



CLEAN ECONOMY JOBS, RESOURCES AND TRANSPORT COMMITTEE

Members present:

Ms KE Richards MP—Chair
Mr PT Weir MP
Mr BW Head MP
Ms JC Pugh MP
Mr LA Walker MP
Mr TJ Watts MP

Staff present:

Dr A Ward—Committee Secretary
Mr Z Dadic—Assistant Committee Secretary

PUBLIC HEARING—INQUIRY INTO THE CLEAN ECONOMY JOBS BILL 2024

TRANSCRIPT OF PROCEEDINGS

Monday, 18 March 2024

Brisbane

MONDAY, 18 MARCH 2024

The committee met at 9.00 am.

CHAIR: Good morning. I declare open this public hearing for the committee's inquiry into the Clean Economy Jobs Bill 2024. My name is Kim Richards. I am the chair of the committee. I would like to respectfully acknowledge the Aboriginal and Torres Strait Islander peoples and their elders past, present and emerging. We are very fortunate to have two of the world's oldest continuing living cultures in Aboriginal and Torres Strait Islander peoples, whose lands, winds and waters we all now share. With me here today are: Pat Weir, the member for Condamine and the deputy chair; Bryson Head, the member for Callide; Jess Pugh, the member for Mount Ommaney, who is substituting for Joan Pease, the member for Lytton; Trevor Watts, the member for Toowoomba North; and Les Walker, the member for Mundingburra.

This hearing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath, but I remind witnesses that intentionally misleading the committee is a serious offence. I also remind members of the public that they may be excluded from the hearing at the discretion of the committee.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during these proceedings and images may also appear on the parliament's website or social media pages. I ask everyone to please turn their phones to silent or turn them off.

ALLPASS, Mr Michael, Policy General Manager, AgForce

GALLIGAN, Mr Dan, Chief Executive Officer, Canegrowers

QUIRK, Mr Michael, Manager of Environment and Sustainability, Canegrowers

RUTTLEDGE, Dr Annie, Senior Policy Adviser, AgForce

CHAIR: Welcome. Would you like to make a brief opening statement, after which committee members will have some questions for you?

Dr Rutledge: AgForce is a peak organisation representing Queensland cane, cattle, grain, sheep, wool and goat producers. These industries in Queensland generated around \$10.4 billion in on-farm value of production in 2021-22. AgForce's purpose is to advance sustainable business and ensure the long-term growth, competitiveness and profitability of these sectors. Over 6,500 farmers, individuals and businesses provide support to AgForce through membership. Our members own and manage around 55 million hectares, or one-third of the state's land area.

AgForce is supportive of sensible legislation to achieve emission reduction; however, the productivity and competitiveness of our agricultural sector must not be jeopardised by a premature setting of mandatory emissions targets. AgForce is committed to sustainable agriculture, as evidenced by our agriculture carbon and environment product known as AgCarE, which is a groundbreaking auditing tool developed by farmers for farmers. Among other functions, it assesses both greenhouse gas emissions and carbon abatement on agricultural properties.

Committee members should note that agriculture is one of the only sectors in Australia to have significantly reduced its net emissions over the past 25 years through means including conservation tillage and precision agriculture, climate resilient crop rotation, adoption of renewable energy sources, fuel use efficiencies and continued investigations into biofuel opportunities. The industry wants to tell its positive story, which is why AgForce partnered with the government and the Queensland Farmers' Federation to develop the Queensland Low Emissions Agriculture Roadmap that places emphasis on Queensland's agribusiness sector as a world leader in low-carbon production and supply chains. However, as recognised by the road map, considerable new research and development is needed to develop tools, technologies and techniques to facilitate a measured and continued decline in production-based greenhouse gas emissions. Similarly, industry will work with the Queensland

Alliance for Agriculture and Food Innovation's Zero Net Emissions Agricultural Cooperative Research Centre, a multi-stakeholder approach to transitioning Australian agriculture to net zero healthy, resilient and profitable food systems by 2040, with a vision being to exceed emission reduction targets, growing market access and creating industry value.

It is risky to assume that by simply imposing mandatory emissions targets industry will be able to conform within the stated time frames. There is a high degree of uncertainty in predicting our sector's speed in reaching emissions targets, particularly when it comes to predicting future trends in agricultural production and the speed of research and development that underpins progress—for example, the practicalities of using macroalgae supplementation to mitigate methane emissions in ruminants. We are particularly concerned about misdirected emphasis on emissions from fertiliser application. Farmers need to use fertilisers to produce the food that sustains humans locally, nationally and internationally. It is both unrealistic and dangerous to impose emission targets that will result in our farmers' inability to produce the food we rely on. Additionally, it is essential to appropriately weigh the importance of methane emissions from livestock. Methane is part of a short-lived natural cycle and remains in the atmosphere for a relatively short time. At a future stage, AgForce will be pleased to put this committee in touch with scientific and industry thought leaders on this topic.

The haste with which government plans to implement this bill is, in our view, unlikely to achieve the desired outcomes. Rather, it could result in significant harm to our sector and our state. AgForce strongly asserts that the bill will benefit from additional time for deep and detailed industry consultation to enable stronger alignment between state goals and the agricultural sector. AgForce holds serious concerns that imposing mandatory new targets on Queensland's agricultural sector will have undesirable and unintended consequences. This includes creating policy uncertainty that will detract from investment in our sector and, hence, reduce our sector's competitiveness and ability to decarbonise. Any loss of productivity in the agricultural sector will have negative flow-on effects through our supply chains that could run counter to the creation of more job opportunities in Queensland. AgForce thanks the committee for their time and welcomes further consultation in questions.

CHAIR: Thank you very much. Do Canegrowers want to make an opening statement as well?

Mr Galligan: I thank the committee for your attention this morning. Queensland Canegrowers is an industry organisation representing around 70 per cent of the canegrowers in Queensland. We have 13 district offices up and down the state so we have deep roots in every regional community where cane is being grown. Our policy positions are formed by 19 cane-farming representatives from each one of those cane supply regions. We have used them as our benchmark to form our policy position in relation to this bill.

Canegrowers supports the intention behind trying to reduce our emissions overall as a country, and we have participated in the federal government's initiatives in relation to sector plans on agriculture. Similar to AgForce, we have grave concerns about the detail of the bill. Our concerns are largely around conflict between sector plans and conflict between targets.

Over 10 years ago, Queensland Canegrowers partnered with the Queensland state government to develop and implement the Smartcane BMP system. The Smartcane BMP program is actually based on industry research. It is best practice for cane farming in Queensland. It has now been recognised globally as best practice in cane production and it has been recognised in the marketplace as best practice in cane production. We have used that standard to gain market recognition for sustainably produced sugar internationally. We now use that standard to benchmark our performance in relation to emissions reduction. Therefore, we have no hesitations about the intent to try to reduce our emissions in agriculture.

Our hesitations are in relation to whether government should be setting the targets for agriculture. We are already trying to respond to targets in the finance sector and in the marketplace. In terms of industry stakeholders, everybody is looking to set a target on agriculture. I do not think government can move quickly enough in relation to the market. We are going to move faster than the market and we do not need the government to be regulating our targets. We are happy to respond to the submission that we have provided.

Mr WEIR: Obviously, the emissions reduction target is at 30 now and there is another 20 to come from the energy sector. That still leaves a big gap. Is it your concern that the technology is not yet available to close that gap in the agriculture sector? You talked about seaweed, and there are a lot of practicalities around how that is going to work. Is that what you are concerned about?

Dr Ruttledge: Yes. Across the board, it is not as if the will is not there; it is just that the ways are not yet there. The ways need to also be economically viable because, as we know, production is already not generating the prices that it probably should in the supermarkets for producers. They need to be able to meet the targets that they themselves set, according to the tools that are available and in line with best practice.

Mr Galligan: I might get Mick to outline the research we have done into the capacity for change in cane growing.

Mr Quirk: We have commissioned a couple of recent studies to look at or redo some greenhouse assessments, repeating work that was done in 2009. Our research organisation, Sugar Research Australia, is also undertaking wider regional benchmarking through a full lifecycle analysis. Our studies indicate that, where we see practice change over the last two decades and where that has been verified through a third-party process such as Smartcane BMP, we have seen reductions compared to the early 2000s of over 30 per cent in emission intensities from cane farming through the adoption of best practice in terms of nitrogen management, reduced tillage and more efficient irrigation. As you will know, from a farming perspective what really drives our emissions is the use of nitrogen, which is about 70 per cent of the story, and then there is a bit of a story in tillage and fuel use. In our irrigated districts, particularly the Burdekin, irrigation is up when it is driven by fossil fuelled electricity, which is also a major input.

To a large extent, where growers have adopted best practice agronomic management they have already achieved quite a reduction in emissions intensity. We see a little scope—some scope but relatively niche scope—for further reductions using current technologies. This affects the whole ag sector, and we have had the same discussions through the NFF with the federal government: until the sources of energy are addressed in terms of alternative fuel sources, fertiliser that is produced from green energy and that also has more effective protection in terms of nitrification inhibitors, and until we see more electricity coming from a green grid, it is going to be very difficult to have significant further reductions in total emissions or emission intensities without new technologies. If we cannot do that we compromise food and fibre production, which we believe is unacceptable to the general public and the electorate.

To an extent, there has been a lot of ambition placed through the carbon farming initiatives, which have created expectations that agriculture can be a large part of the solution. It can be a part of the solution, but, if you look at the claims around soil carbon and you look at the scientific literature and those who actually study soil carbon, it has been wildly overstated in terms of its true effectiveness in terms of emission reductions. There is a risk that people come to the table with very optimistic expectations of what further work we can do without new technology.

Mr WEIR: In your submission you talk about part 3 of the bill. Section 12 states—

This section applies if the program prepared under section 11 states a Minister is responsible for making an emissions reduction plan for a sector.

What are your concerns about that?

Mr Quirk: Our primary concern is for the ag sector—for example, if the minister for agriculture is tasked with developing that target but there are no requirements for that to be done in consultation with industry. Our experience in the reef water quality policy arena is that consultation happens but we never get to agreed targets. There is always a need for government to be seen to be ambitious on behalf of other people so we have been left with water quality targets at the farm level that are unachievable. That has had lots of adverse impacts that I can go into if we need to. I think if we repeat the same mistake and we do not come to agreed targets with a particular sector, particularly the ag sector, what you will have is people not giving any credibility and it will not be a driver of positive change. In fact, as we have seen in the reef sector, it can dissuade people from participating.

Mr WEIR: Does AgForce have any comment on that?

Dr Ruttledge: No. I think that Michael has spoken very well to that point.

Mr WATTS: A couple of comments were made there. One was about the market versus government in terms of setting targets. One may not actually reflect the reality and, further to that, the reality may be affected in cost of living in terms of price. Am I interpreting that correctly? If it is a government issued target without decent consultation, the only options are to drive price up?

Mr Quirk: To drive food production down.

CHAIR: I am not sure how you actually tie those two things together when we are talking about a target.

Mr WATTS: Because they were saying it was a market target versus a government target. I ultimately believe in the market coming to these conclusions.

CHAIR: I would be keen to hear the explanation.

Mr Quirk: Our take would be that there is a realistic target of what can be done with current technology without compromising food and fibre production. Apart from food security, it is a huge export earner. Unless whoever is in government wants to take the risk of compromising food and fibre production, you cannot afford to have targets that are not realistic with current farming technologies.

CHAIR: Can you explain how the target would compromise? Would you be able to go into a bit more detail on that?

Mr Quirk: If growers were forced to reduce fertiliser levels, which are the main driver of emissions, you would obviously have big reductions in yield. We have done previous studies in relation to nitrogen use. Nitrogen fertiliser for the cane sector is clearly important, but it is also an Achilles heel for us because environmentally we have the potential loss of dissolved inorganic nitrogen, which can potentially get into rivers and may affect inshore reef areas. There has been a lot of work on nitrogen management in the last 10 to 15 years for other reasons. It is clear that there is only so far we can go without compromising farm production. It is a nutrient response relationship. Unless there are other technologies that further reduce the loss of nitrous oxide from the use of nitrogen fertiliser, it is very difficult, economically and practically, to reduce those emissions further.

CHAIR: And there is no work happening in that technological space?

