cultural, spiritual, physical, and economic relationship with their land and waters. We recognise that First Nations people have strong local and cultural knowledge, including management of Country, which can inform our transition to net zero.

The strategy should recognise that natural gas is essential for reaching net zero in Australia and the region. Natural gas supports the transition away from coal, supports energy security in the regions, provides the firm dispatchable energy required to unlock large-scale renewable energy deployment, and powers Australian industries across the economy including those processing the critical minerals necessary for net zero.

Furthermore, the Australian oil and gas industry is central to delivering key step-change emissions reductions technologies such as carbon capture, use and storage (CCUS) and low-carbon hydrogen, which present a significant opportunity for social, economic and energy benefits for First Nations communities, and regional Australia more broadly.

The strategy should:

- Recognise the crucial role of natural gas in Australia's energy transformation, including as a back-up for renewables in electricity generation as coal is phased out and providing 42 per cent of all the energy used by Australian manufacturing.¹
- Recognise the role of natural gas in liquid fuel production (e.g., LPG) that is an important energy supply in remote communities.
- Support the development of new cleaner energy projects, such as natural gas, that can deliver substantial socioeconomic opportunities First Nations peoples.
- Complement existing and proposed energy strategies, native title and cultural heritage legislations, and approval processes.

Australian Energy Producers look forward to working with the government on these matters.

¹ [DCCEEW, Australian Energy Update 2023, 2023](#)

Crucial role of natural gas in the energy transformation

Natural gas is one of Australia's main sources of energy, meeting 27.1 percent² of Australia's total energy demand.³ Natural gas-based electricity produces around one fifth of the electricity Australians use each year.⁴ Gas power generation is particularly important as it can respond to changes in electricity demand as well as changes in supply, such as when variable renewables output reduces or due to unexpected outages.

Natural gas is a key source of energy for heating and cooking for over five million homes. Natural gas is particularly important for industry, where it contributes 42 per cent of all the energy used by Australian manufacturing⁵. This includes providing highly controllable heat to manufacturers of construction essentials like bricks or manufacturing glass as well as providing high-temperature heat for metal smelting, minerals processing and refining. Natural gas is also used as a feedstock for manufacturing a wide range of products including plastics, chemicals, fertilisers, and pharmaceuticals. Without natural gas we could not have many of the everyday essentials we need.

The Australian oil and gas industry is committed to net zero across the economy by 2050. Natural gas supports the transition away from coal, provides the firm dispatchable energy required to unlock large-scale renewable energy deployment, and powers Australian industries across the economy including those processing the critical minerals necessary for net zero. The Australian oil and gas industry is central to delivering step-change emissions reductions technologies such as CCUS and low-carbon hydrogen – noting natural gas with CCUS is the lowest-cost, most advanced pathway to low-carbon hydrogen today.

Modelling of net-zero pathways in Australia by Ernst & Young⁶ highlights the need for continued investment and development of Australia's abundant natural gas resources. This includes to meet Australia's domestic energy needs while supporting the decarbonisation priorities of our trading partners in the region, many of which remain heavily reliant on coal. The development of Australia's natural gas resources presents substantial and long-term opportunities for First Nations communities, particularly in remote and regional Australia where natural gas contributes to energy security, employment, economic development and government revenues.

The development of new gas resources is also needed to address forecast structural gas supply shortages on the east and west coasts of Australia, as highlighted by the Australian Energy Market Operator (AEMO)⁷ and the Australian Competition and Consumer Commission (ACCC)⁸. The projected shortfalls underscore the importance of maintaining adequate and reliable supplies of natural gas to meet demand through the energy transition, including as emerging fuels and technologies (such as low-carbon hydrogen) are developed and become commercially available over time.

² [DCCEEW, Australian Energy Update 2023, 2023](#)

³ [DCCEEW, Australian Energy Update 2023, 2023](#)

⁴ [DCCEEW, Australian Energy Update 2023, 2023](#)

⁵ [DCCEEW, Australian Energy Update 2023, 2023](#)

⁶ [EY, The future role of natural gas in Australia and the region, 2023](#)

⁷ [AEMO, 2023 Western Australian Gas Statement of Opportunities, 2023](#)

⁸ [ACCC, Gas Inquiry 2017-2023, 2023](#)

It is also important to recognise that the most efficient and practical cleaner energy options will vary between metropolitan, regional, and remote areas of Australia. A cleaner energy source that is efficient and fit-for-purpose in one area may not necessarily work in another. Many of the energy sources for regional and remote communities are often stand-alone and off-grid. A technology neutral approach to the strategy is therefore important to provide the flexibility needed to deliver an effective and least-cost energy transition that maintains reliable and affordable energy for communities.

Australian oil and gas industry's proud record of engagement with Traditional Owners

The Australian oil and gas industry recognises that building strong relationships with Traditional Owners' communities and involving them in decisions that impact them is integral to the Australian oil and gas industry's continued success.

Our industry has worked closely with Traditional Owners for the past 60 years. We endeavour to engage with Traditional Owners in a culturally respectful manner, and we continue to learn and build on our practises to meet and maintain contemporary expectation for engagement. In doing so, we also seek to create socioeconomic opportunities for Traditional Owner communities, defined by their aspirations for the future. This includes seeking new ways for partnership and benefit sharing, as well as tailored training models and employment pathways, and support for First Nations businesses.