Mr Quirk: There has been a huge amount of work in the reef space, as you might imagine. The reef has had a huge amount of investment in the past and that continues. We hosted a project, that the Reef Trust funded, that looked at the effectiveness of different nitrification inhibitors, treated fertiliser, on a whole host of cane farms throughout the state. There were some positive results but it needs more work.

CHAIR: That work will continue, won't it? That would form part of a plan.

Mr Galligan: There is no funding for it.

Mr Quirk: There is no funding out of the Reef Trust at the moment because they are still working out what they are going to fund. Nitrogen management drives both those environmental risks, from our perspective. We are not at all hesitant in getting involved to find practical solutions; in fact, we have been at the forefront. I think when we talk about risk of optimistic targets, you can take us seriously. We are not just making up a story. There is plenty of documented evidence that we can provide to the committee to show they should be careful with the ag sector. We have had the same discussions through NFF with the federal minister. He has indicated that they are not really looking to set a sector target for the ag sector either. I think it is more about working with what we can go forward with and taking growers and other farmers with you on that journey, rather than thinking, with respect, that government has the wisdom about what can be achieved on-farm.

Mr Galligan: Do you mind if I put a finer point on it? I think what it boils down to is—

CHAIR: I would have thought it is important to have a plan that has the expert advice, which is within section 3.

Mr Galligan: A low-emissions action plan is a good idea. Putting a target on it is inhibiting, because there is not the technology to meet the target at the moment. There are industry targets being made all the time, anyway. There is so much more positive change in industries now compared to 10 years ago, when there was still a debate about climate change. We are all over that hump, thankfully. The industries themselves are responding to market forces and establishing targets. Having a low-emissions reduction plan in consultation with government is a good idea, but when the government sets the target I think that will skew us in a bad direction.

Dr Rutledge: I add that we are ahead of the game in working with the Queensland government on the low-emissions road map for agriculture. Very much front and centre of that road map is a focus on where the research is at. That will drive our understanding of how we can continue to have that measured and continued decline in production-based greenhouse gas emissions. We are already on a trajectory to declining emissions but we, at this point in time, have done a lot of work to show that much more research and development is needed to help us to continue forward.

Mr Quirk: We have attached our climate change policy, which clearly articulates—better than I have done—the work we have done to date, our achievements to date and where we need to work with government. There is all targeted in terms of those other technologies I have mentioned. How do we move forward on that? A lot of those issues are 'whole of ag' issues; they are not cane-farming

issues but extensive farming issues—issues in the Condamine and elsewhere. We have put a lot of thought into it, and our most recent policy council agreed that we should develop our own emissions target for the medium term—something realistic, based on evidence—and also flag what could be achieved if other technologies came on board.

This is a similar approach to the grain industry. They had their research corporation come up with analysis that CSIRO did in terms of what could be achieved in the medium term through actual practice change with real practices that are currently available and then long-term with the technologies coming on board. We will be taking the same approach.

Mr HEAD: When your industry is setting medium-term targets, you have different markers as to what technologies need to come online and if you are going to exceed them or miss them. Have either Canegrowers or AgForce been shown any detailed modelling from the government that outlines what needs to happen in this journey for them to reach their targets? Has any technology been part of that conversation?

Dr Ruttledge: I have not seen that specific to agriculture, no.

Mr Quirk: The emissions strategy was very general. We have reviewed it and we could not really get much out of it. It had good intention but it was very broad.

Mr HEAD: The government has not come to you in either consultation or other methods and said, 'Here are our targets and this needs to happen to get there'?

Mr Quirk: No. We do not have a road map. Our story is that we are happy to work with government, but industry needs to own that road map if you are going to get growers on board and taking it up. That is our main point.

Dr Ruttledge: We do have the low-emissions road map, but I have not seen detailed modelling specifically developed for the agricultural sector in Queensland.

Mr Allpass: We are in constant consultation and discussion with the department, and they are in the same position as us of not knowing exactly where this is going. Similar to the conversation that has happened here today, the broadacre sector has levy funds going towards projects in Meat and Livestock Australia. It is only new. We do not know how long it takes. Technology and research do not occur overnight. That is the unpredictability that we face and the concern we have when we are talking about setting targets. We do not know exactly how long the research will take, when the new technologies will be available and whether we can achieve the targets that are being considered here in the bill.

Ms PUGH: We have obviously discussed setting targets. Is there a point at which you would envisage being able and ready to set your own targets, if you are not ready to commit to any now?

Mr Allpass: If I may follow on from my previous comment, we are constantly talking to our research and development corporations, government, government's own researchers and QAAFI. That is good, positive discussion. In terms of exactly when everyone will have an understanding of what will be achievable and by when, I think that is a question everyone has at the moment and it is not something we can answer.

Mr Quirk: I think there is a lot of work to be done. The problem with setting a target, per se, is that politically it becomes overly ambitious and it is stuck out there. The water quality targets have been set back every five years.

CHAIR: I think that was the member for Mount Ommaney's question to you: if you do not want government setting the targets, are you ready to set your own targets?

Mr Quirk: I am coming to that. I think the issue is with the word 'targets'. You can set targets at different stages, and that has to reflect the technologies you have available to use. I have been instructed by our leadership to come to the next meeting, in the middle of the year, with some draft short-term targets for further emissions reductions, so we can do that in that time.

Mr Galligan: That is the position set by our policy council. They want interim targets by the middle of this year, which is actually looking at where we are at now. They are not looking for a 2030 target; they want to know where we are now.

CHAIR: So you are only setting interim targets? You are not setting long-term targets?

Mr Galligan: Then they will look at the interim target and see what we can do after that. The point is: what is the role of government here? When you see that sort of initiative by industries starting to look at their interim targets—MLA has done similar things for beef—I can see no benefit in government coming through the middle of that with their own target.

CHAIR: I guess the member for Mount Ommaney's question was: if you have interim targets, do you have long-term targets as well?

Mr Galligan: Not until we see the interim targets. That is the issue: it is very easy to say what you are going to achieve in 2030 but you have no idea where we are now. Most industries do not have an accurate baseline of where they are on emissions.

Mr Quirk: Again, it comes back to my main point. I could say that we will be net zero by 2040, but it is cheap talk. I could not back that up with how that technologically would happen.

CHAIR: And you have no plan in place. If that was your statement—net zero by 2040—you have no plan?

Mr Quirk: Our plan is to reduce emissions intensity as much as is practicable without sacrificing the industry, jobs and economy. They are our objectives. I think that target is much more useful than a nominal one that is used to, as we have seen in other areas—

CHAIR: So you do not believe in long-term targets? Is that what you are saying?

Mr Galligan: That is not what I heard.

Mr Quirk: No, a long-term target is to do as best we can but not to promise something you have no hope of achieving.

Mr Allpass: And without sacrificing food security. Food security is paramount. The UN's Goal 2 is the Zero Hunger policy. We cannot risk Australia's food security or reducing the amount of production that we have, because we have a domestic population to feed and we also have an international population to feed. The international populations rely on us.

Mr WALKER: My question to Canegrowers is a bit broader. Are there any relationships or partnerships from your sector working closely with the milling sector to reach these targets? There are some synergies in relation to ownership of these cane-growing facilities because some of the millers own the farms. Are there any relationships, partnerships or target-building ambitions between both?

Mr Galligan: It is a challenge for the whole industry. We look at it as a supply chain. We are not looking at it as individual sectors. The whole supply chain will have to reduce its emissions intensity. The study we have done is at the farm scale, and the greatest emissions intensity is through the production and manufacturing of fertiliser. We are doing the same thing talking to the mills. We talk to the milling companies daily, effectively, but we will have to have a whole-of-industry plan.

Individual companies in the milling sector—they will speak for themselves—will have their own emission reductions plans. Nearly 90 per cent of the milling assets in Australia are by foreign-owned companies and they all have their own emissions reduction plans. It is a very good example of how they will process a state government target—I do not know—when they have their own.

Mr WALKER: The expectation from the international world is that you are meeting some of those targets. There is an expectation from the rest of the world in some sectors that you have an emissions target and that you are meeting that green credentialing for them to be a part of that process of purchasing your products. Do you have those relationships? Have you had those discussions globally with your buyers?

Mr Galligan: With the federal government we finalised the Australia-UK Free Trade Agreement last year. We were one of the first industries ever to meet the first full quota of the UK Free Trade Agreement last year. We will do it again this year. The only buyer of sugar in the UK is Tate and Lyle. They are owned by American Sugar Refining, which is the biggest refiner of sugar in the world. They bought sugar from Australia because it was certified sustainable and they believed we would be able to meet their emissions reduction objectives. That is what I mean when I say that the marketplace is moving much quicker than government, and I think government should just let that happen.

CHAIR: Do either Canegrowers or AgForce have any comments on the establishment of the expert panel and the advice that will provide into those plans?

Dr Rutledge: We have had some discussion around that. It would be our hope that there would be industry representation on that panel—coming from both a scientific and a production point of view.

Mr WEIR: We are hearing that agriculture is going to have to lift production to feed the growing population. I would be interested in your comments on that. We also know that agriculture are price takers. Whatever costs are going to come from this are going to impact on their ability to be viable, let alone produce. How do you balance that? How do you see that happening?

Mr Galligan: I am not sure I am qualified to answer that question because that is exactly the challenge. In terms of the intention from a cane-growing perspective, in essence we are probably looking to increase production to meet future demand for low-emissions fuel. That will require a greater intensity of agricultural production at a lower intensity of emissions.

My closing point is that the history of water quality tells us that the only way we are going to reduce emissions intensity in farming is by getting farmers to believe that the practices they are deploying are both economically and productively sensible and do reduce emissions. The economic drivers can line up, but the farmers actually have to believe in the practice change because it requires practice change and it requires risk. If they have targets imposed on them rather than targets they set themselves, they are not going to believe in the practice change.

Dr Rutledge: If I can make an additional comment, there is a lot of conversation around agriculture and emissions from nitrogen and methane. It is backed by international science that the major goal we need to focus on is reduction of fossil fuel consumption. What agriculture can do is help, but outside of our sector is where the major change is needed.

CHAIR: In the Canegrowers' climate change policy document from January 2023 you say that you support the federal government's target of zero emissions by 2050. What is the alternative to doing plans by sector? What do you think the alternative is to achieve that sort of target if it is not doing plans by sector?

Mr Galligan: As the federal minister Senator Watt said recently, they are committed to doing sector plans but not sector targets.

CHAIR: Terrific. That concludes our time. There were no questions taken on notice. Thank you for your contribution to the bill.

ROBERTS, Ms Ellen, National Coordinator, Lock the Gate Alliance

SILCOCK, Ms Clare, Energy Strategist, Queensland Conservation Council

WILKINSON, Ms Ariane, Senior Manager, Climate and Energy Policy, WWF Australia

CHAIR: Welcome. Would you like to make a brief opening statement, and then the committee will have some questions for you?

Ms Silcock: Thanks for the opportunity. The Queensland Conservation Council strongly welcomes the updated climate target for Queensland. Our submission was made on behalf of our 61 member groups around the state and on behalf of their thousands of members, many of whom are still cleaning up after devastating weather this summer exacerbated and made more frequent by climate change. The costs of that are well over \$2 billion just this year. Climate change is already costing us and our environment dearly, so we desperately need these targets for Queensland to be able to do our part in reducing emissions. We believe that a 75 per cent target is eminently achievable. We have the technologies and largely we have the political and regulatory frameworks through the Energy and Jobs Plan and safeguard mechanism particularly to go a long way towards meeting it.

We welcome that the bill provides the supporting frameworks to improve accountability and drive progress towards emissions reductions, particularly the formation of an expert panel, commitments to annual reports and decarbonisation plans. We urge both the government and the opposition to support the target and accelerate the development of these supporting frameworks.

We support the recommendations in our submission and that of WWF to ensure the expert panel draws expertise particularly from the First Nations community, remains independent from industry and is empowered to provide advice to the minister and that this advice is made public. We further recommend that the annual statements include an update on climate science and detail on the types of emissions reduction and abatement including separating greenhouse gas types and better tracking offsets.

We recommend that the development of a net zero methodology be brought forward to 2030 given the importance of developing strong regulatory frameworks to ensure the offset hierarchy is applied and that offsets, when absolutely required, actually deliver emissions reductions. This needs to start immediately, because the safeguard mechanism is already looking to rely heavily on offsets and we need to clarify the difference between different types of greenhouse gas emissions, particularly methane, that cannot be offset with carbon dioxide withdrawal.

We know that there is a huge amount of work to do and we are doing this with our members to plan renewable energy well to make sure the safeguard mechanism actually delivers emissions reductions and to develop credible plans for the other sectors. Unfortunately, we also have to be working to adapt to the impacts of climate change, as I mentioned. We urge this committee to recommend the government develop similar frameworks for monitoring, reporting on and adapting to the impacts of climate change through hazard identification and particularly funding projects—programs like QCoast 2100 that have not delivered to their full potential.

In summary, we think this bill will go a long way to developing the goals and frameworks to achieve emissions reduction and we look forward to working with both the government and the opposition to achieve a safer climate for Queensland.

Ms Roberts: Thank you for the opportunity to make a submission and to appear in front of you today. For those of you who do not know, Lock the Gate is an alliance of over 120,000 traditional owners, conservationists, farmers and community members from across Australia affected by and concerned about the impacts of coal and unconventional gas mining. We live and work in the communities affected by these industries and undertake research, advocacy and support to protect the environment, cultural heritage and society from damage from fossil fuel projects. Many of our members are regionally based and are already experiencing firsthand the consequences of global warming. I will make some initial opening remarks reflecting the content of our written submission. I would like to make the following three points.

Firstly, I want to say that as an organisation we welcome the action on climate change represented by this bill. We recognise the significance of this piece of climate change legislation. However, we believe the bill can be improved to achieve its purpose. Ariane is going to speak about targets based on the best available climate science, and we support the position of WWF and QCC. Even though the 75 per cent by 2035 target is a considerable improvement, it does not put

Queensland on a path to below 1.5 degrees of warming. My third and final point is in relation to comments made in the explanatory memorandum. One sentence states—

While the Bill will increase accountability for achieving the State's emissions reduction targets, it is not intended that the Bill operate as a legally binding constraint in any future statutory decision or approval processes.

We are concerned about this delinking of the Clean Economy Jobs Bill from approvals processes. This is because many projects going through the approvals process, such as from Queensland's coal and gas industries, make a significant contribution to our domestic emissions. With the Queensland Conservation Council we have produced reports stating that by 2030 the biggest source of domestic emissions in Queensland will be fugitive methane from coalmines and gas fields. If this bill is not linked to approvals processes for these projects, there is a risk that even after this bill is passed relevant decision-making authorities such as the Queensland Coordinator-General, the Minister for Resources or delegated decision-makers within the department of environment and science will continue to approve polluting coal and gas projects without due consideration for Queensland's climate targets. This will make it much more difficult for Queensland to achieve its emission reduction targets and will also push responsibility for achieving those targets onto other sectors. We have just heard from AgForce about the importance of reducing fossil fuel consumption.

The bill should be amended to require that it is explicitly considered when making decisions under relevant laws such as the Environmental Protection Act. It should also be amended to enable the clean economy panel to provide advice and make recommendations to DESI and the Coordinator-General on proposed fossil fuel development projects. This would bring Queensland's legislation into line with other jurisdictions such as the net zero future act in New South Wales or the Climate Change Act in Victoria.

Ms Wilkinson: Thank you for having us today. We are part of the WWF international network, the largest conservation organisation globally. WWF Australia represents two million people in Australia and a lot of Queenslanders. I am going to make a few quick points, which are all outlined in detail in our submission. When I make my points I will point to the relevant page of the submission so that you know what I am talking about in terms of the specific materials.

I would like to thank my colleagues for pointing out that they support WWF Australia's position on the best available science for emissions reduction targets. Taking a global perspective and Australia's and Queensland's commitment to the Paris Agreement and holding warming to 1.5 degrees, there is some climate science footnoted in our submission, and that is the best available science on the targets that Queensland and Australia need to meet in order to do our part to hold warming to 1.5 degrees. That is footnoted at item 20 with a hyperlink. It is a useful piece of climate science because it points out the remaining global emissions budget and what Queensland needs to do in order to do our part. As we have all seen with the reef bleaching—I think it is the sixth time—these numbers are really important; 1.5 degrees is really important. It is important for the safety of Queenslanders and the safety of our families.

I would also like to turn the committee to page 4 of our submission. That points out the targets in other high-emitting states. We think the target for Queensland of 75 per cent is a good target. It is strong, it is sensible and it is good for the Queensland economy. It is also economically prudent, because it avoids the significant financial costs to the Queensland economy of inaction or slower action. It is prudent and economically viable because there is a lot we can do; there is a lot of investment we can crowd in.

In WWF Australia's submission we point out that stronger targets are good for crowding in private investment, good for having a strong economy for Queensland and good for our competition with other states. We certainly do not want to lose economic opportunities to New South Wales and Victoria. Something that may be of interest to the committee is that the bill is actually weaker than the New South Wales and Victorian climate legislation. There are lots of ways it could be improved with simple amendments, which we put forward in our submission. We hope the committee will consider those because we think Queensland deserves a strong climate law that is good for Queenslanders.

Mr WEIR: When I was reading through the submissions there were concerns raised about the use of carbon offsets. What are your concerns there? I think it might have been in your submission, Clare.

Ms Silcock: We are concerned about using offsets in the incorrect place in the hierarchy. Instead of achieving actual emissions reduction onsite, we think that offsets should be there as a safety net for really hard to abate emissions reductions and that the frameworks are not really there yet to ensure we are achieving as many emissions reductions onsite as possible. As I mentioned, we are particularly concerned about the use of carbon dioxide offsets for methane emissions, because

methane has a much greater short-term impact on warming. Over 20 years it is more than 80 times more powerful than carbon dioxide. If it is offset on a 100-year time frame, we are locking ourselves in to significant climate impacts in the short term that are not being mitigated by the offsets.

Mr WEIR: Lock the Gate has talked about increasing the targets that you identified. We just heard from the previous submitters that those industries still need to remain viable. Do you do that modelling as to what industry can sustain as a cost price when reducing that?

Ms Roberts: The report I referred to was about looking at the sources of Queensland's domestic emissions. If we look at our trajectory, currently most of our emissions come from electricity generation. If the Queensland Energy and Jobs Plan is fulfilled, those will die off considerably and then we can see fugitive methane being very high. As I am sure you would be aware, there are currently regulations on emissions of fugitive methane for safety reasons from underground mines, but there is a long way for the industry to go in terms of constraining the methane that has been produced from underground and open-cut coalmining activities.

The industry needs to make sure it is doing its bit—both coal and gas but particularly coal as its proportion—to achieve Queensland's emission reduction targets. I think there is a role for government to play in regulating that sector. The example from the oil and gas sector in the US is that regulation has actually driven down cost curves for abatement technologies, because as companies are required to take that on the technologies become cheaper. If we are looking at viability, there are abatement technologies. We need to make sure we are requiring the industries to be doing that and be looking seriously at their methane emissions. That is not the case at the moment.

Mr WEIR: The cost of developing those technologies you are talking about may be beyond the capacity of some industries. Where do you see the state or federal governments being involved in that, because a lot of research and development has to happen? As you say, once the energy side of it is done—as far as I am concerned, that is the low-hanging fruit. From there, every per cent gets harder and harder. Who should shoulder that cost?

Ms Roberts: As you would know, the Queensland government has a significant fund for low-emissions technologies in the metallurgical coal sector. I think the expectation of Queenslanders would be that highly profitable international companies should be meeting their own costs. They are making a lot of money, particularly at the moment, from Queensland's resources, which are owned by the people of Queensland. We need to be making sure it is not an expectation that government will just be purely meeting those costs but that companies also have an obligation.

If we are looking at markets for fuels overseas, there is obviously a broader tech shift around things like steel production. Receiving countries and receiving markets are also looking at the emissions profile of the product they are receiving. Particularly large global corporations are setting their own net zero targets. Some of our big miners have those. They have their own internal imperatives. They are being pushed by their own shareholders to reduce their emissions. They are also receiving, to some extent, signals from the market. They also need to be required at a Queensland level to be making sure they are doing the right thing in doing their bit to achieve emissions reductions. Yes, Queensland has a very generous fund at the moment, but I do not think we should expect necessarily that the taxpayers are going to pick up that bill, particularly in the case of highly profitable companies.

Mr HEAD: Further to the talk about technology and so on, have any of your groups worked with government on any specific modelling that outlines what needs to happen in this technology journey and at what point in time for these targets to become a reality?

Ms Wilkinson: We have not worked with government on the particular modelling for the particular targets. WWF Australia works with climate scientists on the modelling of the best available science targets nationally and for different states. In terms of how we get there, we work with economists and experts across universities et cetera in terms of it would be possible and how it would be possible for Queensland. Research which I could commend to the committee to look into is certainly the work of the decarbonisation scenarios of a group called Climateworks. They have put out some very useful research which shows that net zero before 2040 is certainly possible across all sectors in Australia. They have not done a Queensland cut of its modelling, but that is something that, as I understand it, they are open to doing for those who approach them and ask for that particular research.

Other work we have used, in terms of the way that we say this kind of ambition is possible, is the work of the Superpower Institute. They certainly look at ways to unlock these transformational policies which will mean we can drive down emissions to net zero by around 2040. There is a lot of great climate solutions work. Finally, on a more granular level, at WWF Australia one of my Brisbane

colleagues, Monica Richter, leads the Materials & Embodied Carbon Leaders' Alliance. That is more the hard-to-abate sector outside of energy and electricity. That is a do-tank. That is a group of industry leaders who get together, share knowledge and talk about how they decarbonise faster in their industries in a way that is good for their incomes and good for their business.

Mr HEAD: You have not had any conversations with the government specifically about that, though? If it is government legislation—and this is from the government end—I would like to think the government has worked with people and has something to back it up. Have you had any conversations specifically that suggest that might have happened?

Ms Wilkinson: We specifically put in all of our submissions, all of our verbal submissions and all of our footnotes—the same material that I have just described to you. In terms of the specific pathway for Queensland—the specific developments and the specific investments—WWF Australia does not write its own version of an energy and jobs plan for the whole economy, but we have specifically said that, in our view and the view of the experts we work with, this level of ambition is definitely possible, it is definitely economically prudent and it is definitely something that is good for Queensland.

Mr WATTS: Ms Silcock, you said that there are methodologies. We heard from previous submitters that they do not think they are there. I am interested particularly around fertiliser and around fossil fuel use. What specific things do you think the agricultural sector could be taking on board that would help it with its emissions control? From what you said versus what they said, there seems to be a disconnect.

Ms Silcock: I was not talking specifically about the agricultural sector; I was referencing the fact that, with the policy settings that we have, the government modelling is that that will support around a 60 per cent reduction by 2035, which is a significant way towards the 75 per cent target. The rest of that needs to be set out in the sector plans. My expertise is in energy, but my reading of the Low Emissions Agriculture Roadmap is that there are a lot of suggestions in there—and even modelling of emissions reductions—that could be achieved from reducing fugitive emissions and also reducing emissions from horticulture that have not yet been formalised, importantly socialised and co-developed with the agricultural industry. I believe that there are a lot of solutions that exist. Similarly in the transport sector, we do not have sector-wide targets but we have the technologies. We know how to reduce emissions through better public transport, more active transport and electric vehicles. We hope that the government will now work through a process of setting those sector decarbonisation plans, involving people within the sectors to set the extra emissions reduction pathways that we need. A lot of that technology already exists; it is just about how we can roll it out.

Mr WATTS: Specifically, say, for irrigation, they have an energy cost in terms of being able to irrigate. They want a solution but are saying there is not a solution available. I am trying to understand how we get there if one group is saying, 'Yes, there is a solution,' and the other group is saying, 'We don't have the solution.' I am just wondering: can we communicate the solution?

Ms Silcock: I think that is an excellent role for the decarbonisation plans. What is most important there is also to set out the relative role that each sector plays. As the member for Condamine said, where are the low-hanging fruit? As Ellen has pointed out, we think a lot of those are in the fugitive methane emissions from coal that we need to be focusing on and working out an appropriate sector reduction plan for each sector.