Australian Energy Producers' members actively engage and work in partnership with Traditional Owner groups and land councils on matters relating to Native Title and cultural heritage management to ensure there is meaningful consultation and that the benefits of the oil and gas industry are shared with Traditional Owners. Opportunities for Traditional Owner communities provided by our industry includes agreements for land and nearshore access, support for Traditional Owner corporations' capacity building, support for ranger programs and environmental management, cultural heritage mapping. Our industry also provides education and employment programs, business and employment opportunities, and indirect public investments through royalties paid and directly in local critical infrastructures.

In November 2023 Australian Energy Producers and its offshore gas-producing members supported the National Native Title Council (NNTC) to hold a National Sea Country Summit (the summit) as part of our longstanding commitment to meaningful consultation with Traditional Owners. The summit brought together Traditional Owner representatives from all over Australia, industry, NOPSEMA and the Federal Government to discuss the significant role that consultation with Traditional Owners has in Australia's offshore environmental regulatory system. The summit also enabled Traditional Owners with an interest in Sea Country to get together in person for the first time for private conversations and presentations over two days and led to the creation of a National Sea Country Alliance to progress the outcomes of the summit.

Industry continues to work with the NNTC to understand frameworks for consultation and First Nations aspirations for sea Country.

Delivering certainty for timely investment in clean energy projects

Ensuring the timely development of energy projects consistent with Australia's net zero by 2050 targets will require clarity, certainty and the streamlining of environmental approvals.

In particular, offshore gas developments are experiencing unprecedented delays and challenging regulatory requirements following the Federal Court decision in Santos NA Barossa Pty Ltd v

Tipakalippa [2022]⁹ more than a year ago. The case has introduced prolonged uncertainty and complexity around the extent of stakeholder consultation required to obtain environmental approvals from the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). This has resulted in a significant backlog of projects that is delaying gas supply to contracted customers in Australia and Asia, and impacting decommissioning and carbon capture and storage projects.

Regulations that provide clarity and certainty for industry while maintaining comprehensive and meaningful consultation with all stakeholders are urgently needed. Industry is also seeking consistency with regulatory frameworks around consultation and culture heritage for all energy projects. Inconsistent federal and jurisdictional frameworks are leading to the duplication of efforts and extending project timeframes.

Australian Energy Producers notes the Department of Industry Science and Resources is currently reviewing the consultation requirements for offshore oil and gas projects, including with Traditional Owners, with the aim of providing greater clarity and certainty to all parties.

Furthermore, the Department of Climate Change, Environment, Energy and Water is developing a National Environmental Standard for First Nations engagement and participation in decision-making, as part of the reform of the Environment Protection and Biodiversity Conservation Act. Australian Energy Producers is actively participating in both these processes, as well as several other consultations pertaining to energy, emissions and environment policy.

It is important that the government ensures alignment and consistency across these policy reforms and that the First Nations Clean Energy Strategy considers any legislative and policy developments from these processes.

The Australian oil and gas industry is an important source of skills and training opportunities in regional communities

As a world energy leader, Australia's oil and gas industry has proven experience in developing and maintaining a high-quality workforce through the provision of contemporary apprenticeships and training courses and local contracting to and support for First Nations businesses. Examples include¹⁰:

- Shell, Programmed, and Harness Energy's Indigenous Career Programs which offers opportunities for local Traditional Owners to complete traineeships or apprenticeships within Shell's QGC business or their contractors.
- Mitsui E&P Australia (MEPAU) STEM scholarships annually supports five full-time students enrolled in STEM-related subjects at Central Regional TAFE with funds for course fees, books, accommodation, etc. Preference is given to Aboriginal students based in the Shire of Irwin region where most of MEPAUs activities take place.
- Woodside Energy's five-year contract with NYFL Tutt Bryant, a joint venture between Ngarluma and Yinjibarndi Foundation Ltd and Tutt Bryant, to supply general rental equipment to Woodside onshore and offshore Australian operations. This supports NYFL

⁹ <https://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/full/2022/2022fcafc0193>

¹⁰ Further examples are available in [Australian Energy Producers', *Aboriginal and Torres Strait Islander relations: Respecting First Nations peoples and communities, 2022*](#)



Tutt Bryant as a supplier of general hire equipment services and increases their capacity to deliver services to other industries across the Pilbara.

From a tertiary perspective, Australian natural resources, energy and engineering degrees and research are internationally renowned for being innovative and ground-breaking. These degrees provide the foundational units that underpin careers in clean and renewable energy industry now and into the future.

Government could benefit from collaborating with the natural gas industry on their successful First Nations programs for future cleaner energy initiatives, as well as consider opportunities to work with industry to promote greater uptake of apprenticeships and traineeships by First Nations peoples, as well as tertiary energy courses, thereby providing Australia with a solid foundation of skills and expertise needed to support the development of a renewable energy future.

In addition, government and industry should consider greater investment in delivery of STEM (Science, Technology, Engineering and Mathematics) at schools coupled with clear and contemporary advice on the various careers available in the clean and renewable energy industries. This investment can go a long way in ensuring young First Nations peoples see a long-term career for themselves in the clean energy industry.