Mr WALKER: My question is to the WWF. For clarity, I drove the first solar city in Australia, so I am a big supporter of decarbonisation. I am the hydrogen champion for the government in my region. We will be one of the first movers in production in terms of having those trucks on the road in Townsville. In your statement you said that by 2040 we could have zero emissions. At what cost do we get the community to follow us on this journey? The community supports where we are heading in trying to reduce carbon. There is no question. How do we keep the community onside—and industry—to get to that target without impacting the hip pocket of Australians today when there is a major cost-of-living impact? How do we keep them onside?

Ms Wilkinson: Thank you very much for the question and thank you for your work on solar cities and on green hydrogen. I think it is one of the most pertinent questions for us all, because bringing people on the journey is huge. I have family up and down the coast who call me all the time about that. There are a few different ways that we would recommend. WWF Australia invests heavily in market research in terms of moving specific sectors of society on faster climate action in terms of what kind of information is relevant to them and of interest to them. At this table you see groups who are very thoughtful about meeting communities where they are at—thinking about what they need in terms of the energy transformation and speaking to those communities in a way that is deeply

compassionate to both the climate harms they will suffer and continue to suffer and the economic challenges of having to change industries. I do not think anyone in the conservation sector of which I am a part ignores that. We all engage with it deeply.

For Queensland and for this committee, the solutions involve speaking to each particular region and community about their particular superpowers as a community, the particular benefits to them of faster action and the right policy settings to ensure that markets and industries move in a way that maintains their economic strength and maintains jobs and the right policy settings to ensure that governments appropriately invest in the clean new jobs and appropriately shift funding away from industries that will no longer have a future by 2040 in order to do what is best for Queenslanders. It is certainly a very challenging task. We understand that people come to it from all sides of politics and their own unique experience of what action on climate means for them. Certainly at WWF Australia, with our renewable superpower kind of work, we seek to convince people that action on climate is good for the economy and that faster action on climate is better for the economy. We think there is great evidence to back that up. We seek to back all governments of all political shades who are willing to bring their constituents and the people they represent on that journey.

We have seen great success across Australia. We think it really works and we also think there continues to be a good opportunity to educate people on the climate science and let them know that unless we do this now we are not going to have a Great Barrier Reef. If we get to two degrees of warming, 99 per cent of the Great Barrier Reef will be gone. That has been uncontested science since 2016. That is not WWF's position; that is the IPCC's position. That is the United Nations position. It is not just the reef; it is everything. We all know. It is floods, fires and our children's safety. These are often seen as emotional topics or things that people do not want to talk about and engage with. That is fine, but as a matter of climate science and a matter of expert evidence these things are the case. In 2024, all sides of politics have a unique opportunity to be part of the solution and to have good governance and good legislation that protects communities now, protects our economies now and protects communities in the future. We commend the bill to the committee and we thank you for the question.

Ms PUGH: My question is to the QCC. In your submission you suggested that in addition to the expert panel there be some kind of second panel. I just want to make sure I am interpreting that correctly. Can you elaborate on what purpose that would serve and what that might look like?

Ms Silcock: This is just around the fact that we see a gap in the governance and accountability for climate adaptation. We do not think that should be within the expert panel that is focusing on the decarbonisation transition. This is going to be impacting communities increasingly frequently and there is not a good governance structure around that at the moment to make sure programs are funded to identify the hazards and fund the solutions. That is why we would recommend investigating a similar framework for adaptation.

CHAIR: Thank you very much for appearing before us today. We are grateful for your contribution. I note that no questions were taken on notice.

GILIAM, Mr Kim, Chief Scientific Officer, Luminair Pty Ltd

**LEWIS, Dr Bridget, Director, Environmental and Social Governance Research Group,
School of Law, Queensland University of Technology**

**MAGUIRE, Professor Rowena, Director, Centre for Justice, School of Law,
Queensland University of Technology**

WILSON, Ms Stefanie, Chief Executive Officer, Luminair Pty Ltd

CHAIR: Welcome. Thank you for appearing before us today. I invite you to make an opening statement.

Ms Wilson: I welcome the opportunity to appear before the committee to discuss the Clean Economy Jobs Bill 2024. Based in Brisbane, Luminair has a working relationship with the Queensland government, business, industry and also academics to help transition towards a sustainable future that benefits people, the planet and prosperity. As I mentioned, we have an active working relationship with the Queensland government. We are a certified B Corp and we have created almost a billion dollars of economic impact for Queensland.

On behalf of Luminair, we support the objectives of the bill to enshrine Queensland's emission reduction targets in legislation. From our experience, we see the opportunity to achieve emissions reduction and create a positive economic impact, and this can be an 'and' not an 'or' proposition. However, it does require a paradigm shift for government, local councils and SMEs, or small to medium enterprises. In Queensland, there are approximately 473,000 SMEs. They constitute over 99 per cent of all businesses in Queensland. Over 97 per cent of these employ fewer than 20 people.

As I wrote in our submission to the committee, Luminair encourages an approach that we call responsible prosperity—that is, the delivery of Queensland's social, economic, cultural and environmental benefits being secured simultaneously for Queensland. I am happy to elaborate on that for the committee a little bit later. To achieve the targets mentioned in the bill, Queensland's regions and residents also need to be encouraged to make sustainable and beneficial change. For the regions and local governments, that change needs to be tailored, respecting the heritage, aspirations and uniqueness of each local government area. For residents, the subsequent behaviour change needs to be fair and equitable. The proposed Clean Economy Expert Panel would be well positioned to provide this guidance for the approach. I am happy to provide additional insight and specifically talk to these points.

CHAIR: Thank you.

Dr Lewis: We represent a group of researchers at QUT in the law school. Thank you for the opportunity to be here today. Our response to this bill is premised on the fact that climate change is already causing such serious impacts in Queensland and also on the analysis of the IPCC and other experts that shows that, if we are going to avoid the worst impacts of global warming, we really have to transition away from fossil fuels as quickly as possible. We know that the current commitments of states under the Paris Agreement and the combined effect of existing net zero targets are not enough to keep us under two degrees of warming, or even 1.5, so we need an increased ambition. With that in mind, we commend this bill and Queensland's goal of reaching net zero by 2050 and the broad approach in the bill of setting plans for different sectors. However, we have some concerns about the effectiveness of the methods that are in the bill and whether in fact this is a framework that is capable of delivering net zero.

Our major concern is that the targets in the bill may not be legally binding and that, without some form of enforcement mechanism, there will be no consequences if an actor or a sector fails to meet its emissions reduction commitments. We know from research in other areas that voluntary targets are usually not effective, especially where it is cheaper and easier to maintain a business-as-usual approach.

Another concern we have is that there is a lack of detail around what net zero means and that the method for calculating net zero will not be determined for some time. As you would be aware, there are numerous different ways of counting greenhouse gas emissions. In the past, countries including Australia have used various techniques to obscure the true extent of their emissions. Therefore, we feel that, in order to ensure Queensland's ambition is actually achieved, we need to be able to track our progress towards it and that requires a clearer understanding of what net zero means. In particular, we would like to see some more detail around whether offsets will be permitted

in the calculation of net zero and how the framework will guard against things like double accounting or overestimation of the impact of offsets. We would also like to see requirements for permanence and additionality in emissions reduction strategies.

We are also somewhat concerned about the extent of ministerial discretion in the act. Really, the only legally binding aspect of this act is the requirements placed on the minister. That leaves a lot of room for discretion and it leaves a lot to be done by future ministers over a long period of time.

As a final point, we would like to stress the need to ensure that our transition to a clean economy is just and fair. We feel that this is important not only to adhere to Queensland's human rights obligations but also from a practical perspective to make sure that the communities and the industries which are engaged in this process of decarbonisation view this net zero framework as fair, as a positive outcome for them and as a legitimate piece of law. That is necessary to ensure they will buy into the process. Without a commitment to that just transition and without some enforceable strategies to deliver it, there is a real risk that we will fail in meeting our net zero ambition. We feel that would represent a missed opportunity. This is a chance for us to do something really positive for Queensland and we would be keen to see some more detail and some stronger provisions in the bill.

Mr WEIR: Thank you. That is a very detailed submission, I have to say, and there are a lot of points that I noted in amongst it. You talk about making targets legally binding, but you also raise a point about defining net zero. How can you be promoting legally binding in the bill but you still have serious concerns about defining net zero? That seems contrary to one another.

Dr Lewis: I think the point is that we need a clear understanding of what we all mean collectively by net zero so that we can have a clear idea of what we are aiming for, and then the targets that support that ambition can have greater legal strength built in around them. I think the concern is that, if we aim to achieve these targets by purely voluntary plans, we get an uneven playing field for actors across a sector, where some are doing the right thing and reducing emissions while others may be taking no action or less action. From an economic perspective, that is not a great approach to have a sort of competition between good actors and bad actors, for want of a better explanation. It undermines the ability of that mechanism to achieve the targets. We have seen that in other areas—regulation of plastic packaging, for instance, or other forms of waste—where, without a binding target and some kind of consequence if the target is not met or if the actions are not taken, you get a disparity across actors in a sector and your end result is not very effective. To come back to your question, we would like to see some more clarity around what net zero looks like and how that will be—

Mr WEIR: What are your concerns, then?

Dr Lewis: We have a long time frame in the bill. To have a methodology by 2040 leaves a long period of time where we may be not in agreement about what we are actually aiming for. I think that makes it difficult to tell the actors—the individuals and the companies you are asking to make change—what they are aiming for in the long run and to know that we are on track to get there. That is important so that we do actually get there in the end—we need to know where we are going—but also so that those participants in the process can have certainty that there is a justification for what they are being asked to do and that they are on the right path.

Mr WEIR: That is very much what I am leading to. We heard from the previous submitters about the impacts on climate and so forth, but we are not living in isolation here. This is worldwide that action needs to be taken so people here in Queensland need to know that it is money well spent going down that road. You talk about including scope 3 emissions. Does that go both ways—exports and imports? How do you define that?

Prof. Maguire: We think it is important and in line with the Land Court's decision in Waratah Coal to include scope 3s in setting the target. Scope 3 emissions are emissions that are mined in Australia but burnt overseas. The finding in the court there was that, regardless of where the coal is burnt, there will be ramifications globally of those emissions.

Mr WEIR: What about products that are coming into this country?

Prof. Maguire: They should be covered by the country they are being exported from. Otherwise, there is no way to adequately do it. We have to be covering both bases if we are going to be adequately covering emissions.

Mr WATTS: Can I ask a supplementary there so I understand. If metallurgical coal, for example, is sold from Australia, that should be counted in scope 3? That is what you are suggesting?

Prof. Maguire: Yes.

Mr WATTS: But the country that burns that and then exports that—so Australia is the one that is carrying the scope 3 emissions, and they are exempt? Is that what you are saying?

Prof. Maguire: They would also have a system in place. Let us not use a country name, but they will have a system in place tracking emissions as well, but we do not have a lot of control. We know that our coal is going to go and be burnt somewhere and we have an obligation as a developed country to take actions to reduce emissions. There are a wide range of parties that we export to. Some of them will have in place provisions to transition or to decarbonise and some of those places will not have in place stringent conditions or frameworks for transition. If we are being real about decarbonisation, if we are being real about trying to act on climate change, I think we cannot pretend that our biggest source of emissions—which is scope 3 emissions—is not something that is our responsibility or something for us to think about.

Mr HEAD: Further to that on the scope 3 and the import side: if we are saying there is no emissions plan or they are not reducing emissions fast enough so we do not sell them the coal, they will get it from elsewhere and burn it anyway and we then import that steel back, for instance, to give a specific example. If that is the only option for steel, where do we go?

Prof. Maguire: Again, this has been dealt with in a lot of litigation before the Land Court and before a number of planning and environment courts around Australia and what you are referring to is called the market substitution defence—or, in short, the drug dealer's defence—and it is the idea that if we do not take this opportunity somebody else will. What the courts have been increasingly saying on this point is that this is not a valid argument and we do not have evidence to suggest that if we do not mine this particular item somebody else will carry out that activity and the most recent decision in the Land Court of Queensland in the Waratah Coal case was actually to say that that was not a relevant consideration, and that is in line with other decisions like the planning and environment court of New South Wales as well. That has been raised as arguments in cases, but we are beginning to see a change in the way that judges are dealing with that issue as it presents in court.

Mr WATTS: Just to clarify, I am interested in the scope 3 admissions. If the coal was sent from Australia we would record the scope 3 emissions, but if the coal is sent from a country that does not record that what happens to the imported product and measurement of carbon consumption?

Prof. Maguire: In a country that has no framework for—

Mr WATTS: For scope 3 emissions.

Prof. Maguire: Honestly, where this has become most relevant in the courts to date has been in the approval of new mines and to be considering whether when we are approving a new mine are we thinking about scope 1 and 2 emissions—emissions within Australia—or are we thinking about scope 3 emissions in the approval of a new mine? We have not yet got a legal system that has then moved to that next level—that is, once the mine is in operation, how do we deal with scope 3 emissions? That is not something that is currently within the law, but that is something that we are raising here. If we are seeing a trend within the existing law that says when we have a new mine being developed we should be thinking about scope 3 emissions, it is foreseeable that that will be an obligation that we should be thinking about in the future.

Mr WATTS: So that would really only work if there is a global mechanism for recording and reporting those scope 3 emissions?

Prof. Maguire: Yes, and that is what we know the Paris Agreement is seeking to achieve. There are of course problems with the Paris Agreement in terms of its integrity and transparency, but that is what the Paris Agreement is seeking to achieve.

CHAIR: I was just wondering if you could talk a little bit in terms of the penalty provision that you are suggesting. Are there any other jurisdictions in Australia or internationally that are providing some sort of penalty provision that you are aware of? Are there any examples?

Dr Lewis: There are a range of different mechanisms around the place and we can provide some more specific detail about that if you would like.

CHAIR: Yes. I am just thinking how complex it would be to provide a penalty provision. If there is a working example that exists, I would be keen to see what that looks like.

Dr Lewis: I appreciate that it is a complex question and it is difficult to say exactly what it should look like in this bill because the bill is quite thin on the detail about how the plans will work because it is putting in place a process to develop them down the track, so it is hard to say exactly what it should look like for Queensland. There are some examples in places like California and other jurisdictions that have stronger enforcement mechanisms put in place around the targets. The sort of thing that

you might see is a plan, for instance, for a particular sector that says, 'Here's your targets. Here's what everyone agrees they're going to do. Here's your reporting obligations. If you're not meeting your targets, then here's the penalty that might follow from that.' That sort of reporting approach is what has been put in place through the Modern Slavery Act. It needs a lot of care to think through exactly what it should look like. Our concern is that this is an opportunity in the bill to at least say that we will work towards having something that includes that. It may not be necessary to specify at this point precisely what it would look like, but if the vision is that these plans will be aspirational or non-mandatory then we feel that creates that risk that they will not be as effective as they could be. Really, the bottom line is we just have to reduce emissions as quickly as we possibly can and so the stronger we can get that system the better.

CHAIR: Terrific. Thank you.

Mr WALKER: My question is a little bit different for both groups. I heard you say earlier about the offsets. Going back in history a bit, in Townsville City Council some years ago we had the 100,000 tree program and there was a lot of appetite by mums, dads, families, community groups and local authorities to do the offsets. We have natural disasters—and you have mentioned those—such as cyclones, floods and fire. In Yasi we lost tens of thousands of acres of trees in natural habitat that has never really come back. How do we get the community and the private sector with government to start looking at these offsets in a more meaningful and quick way by engaging schools, communities, local governments and all state levels with the private sector, because they need to play their role? How do we get to that outcome quicker with these offsets and having the community on that journey? People want to own it as well, but we do not want to make it expensive where families are saying, 'This is impacting'—and I said this earlier to the previous group—'cost of living.' They want to get a meaningful outcome, they want it quick and they want to be a part of it. How do we do that?

Dr Lewis: That is a good question. I think we have to recognise that offsets can only play a very small part in the overall ambition of reducing emissions. They represent quite a small fraction of our overall emissions spread. The major contribution still remains our electricity generation and our resources, transport and agriculture sectors. Even doing the best we can with offsets, they are never really going to be enough to correct for the emissions that are being put out. I think we also have to think carefully about the clearing of vegetation as well and the maintenance of what we have in terms of carbon sinks so that we are not putting too many eggs in the offset basket in terms of planting new trees. It is an important part and we would certainly encourage that as much as possible, but we have to be realistic about what we can expect to achieve through those sorts of processes.

There are certainly ways that we can encourage the growth of carbon sinks, planting trees and other kinds of mechanisms such as blue carbon and other things like that. One thing that the bill could do is make clear how those sorts of strategies are going to fit into that calculation of net zero. One of the problems with offsets that we have seen in Queensland and in other places is that they have not been well regulated. When you buy your plane ticket and it says you can pay \$1.50 to offset the carbon from your ticket, we do not know how that is calculated or whether that is an accurate claim. There has been a lot of misinformation and greenwashing in that space too, so improving the reliability of offsets so when communities are undertaking a project planting some trees trying to restore habitat they have some confidence around what impact they are having. That would help a lot I think to improve the legitimacy of it.

Mr WALKER: The tree planting is one thing, but then we have sediment control, water quality and other things. We have major strips of land being cleared for mining and over 200 years we have had major strips of land for agriculture, and we can see it. You only have to hop in an aeroplane and look down and you can see the impacts. How do we make up that 200 years or the strip mining and the clearing? Mums and dads want that fixed, we want the sediment control sorted out on the reefs and we want the fertiliser run-off sorted out, so it is more than just planting the tree; it is how we control that water quality. Mums and dads are more educated and we have children coming through who are even more educated. How do we keep them on that journey and keep them focused and energised and make sure that it keeps the mining sector and the agriculture sector honest, and they want to play a role too, but we have to keep the pressure on? How do we keep that journey going and that education process in a cost-effective way and a fast way and a meaningful way?

CHAIR: That was a very big question.

Mr WALKER: Sorry, Chair.

Prof. Maguire: It is good. We can see the passion. We will answer quickly and then we might pass over if you have any thoughts. I just wanted to point to the Nature Repair Act that has just been put in place at the Commonwealth level as a potential model for achieving the sorts of outcomes that

you are talking about. The aim of this is to create a market that is not about offsets but is actually about nature repair. Predominantly the market that they are going to be creating there is looking for speculative investment from fairly large players—so superannuation bodies and things like—to generate revenue for protecting the environment. I think the issue you are talking about is definitely connected with decarbonisation and emission reductions, but in part it is also really a focus on changing the way that we approach biodiversity conservation in Queensland from the sort of approach which is leave some areas alone and try to restrict things hurting those areas to a much more active approach which is setting systems and approaches for intervening into ecosystems and taking steps to do that. I do not know that we have a framework in Queensland at the moment to provide support for that kind of action, and that is not necessarily covered within this bill either and it could be tricky to link it to offsets because there are so many problems around offsets. I feel like if we look to some examples like the Nature Repair Act at the Commonwealth level that might give some ideas of what we could do in Queensland.

Ms Wilson: To build on QUT's perspective, the way that I understand the question is that you are really looking for a response around this multifaceted engagement stakeholder behaviour and how we create change. There are a series of models around behaviour change and they are centred on the changing of capability, capacity and opportunities. If we look at breaking down the stakeholder segments into potentially LGAs and community groups—some of those key areas—and looking at some targeted interventions within capability, capacity and opportunity, both using a lot of the levers that government has available and then of course the free market sector, there are ways and means to create that behaviour change.

I did also want to raise that we are not the first to be doing this, so Queensland is not the first to be doing this. The other states are as well. We can lean on some of the learnings from the EU which have had very similar challenges in moving entire industries through the motions as well. There is always going to be this need for government intervention in the bridging of the gap between that aspirational dot on the horizon and when the market is ready to catch up, but when we look at the purpose of government realistically if we are looking at that broadscale benefit of social, economic, environmental and cultural considerations beyond the means of a commercial organisation being able to develop a return on that, that is actually the role of government, so I commend the government on the purpose of this act and the aspirations.

Ms PUGH: My question is based off the Luminair submission around the LGAQs—I would love to hear from both groups—and their SMEs as well. I was just thinking that the Chamber of Commerce runs the ecoBiz program which is incredibly popular and well subscribed. The primary reason that I think that most SMEs or small businesses sign up for that is money, because it is not just about reducing your environmental impact and your carbon footprint; there are usually some financial savings that come out of that as well. Obviously you have outlined that we have a huge variety in the size and scope and capacity of our local governments from the City of Brisbane, which is the largest in Australia—larger than Tasmania—all the way down to some of our tiny little regional LGAs, so how do we best partner with them? What work needs to be done there to enable our LGAs to do that work for themselves or get that assistance? Also with small to medium enterprises, what work do we need to do there to assist them?

Ms Wilson: Great question. There are already some really brilliant initiatives that are in place, and primarily through ourselves we have noticed a lot of work going through the LGAs with regard to some pilots. Looking to those LGAs to be part of those pilots to create some of these innovative solutions and these early interventions is a really proactive way to work with some of these LGAs. There will naturally be some frontrunners—and we have certainly identified some within our work—given that a lot of them will have a natural tendency from their own strategies and their own aspirations that they have created or there are organisations like the LGAQ that represent the 77 LGAs throughout Queensland. There are some really proactive LGAs. There are a few more that need a little bit of hand-holding, but certainly taking everyone along for this journey and providing opportunities to not only those that put their foot forward but also those that may potentially be the most significantly affected by these changes is important. So just to reiterate, the co-design with LGAs, the inclusion of pilots to demonstrate some of that early innovation and these communities of practice or clusters are key from our perspective going forward.

Mr HEAD: I will ask Luminair this question first but I would welcome any comment from QUT. As far as achieving these targets, what technology is currently commercially available to get us so far and how much more do we need to get the rest of the way? If you can point to any specifics on that it would be incredibly helpful.

Ms Wilson: It does seem like a question that is coming up quite a lot and it is a very good question, so I will answer just the first bit and then pass over to our chief executive officer. Whilst we have not undertaken the analysis ourselves of the gap and what is possible, I will front-end that by saying if the innovation and technology are not there, these aspirational opportunities and these targets are a great incentive to shift the market that way or to fast-track some of those innovations and technologies.

Mr Giliam: A lot of this actually sits around data. I think AgForce brought it up earlier as well. As technologies move forward and we start to implement them, the bigger challenge is understanding where we are at right now. The government's assistance in bringing the industry through to say, 'You're here now, and the next step you're going to do will give you this percentage improvement in emissions or the lack thereof,' I think is a key part. We want to race forward and implement a lot of the technologies that are available, particularly in the energy sector and so forth, but what is the low-hanging fruit and what is the return on investment of choosing all of these new technologies that are being developed around the world. There is a lot of investment. How do we assist industry sectors in that journey to say, 'We're going to take option No. 1 and then in two years we'll take option No. 3,' if they don't know where they are at. Our experience from working with the LGAs and a lot of the SMEs is, 'I really want to get involved, but where am I on that journey, on that curve? Yes, the government is telling us we have these big, lofty goals, and we all want to work towards them, but where am I?' The assistance, both private and through the government, is to get people on the curve. We need to develop that and then make accurate assessments of the available technologies that are coming through.

CHAIR: It is interesting you say that, because I have had the opportunity post AgForce to look into the document they discussed, the Queensland Low Emissions Agriculture Roadmap. If you go through it it sets out very clearly where you are and where they are heading by main categories: livestock emissions; cropping and horticulture emissions; on-farm energy opportunities; carbon farming and landscape management; and regions and supply chains. This road map has been co-designed by industry and government, so it would appear that work is well and truly already underway.

Mr HEAD: But at the same time there are a lot of what-ifs and questions. Ag is obviously one part—

CHAIR: I think tech will absolutely continue to do that. Technology is ever evolving if we think back 10 years ago. Dr Lewis, do you have anything you want to add?

Dr Lewis: The only thing is just to reiterate the point that, if we are seeking to encourage investment and we are trying to get actors to take risks or move into an unknown space and adopt new technology, we need to make sure we have a framework that adequately incentivises that. We have colleagues who are doing research in plastic packaging. One of the messages they get all of the time is that the companies that wish to do better in terms of their packaging find it is an expensive move. They are in a market where their competitors are not making that step. They are up against bigger players who are not investing in another way of doing it, and therefore they have the competitive advantage because their costs are lower. The expectation that small actors will jump in to some new way of doing things needs appropriate incentives and protections around it, otherwise they concede it is not financially advantageous for them.

Mr HEAD: Both QUT and Luminair cannot give a portion of how much needs to be developed to achieve this?

Ms Wilson: We have not undertaken that analysis, no.

Mr WATTS: From Luminair's point of view we have spoken a little bit about transformational behaviour, and from QUT's point of view we have spoken about making sure there are sufficient investments in clean energy. I am interested in both of those. What is the impact to the consumer in price? Clearly we should invest, but that money has to come from somewhere. Clearly we should incentivise and make people responsible. That means there needs to be a consequence. That ultimately means someone has to pay for it. I am trying to understand the balance between how we go on this journey and who pays for it and how.

Ms Wilson: Just to understand your question, it was around the balance of offsetting some of the costs of the transition and whether the consumer will end up paying for that?

Mr WATTS: We just heard there might be a small actor trying to change its packaging behaviour, but other people are providing the goods cheaper and therefore they cannot get into it. Ultimately, my concern is whether that drives up cost, or is there another way that you are aware of?

Ms Wilson: I am going to take a little segue for a moment. In talking about these suppliers transitioning towards more sustainable behaviour, part of the challenge is that the market is not ready to pay the higher price. If we look at these organisations that are looking to improve their packaging practice but are getting undercut by other organisations that are not, there is a way that public procurement can help create buoyancy there. In the specification of specific requirements and offtake agreements, those type of things, there is a way to support industries while they actually transition. That is public procurement. If we are looking at the consumer and the end user, it is a really interesting question. I am going to point to something the IMF stated. Their point was that the cost of inaction is going to be higher than the cost of action.

CHAIR: Do you have anything further you want to add?

Dr Lewis: That was going to be our point as well. The cost to consumers is a relevant consideration, but it also comes within the context of the cost of natural disasters and so on.

Mr WATTS: I guess from an incentive point of view I am looking for some sort of mechanism. You are saying that we should be investing in various technologies. I fundamentally believe that technological solutions are the way to go: the question is with whom and how is that being invested. Obviously there will be market failures in many of these technologies.

Mr WEIR: You talk about that in your recommendation A—adequate budget and resourcing.

Ms Wilson: Yes. Adequate budget is a really interesting one because it does need to be reflective of some of these challenges that we are facing, so yes, adequate resourcing and mechanisms to help everyone transition towards this. Whether that is the end consumer or the SMEs, the LGAs, then there does need to be consideration the whole way along. The other side of this is that part of these initiatives may reduce some of those onward costs, and cost increases are forecast for our future. Yes, the cost of living is very painful for everyone now, but there may very well be a repositioning of how we invest some of our money now to make things a little bit less painful for the future.

CHAIR: When we talk about the cost of living—and you just pointed out the IMF's position—and we think about the natural disasters that have occurred in Queensland and the cost to all Queenslanders in so many different contexts, whether we are talking about insurance bills and premiums going up, the cost of inaction is certainly much greater than the alternative. Thank you very much for appearing before us today and for your contributions. We are very grateful. There were no questions taken on notice, so thank you very much.

BRIER, Mr Andrew, Chief Operating Officer, Queensland Renewable Energy Council

MARSHALL, Mr Sam, Development Director, ResourceCo

MULDER, Ms Katie-Anne, Chief Executive Officer, Queensland Renewable Energy Council

CHAIR: Would you both like to make brief opening statements?

Mr Marshall: My name is Sam Marshall; I am development director for ResourceCo's energy pillar. Founded in Adelaide and Australian owned, ResourceCo is a global leader in the recovery and re-manufacture of primary resources, extracting maximum value from materials otherwise destined for landfill, working in four sectors: energy, recycling and waste, soil re-use and recycling, and tyre recycling. On behalf of ResourceCo, thank you for allowing me to present further on ResourceCo's submission to the Clean Economy Jobs Bill 2024. ResourceCo appreciated the recent opportunity to host the committee at our resource recovery facility—which is under construction in Hemmant—during its inquiry into the Energy (Renewable Transformation and Jobs) Bill 2023.

The resource recovery facility in Hemmant, or RRF, has been developed with the support of a grant from the Queensland government's Resource Recovery Industry Development Program, or RRIDP. ResourceCo has also secured approval for an energy recovery facility adjacent to the RRF. The energy recovery facility is being developed in accordance with the Energy from Waste Guideline released by the Queensland government in late 2021 and is currently the only plant approved in Queensland under these guidelines. ResourceCo is a supporter of the Queensland Clean Economy Jobs Bill 2024 and CR sector and business interests as part of the solution to achieve legislated emissions reduction targets. ResourceCo also thanks the committee for supporting the incorporation of smaller scale or sub 30-megawatt renewable energy projects in the energy bill, as it will incentivise the investment and development of energy from waste projects that will achieve emissions reduction.

In relation to the definition of a renewable energy source, which we raised with the committee on the energy bill, we are seeking a broader definition than the Commonwealth legislation. A broader definition will incentivise more projects and help reduce emissions. Although the definition is important, the regional recovery sector also requires cohesive and coordinated regulatory settings that allow businesses to be sustainable in the longer term.

Decarbonisation and emission reduction generates investment throughout the economy, but without addressing other policy settings such as waste levies that are too low, the need for greater rates of recycling and recovery, the opportunity to reduce emissions via avoided methane, and the environmental and economic cost of not reducing waste sector emissions, the opportunity to contribute to emissions reduction becomes more difficult. Another economic factor in play is that capital expenditure costs for resource recovery have risen considerably during and since COVID—our estimate is between 30 and 40 per cent based on live projects since the waste levy was introduced—which are outpacing increases to CPI and prescribed waste levy increases until 2027. This reinforces the cost-effectiveness of landfills to the detriment of resource recovery and recycling.

The alignment of Queensland's Waste Management and Resource Recovery Strategy 2023—which is yet to be released—with Queensland Energy and Jobs Plan targets for renewable energy generation remains important to the sector or sectorial plans which make up 15 per cent and an accompanying acknowledgment of energy from waste as a source of renewable energy and a higher order use than landfill on the waste hierarchy. This should include the promotion of EFW projects in the \$4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund that allows government owned corporations to increase ownership of commercial renewable energy and hydrogen projects.

ResourceCo provided feedback to this process in May 2023; however, the outcomes of the review have yet to be released. There are significant opportunities in the waste sector to divert more waste from landfill and reduce emissions via the manufacturing of alternative solid fuels, energy recovery, and providing feedstock to the renewable liquid fuel sector for renewable diesel and sustainable aviation fuel. I would be happy to elaborate on these opportunities. Combined government efforts and associated policy settings would allow the resource recovery sector to play an important part in enabling Queensland to reach its legislated emission reduction targets. That combined effort will help achieve the emission reduction targets this bill seeks to put into law. I welcome any opportunity to answer further questions.

Ms Mulder: My name is Katie-Anne Mulder. I am the chief executive officer of the Queensland Renewable Energy Council. Thank you very much for having us here today. I have a few summary points before I hand over to Andrew. Obviously, we support the Clean Economy Jobs Bill 2024. We

represent renewable energy development in Queensland, from transmission through to generation, whether it be private or public through to everybody who plays a part in renewable energy development in Queensland.

We have wideranging support for the increase in the emissions reduction target in Queensland, which is the proposal in the bill of 75 per cent by 2035. Our submission outlined three key points. The first notes that the bill is not legally binding. This is something we are fairly comfortable with. However, we would like to see some updates in climate adaptation plans. The second point is that we believe that for this to be successful we need bipartisan support across this bill and also in the previous bill in regards to renewable energy development in Queensland, which was the Energy (Renewable Transformation and Jobs) Bill 2023.

Lastly, for the success of this bill, we believe that we need alignment across all governments to ensure we are all on the same page—being local, state and federal governments. We heard from QUT and Luminair who said that Queensland is not the first state to undertake emission reduction targets and plans. We do not exist in a bubble and we need to ensure that we work across industries and governments, working together for the shared future. We welcome your questions.

CHAIR: Just on that point that you raised, are you aware of any other jurisdiction nationally or internationally that has that penalty piece attached to enforcement?

Mr Brier: No, definitely not nationally. In terms of internationally, I had a feeling there was something in Denmark to be honest but I would have to look it up.

CHAIR: Thank you.

Mr WEIR: My question was actually raised in the QUT submission but it would be relevant to you. In their submission, they talked about the viability of renewable projects given the speed at which they are going to come online. Obviously, your investors in your organisation would be looking at that very closely. I am interested in your thoughts of how that should be managed because it is going to come in a big rush.

Ms Mulder: Large-scale renewable energy development is similar to any development. There is a large range of projects that have been put up. Whether they all get through the approval process is another thing. We do have a rigorous approval process at both the state and the federal level. If we look at resources, for instance, the performance rate of projects going through is one in 100, from exploration to production. It is fair to say that even renewables would have a much better chance of one in 100, but at the same time there are adjustments to all sorts of things—from the investment pipeline, what is the policy environment around that, particularly around target bills such as this one and the previous one and the energy bill. Favourable policy from the government level is absolutely critical to development in Queensland—in fact all jurisdictions. Even a change in policy is a cost on developments that are currently in the pipeline. I would also add that any form of retrospectivity to existing projects and a change of policy can have a negative detriment not just to the individual projects but to future investment and the future investment pipeline.

Mr Brier: I do not think I would add too much to that. I think the biggest issue is certainty, to be honest. It is the same for any industry in that space. In relation to renewables at the moment—particularly as we sit here with the new legislation in the House again—there is quite a bit of regulatory change. Some regulatory change is required—there is no doubt about that—but the sooner we get through that process and actually have a planned approach to that regulation, if you like, so we actually know where legislation sits in Queensland and how it sits into the national agenda. The margins for renewable projects are getting tighter. They need to be profitable for people to invest in it, pure and simple. Certainty is one of those things which would assist in that.

Mr WEIR: Correct, they need to be profitable, but we need to drive down the cost of electricity.

Ms Mulder: That is right.

Mr Brier: That is exactly right. It is one of those marvellous things about a free economy and consumer-led, but, yes, we have a situation where cost of living is higher and of great concern to people. There is a need for cheaper electricity in that space. Renewables can be a cheap source of electricity when compared to new generation of other types, but the margins are tighter. Hence why certainty is probably the most critical in that space—so you can actually plan with the knowledge of what it is going to cost.

Mr WEIR: I notice with the panel that you were recommending there be an inclusion for organisations such as yours. Is that to address those concerns? Why did you recommend that?

Mr Brier: It is one of those things. For me, it is all well and good to have an emissions target, and we support that and most people think it is a good thing to reduce emissions. The practicalities around that are probably what are of interest to us as an organisation. Like you say, companies need to be profitable in this space. They need to invest but there is that dualism of having to manage the end product as well and we do not want that to be too expensive. In terms of the expert panel that is put together, some representation from the renewable energy industry in that space as one of the key enablers would make significant sense. I think from an industry perspective or that developer perspective, it is being able to provide the practicalities around what these targets mean, what achieving them means in the current economic environment and what that means commercially for renewable energy projects at this time.

Mr WEIR: I go back to your comment about levels of government because we know that there has been a fairly slow process coming from the federal government under the EPBC that has a significant impact. For what is legislated in Queensland, you said that you do not believe there should be penalties. Is that part of the reason—because there are so many other things that can impact, including the legal approvals process?

Mr Brier: I think it is around the intent of the targets. We have emissions reduction targets, we have renewable energy targets, we have public ownership targets for renewable energy in that space. They are all good things to have. However, to legislate all of those with penalties for all of those—at some point something has to give. I think as a statement of intent and the need to actually achieve emissions reduction, this makes a lot of sense. In terms of assigning penalties to it and making it compulsory at this time, as we said in our submission that is something that needs to be reviewed as this progresses. In achieving, let us say, the renewable energy target or the public ownership target, there might be things like EPBC approvals which affect that but then that may also affect an emissions reduction target, so do you legislate all of those and then say, 'We're sorry. We forgot we've got to leave the lights on as well.' There has to be a balance between those things. You are right. Things like EPBC, in particular, are of great concern to us as an industry. It is a critical path for the industry at this time, and the average time to get through it is three to four years.

Mr HEAD: Off the back of the renewable energy bill, we have the emissions target. To achieve this emissions target, we are going to have to go a long way in achieving our renewable energy targets. Would you agree that they are heavily intertwined?

Ms Mulder: Absolutely.

Mr HEAD: Could we achieve these emissions targets and those renewable energy targets which are heavily linked to it and provide around-the-clock electricity for all sectors without the deep storage assets of Borumba and Pioneer-Burdekin coming online in time?

Mr Brier: You are appealing to the engineer in me with this one. I will not comment on the projects specifically, but in terms of the need for storage, absolutely. If you look at current electricity generation across the state, we are already in the 20-something per cent of renewable energy as a total of transmission or total of generation—

Ms Mulder: It is 27 per cent.

Mr Brier: That is why Katie is here! However, if you have a look at it at night, it is significantly different. At night you are still running 90 per cent fossil fuels. For renewables to be successful and for them to enable an emissions reduction target, you need storage in one way, shape or form. There will be technical advances and the different technologies available for storage will grow with the industry—there is no doubt about that—but you do have a significant deficit in storage already in this industry that will affect the ability to achieve these targets going forward. While I am not commenting on the projects specifically, I can say this. Do you need deep storage? Absolutely. Do we have enough of it now? No. Will technology keep pace with the increase? Probably, but it will not fix the deficit.

Mr Marshall: That is why our point in terms of having that sub-30-megawatt section to be enabled was important to us—albeit it is not necessarily addressing the massive amounts of gigawatts required to transition. We are in a transitory environment, so from our perspective we need to pull all incremental available technologies together to actually enable the transition. I think from a night-time perspective, you have synchronous generators that run on renewable fuels that can run in industrial areas and metro locations that can provide 24/7 electricity to high-energy application industrial users in Queensland.

I think there is a very clear opportunity there for the market if we can get policies and procedures and emissions reductions aligned across-the-board in Queensland to enable developers to see those pathways. To echo the points earlier: developers and industrial operators love confidence in the market as well, so if we see strong policy that is backed by government—and genuinely backed—then developers and private capital will follow.

Mr WATTS: Thank you for hosting us. In terms of the facility you have there and the recovery, how small can that go and be viable from a Queensland perspective in terms of going into Townsville, Rockhampton or Toowoomba? Obviously you need a certain amount of throughput and that throughput then allows you to generate the energy, so not only are you doing the reprocessing but you are generating the energy. That is fantastic for Brisbane, but how do we help that same level of resource recovery or reutilisation in more regional areas?

Mr Marshall: There are opportunities in regional areas. To echo your point, I think the point you are making is, from our perspective, when we are using feedstocks and throughput in the waste sector and recovery sector, those materials are generated by population, so the greater the population the greater your waste levels. You combine that with levies. In terms of metro and regional levies, our view is levies are too low already. Our site at Hemmant that you visited, we cannot proceed at this stage based on the economics of the project. It is fully approved. It is the only approved project in Queensland, but until we see a regulatory change that would allow the economics to work, it will remain as such. Regional areas are promising to us but probably less of a focus based on population and waste volumes. If the government were serious about it, then we might be able to look into it further, but it is really a throughput operation in terms of gate fee and then combined with the electricity offtake or steam and heat at the back end.

Mr WATTS: I guess part of my question relates to we make, let us say, a levy or a state charge but that is not necessarily going to drive the same outcome if the population base is not there. So it is difficult to set a state target. Would that be a fair comment?

Mr Marshall: Not necessarily. If I flip it on its head and you look at renewables in terms of wind and solar and REZ, you are proposing to produce a significant amount of electrons in the REZ and then transport those to metro locations predominantly or industrial applications. I do not necessarily see a difference in terms of the network—that electrons could be transported to other areas as well. Predominantly, one of the benefits of our operation is steam and heat, so we could provide steam and heat to industrial users but that is a proximity issue so you need to be within close proximity to provide that, otherwise it is a base case of electricity.

Mr WATTS: What is the lowest population base you are operating in currently, and what sort of levy base do you need to make that stack up?

Mr Marshall: We are operating across all of the states in Australia. In terms of development, we are more focused on the east coast. We see Queensland as a friendlier environment in terms of what we do, and we thank them for it. We would need to see a material step change in levies—probably close to double what they are right now. I think the intent was very positive at the time but being caught out by the hyperinflation or inflationary environment, plus COVID, has meant that the implementation of the levies at \$10 a year is actually less than CPI. If you compare that to New South Wales, the New South Wales levy went up 7.5 per cent last year, which was \$12.63. The levy in metropolitan Sydney is \$163 versus \$105 or \$110 in Brisbane right now.

Mr WATTS: Thank you.

Ms PUGH: I am reflecting on the trajectory of Queensland's renewables journey that obviously started with solar many years ago. We are now sitting roughly around the 20 per cent mark, but when you think of the easiest adopters, solar now is much more cost effective for the average household or business to install compared to what it was back when it first came on the market. That meant the easiest adopters—in addition to a financial incentive at the time—had the financial capacity to make that fairly significant up-front investment. That means the first people who were able to obtain the advantage and ultimately drive their power costs down were probably also the people who had a fairly decent capacity to pay. In continuing the renewables journey in Queensland, how do we stop people from being inhibited to take up renewables because of an up-front cost barrier? Do you have any thoughts around that?

Ms Mulder: Thank you for the question. It is a great question, and it comes back to the power of policy, doesn't it? It is incredible that now in Queensland we have the highest penetration of rooftop solar in the world and we are seeing a similar drive down in the cost of solar batteries, as well, which is great. In terms of what we can do with policy, the transition does have the potential to create a divide of inequity between the haves and have-nots, both within a region or socio-economically. We

need to be accountable. We need to ensure our policies remain equitable across the board, not only through consumer-led policy with rooftop solar but also in development and how you work through the implementation of the renewable energy zones and broader cumulative community benefit to ensure someone who is in between a line of 'these people over here are in a REZ' and 'these people here are not in a REZ', but they may be seeing trucks going through their town to build infrastructure over here within the REZ. We would like to see some equitable arrangement or consideration in the renewable energy zones implementation and in governance overall to ensure equity.

Mr Brier: I think it highlights the importance of large-scale renewable projects, to be honest. Not everyone will be able to afford rooftop solar and rooftop solar is not going to hit either renewable targets or the emissions targets in their own right. Proper planning and regularity certainty around those large-scale projects is important. Like Katie says, there is an importance in coordination in that space. We know there is a large growth in renewable projects coming, but actually planning that so the first adopters, or first developers if you like, are not penalised and the costs of transmission are shared across the industry over time as it develops is important—that level of coordination and planning is what will matter.

CHAIR: Thank you very much for appearing before us today. No questions were taken on notice. We are grateful for your contributions. Thank you.

BARGER, Mr Andrew, Policy Director—Economics, Queensland Resources Council (via teleconference)

CHAIR: Welcome, Mr Barger. Thank you for joining us.

Mr Barger: I appreciate you giving me the opportunity to participate remotely.

CHAIR: I invite you to make a brief opening statement, after which committee members will have some questions for you.

Mr Barger: Thank you very much. Again, I echo my thanks to the committee for the opportunity to participate remotely. I am calling in from Heron Island.

CHAIR: That sounds terrible!

Mr Barger: It is probably moderately relevant. It is just sheer accident, but the island is experiencing its first ever mass bleaching event, so it is a sobering time to be snorkelling around and seeing what the subject matter of today's bill looks like on the ground. Thank you for letting me dial in and hopefully I am reasonably audible, but let me know if I mumbled or deafened.

As I said, I thank the committee for the chance to appear. Apparently Heron Island is too recent to have any traditional owners, but the Saltwater people have stewardship of the greater Gladstone area and I acknowledge the Bailai, the Gurang, the Gooreng Gooreng and the Taribelang Bunda peoples who have cared for these lands, and particularly waters, for such a long time.

In terms of the bill, I guess the way I would characterise QRC's submission—you will see it goes into the nitty-gritty of the drafting—is that broadly QRC supports the intent of the bill. We have some recommendations and caveats around the support that would help deliver the intent of the bill more effectively. Our overarching concern is perhaps that the race to enshrine the emission's target in legislation perhaps puts the cart before the horse. We have not yet done the work with the communities to demonstrate what that transition looks like and how that will deliver the dividend of green renewable jobs that the bill talks about. The broad theme of QRC's submission is that community support and a broad-based understanding of an important change like this one is perhaps more enduring than legislation. We understand why it is important to have goals in legislation, and we are not saying that is the wrong thing to do, but we have suggestions for how to work with communities and build that support before the legislation locks that target into black letter law.

We draw the contrast with the Queensland Energy and Jobs Plan, which is necessarily a top-down plan. The legislation that sits under that is very much a top-down plan of setting goals at a state level and then working out how those projects will be delivered on the ground. Our suggestion is that the Clean Economy Jobs Bill should work in the opposite direction to the success of the QEJP. The bill has adopted that same top-down structure. In parallel with what you have heard from some of the other presenters this morning—QFF, AgForce and Canegrowers—we would suggest that the plan should work with industry, rather than imposing sectoral plans. So working in partnership to enable emissions reduction and then running through the processes that the bill establishes for collating and aggregating those changes to tote up the success at a state level.

There are six broad recommendations that we would make about the bill. Like many of the other submissions that the committee has had and experts you have heard from today, we think perhaps the remit of the expert panel and the membership of the expert panel is a bit too narrow. We would like to see it include local government representatives, as Western Downs and LGAQ have suggested. We think it would be worthwhile to have more sectoral representatives as AgForce, QFF and Canegrowers have suggested.

Importantly, I talked about some of the processes that are important before jumping ahead to legislating an emissions goal. Two of them sit in recommendations 2 and 4 in QRC's submission. We think it would be useful to see some of the analysis around the cost, impact, benefits and trade-offs that are involved in the emissions reduction that the new goal would entail. We think that an expanded expert panel is well placed to lead, manage and inform that public discussion. We think that is the process that the state government followed really well in 2016 when the 50 per cent renewables target was announced for 2030. That was quite controversial at the time. People did not understand what that might look like and how that might be implemented.

What the expert panel did in 2016 around that renewables target was to say that the government has set a goal of hitting 50 per cent renewables without increasing electricity costs, here are three different pathways that meet that target, each of which has a different abatement trajectory. More importantly, what that transparency did was enable all the stakeholders to have a common language—a shared framework—for discussing the changes and debating the trade-offs. What QRC

recommends is that the common understanding that expert process built meant that it took a lot of the controversy away from the renewable target. People understood the mechanics behind it and it led to much more broad-based support. We think that is the point at which you look to enshrine a target in legislation—when people understand it and support it. You can then have a discussion about the trade-offs that are involved in meeting that target.

Again, the other recommendations in QRC's submission, particularly 3 and 6, go to some of the concerns that you have heard from other sectors around the sectoral plan. Like other sectors, this was news to QRC. We had not heard much discussion about this until we saw the Pathways document that was released at the same time as the bill and it was attached to the department's briefing notes. It was useful to see the waterfall chart that pathway had for the stepwise increase reductions in emissions and how we work up to the 75 per cent emission goal. Not having heard previously about other state plans and the sectoral plans, combined with section 11 which made the structure of those plans sound directive rather than collaborative, gave us some cause for concern. Again, QRC, like other sectors—AgForce, QFF and Canegrowers—echoes some concern around the language in the bill. We would rather see a partnership approach adopted, where those sectoral plans work with the industry to enable change rather than to dictate change in a top-down manner.

The other complicating factor is that, at the same time as Queensland has announced it is going to roll out sectoral plans, the Commonwealth is well down the path of generating its own sectoral plans and there is very limited industry line of sight on what those processes will look like, what the plans will contain and how they will operate. The potential for duplication and overlap between that Commonwealth and state process does not sound like a recipe for efficiency. Again, as some of the other submitters have suggested, perhaps give the newly established expert panel oversight of the sectoral plans and, indeed, including sectoral experts on that panel so that they can advise about the barriers and achievements and the pathways to achieving those emissions. We think that set of six changes would really help achieve the intent of the bill much more effectively and much more constructively than our reading of the current bill.

I am happy to take any questions about anything I have said in my opening statement or that is in the QRC submission.

CHAIR: Thank you very much, Andrew.

Mr WEIR: My question is around your recommendation 2, where you request that the government release their analysis of the cost and impact of the draft bill's legislated new 2025 plans. Are you saying that you have not seen that?

Mr Barger: When the department gave evidence before the committee on 4 February, their answers about the costs and the modelling to the plan of the emissions reduction targets seem to refer back to the EY modelling that was commissioned for the Energy and Jobs Plan. While that is relevant, it is addressing a very different set of questions, a very different set of impacts, than the sharp emissions reductions that are contemplated in this new emissions reduction target. Neither the QRC and, as far as I am aware, none of the industry groups have seen any of that analysis other than what is in the pathways document that the department tabled and that the Premier tabled when the bill was introduced into the House on 14th February. Our recommendation would be that such an important target, such a dramatic change over such a short period, merits a little bit more discussion and analysis of what that transition might look like at a more detailed level.

Mr WEIR: You have raised concerns about how the 2035 target in particular is going to be achieved. I suppose that also goes to the lack of availability of that analysis. What are your main concerns about that particular period?

Mr Barger: If you look at the QRC's submission at page 6, under heading 3 we have a simple table that breaks down Queensland's emission reduction ambitions for now, 2030-35 and then the period from 2035-50 where we are aiming for net zero. When you look at that as three blocks, the new 75 per cent emissions reduction for 2035 really stands out in terms of how sharp that reduction is. Achieving a 45 per cent emissions reduction in just five years is a very dramatic change from what Queensland has historically been able to achieve. I guess on the nature of that dramatic change, Queensland's emissions reduction trajectory for that five years will be much steeper than the Commonwealth's trajectory and much steeper than any of the other state trajectories. We think the sharpness of the downturn in that emissions reduction trajectory needs to be explained. It would be good to see some analysis about how that will be delivered and what that change might look like.

CHAIR: Following on from that, part 3, 'Emissions reduction plans', explains what the plan is. Under part 3, clause 10 is titled 'Content of emissions reduction plans'. Clause 10(1)(a) states—
an analysis of data in relation to greenhouse gas emissions produced, and expected to be produced, by the sector
Is that not where the data analysis comes in, at that point in time, in developing the plan?

Mr Barger: You are right. That is true. What we have there is an apportioning of how different policies will deliver those emissions reductions.

CHAIR: Clause 9 outlines that an emissions reduction plan is how the sector can contribute to achieving the emissions reduction targets. I would imagine each sector might look a little different in terms of how it contributes to that overall target stated, based on the analysis of data on what we see as current emissions, what is expected to be produced by the sector going forward and then looking at how the government can support it. Clause 10(1)(c) states—

a description of actions to be undertaken by the State to reduce greenhouse gas emissions produced by the sector to contribute to achieving the emissions reduction targets.

Mr Barger: That is a really good point because the reason that this concern is being raised by the sectors that you have heard from this morning is that there are different ways of having sectoral plans. If it is just a very simplistic process of apportioning it—'This is your share of the emissions reduction; go away and get it happening'—that is going to be a much more expensive way of achieving emissions than if you sat down across the economy and said, 'Here are the opportunities we have from least to most cost for reducing emissions.'

CHAIR: But that is how I read the clause.

Mr Barger: Very much the point that you are making is that, yes, if for example—

CHAIR: A methodology and a process.

Mr Barger:—some of the cheapest ways of reducing emissions are in agriculture then what you need is a mechanism for resources, tourism, education and the other sectors to help agriculture make those changes so we meet the emissions reduction in the least costly way.

CHAIR: I think that is exactly what is in part 3, clause 10—that is, the content of emissions plans and what the process looks like. It articulates that, you would hope, you sit and analyse where you are at, what is coming ahead and how you can pull it together. You have to have a plan.

Mr Barger: You do have to have a plan and you have to have a target, but I guess the message is that the plan and the target need to be built bottom up based on detailed information about the marginal cost of abatement in each of those sectors and across each of the opportunities in those sectors. Inevitably, there will be some sectors that are very hard or expensive to abate. For those sectors, the opportunity is probably some sort of process of help investing in other sectors to deliver more emissions reductions in those sectors where there is an easier, lower cost and lower threshold of emissions reduction.

Mr HEAD: Following on from that, is it a bit of a cart-before-the-horse scenario in terms of what needs to happen? Further to that, and this is more on the next stage of the resource sector as far as the processing of a lot of these minerals that are extracted: can you give any insight into what technology currently exists that is commercially available to achieve what portion? What exists currently that can achieve a certain portion and what portion is currently up to innovation and the invention of new technologies? Do you have any insights on that?

Mr Barger: It is difficult to generalise across the whole sector which, again, is probably a little bit of a question mark around the sectoral plans. It is much easier to talk about a specific industry like aluminium or bauxite or underground metallurgical coalmining than it is to average it across the whole industry. If you look at a lot of Queensland's resource industries, they already largely sit in the six per cent in the policy pathways graph that the government has released, which identifies six per cent of emissions reduction coming from the safeguard mechanism. As well as having a Commonwealth process to drive down emissions at a fixed amount year on year, a lot of those companies are also looking to do more than that because they also have their separate corporate goal. It is very difficult to get a sense across a whole range of industries to aggregate that up into a sectoral plan and come up with an answer.

The concern that we have heard from our members is that, to get a sharp reduction in emissions like that—a 45 per cent reduction in a five-year period—you are going to need new technologies to come through. Technologies that have not yet been proven at scale are going to need to be deployed and tested. That is going to be a challenging deadline. Some of the concern around the sectoral plans relates to the sharp nature of the emissions reduction that the bill will require.

Mr WATTS: My question relates to Queensland being an exporter, particularly of mineral resources. I am curious about what targets might have been set by Queensland's competitors on an international level around reductions in emissions. I am trying to understand, as a commodity, how we can chase those targets and remain competitive.

Mr Barger: I guess that goes to some of the detail of the drafting suggestions under section 6(4) that we made in our fifth recommendation around the relativity of emissions reduction targets. A bit like my answer to the member for Callide, because Queensland has such a diversified resource sector it is difficult to generalise across the board. When you look at particular commodities, whether that is LNG or metallurgical coal or silica sands, generally speaking Queensland's existing emissions reduction trajectory to 2050 of reaching net zero is generally already ahead of the bulk of the competitor market. Partly that is the nature of resources where, in many commodities, Queensland competitors are emerging economies that have been less quick to adopt emissions reduction targets.

We think that something that would be useful for the expert panel to consider in providing their advice to the minister is, in having a look at what industries have achieved, they not only need to consider the technologies that are available, as the member for Callide brought up in his question, and be aware of technologies that are available, as the chair asked in her question, but also need to look at the relativities of the competitors in the market. If we are looking at LNG, what are the other producers of LNG that are supplying into the same markets that we are supplying into doing in terms of their emissions reduction goal. That is quite a difficult and complicated process. It is the sort of question that we would hope the expert panel would be resourced to get their teeth into and provide in their annual statement to parliament a bit of a progress report.

I think the expectation is that Queensland would be ahead of our competitors, but I also think the expectation would be that we do not get so wildly out of step that we are actually hurting the competitiveness of our export industries, particularly given that, for a lot of those commodities, a decarbonised electricity supply is an important benefit for them in continuing to win supply in those markets. It is a delicate balance that they have to walk in terms of achieving the transition as quickly as you economically can without damaging your competitiveness and losing those export markets that your decarbonised electricity supply will provide the greatest benefit for. Aluminium is a great case in point.

It is no surprise that Rio Tinto has signed the largest contract for the purchase of renewable electricity in Australia's history because that challenge of decarbonising our aluminium production is a real opportunity and the best brains in the state are very focused on that, but we cannot get too far ahead of the competition or we start to damage the competitiveness and lose the opportunity that is there for us if we can successfully decarbonise our export economy.

Mr WATTS: Just further to that, are you aware of anything happening—

CHAIR: Member for Toowoomba North, if you could make this really quick and concise, we have the next witnesses in the waiting room.

Mr WATTS: Very quickly then, Andrew, is there anything going on at an international level to try and make sure that on an international scale everybody is chasing this target?

Mr Barger: I am sorry, but I just lost the end of your question then.

Mr WATTS: I am just trying to understand if at an international level our competitors in these various commodities are also feeling international pressure to meet these targets.

Mr Barger: Yes, I think the pressure is felt globally as an advanced First World economy, but I doubt that a nickel producer in China feels the same ESG pressure from investors and shareholders in China as a producer in Queensland, for example, so I think probably the pressure is greater and the level of expectation of producers in Queensland is greater. Does that answer your question?

Mr WATTS: It does. Thank you.

CHAIR: Terrific. Thanks very much, Andrew. Thanks for contributing today. We hope all goes well on your Heron Island visit. There were no questions taken on notice, so thanks very much again for your contribution.

Mr Barger: Many thanks.

FLETCHER, Mr Daniel, General Manager, Communities and Livability, Western Downs Regional Council (via teleconference)

RUHLE, Mr Nathan, Manager, Intergovernmental Relations, Local Government Association of Queensland (via teleconference)

SMITH, Ms Alison, Chief Executive Officer, Local Government Association of Queensland (via teleconference)

VEA VEA, Ms Kelly, Mayor-Elect, Isaac Regional Council (via teleconference)

CHAIR: Welcome, after what has probably been a very big weekend for you all. I am sure you are all recovering after a very big weekend. Over to you, Alison, to make an opening statement.

Ms Smith: Thank you very much. Good morning. Thank you so much for inviting the LGAQ to participate today. I would like to firstly acknowledge the traditional owners of the land on which we gather and pay my respects to elders past, present and emerging. Nathan Ruhle and I are dialling in from Canberra, so I acknowledge the Ngunnawal people. Joining me is Nathan Ruhle, Manager of Intergovernmental Relations. I am pleased to also acknowledge two of our members joining today: from Western Downs Regional Council we have General Manager Daniel Fletcher and from Isaac Regional Council we have Mayor-Elect Kelly Vea Vea. The LGAQ, as you know, is the peak body for local governments across Queensland. We were established in 1896 and our role is to represent all councils—all 77—and provide trusted advice, support and advocacy. We are pleased to therefore be provided with this opportunity to speak today and take any of your questions if you have them.

As Queensland's economy transitions to a clean energy future, local communities, especially those that are going to be hosting these large resource projects, and their councils need to ensure that they have place-based plans that can respond to the economic and social challenges that these sorts of changes will bring and that people will be put ahead of the politics of any projects that are undertaken. Obviously the state government will of course be driving the transition process and coordinating it, but it needs to be delivered locally. When you think about Queensland and how our communities are structured, every community is unique. They need therefore tailored, place-based and long-term economic and social sustainability plans; otherwise, those communities that are hosting these projects will be left behind.

We certainly acknowledge that the Queensland Climate Transition Strategy recognises that local governments have an important role to play in facilitating and supporting programs towards the net zero emissions goal. To that point, as you have seen in our submission, Queensland councils are supporting state and federal emissions targets. Queensland councils have been setting and planning ambitious emissions reduction targets for their own operations. They have been investing and exploring options to reduce emissions associated with their council fleet and plant equipment, landfill, wastewater treatment facilities, electricity for council owned buildings, and the list goes on and on. However, the LGAQ maintains that greater investment and support for councils is needed to effectively achieve the transition to net zero. We know that the bill aims to support jobs and secure Queensland's economic future by enshrining the state's emissions reduction commitments and more. All of our members value economic certainty and the sustainability of Queensland's local communities and I have no doubt that Mayor-Elect Vea Vea and general manager Daniel Fletcher will probably speak further to those points and provide some case studies for you.

In our submission the LGAQ has made four recommendations to effectively broaden the policy framework that represents decarbonisation and the community transformation to net zero. One of those is about having a seat for local government on the energy expert panel, and I want to thank the QRC just previously in their submission for giving support to that recommendation also. Thank you. I will hand back to the committee.

CHAIR: Thank you very much. Did Mayor Vea Vea or Mr Fletcher want to make any opening remarks?

Ms Vea Vea: Yes, I do have some opening remarks, if that is okay.

CHAIR: Yes. Thank you.

Ms Vea Vea: Thanks, everyone, for having me and thank you to the LGAQ for inviting me to attend on behalf of my region today. As the deputy mayor and the incoming mayor of the largest resource region in Queensland, I want to echo our support for the recommendations that have been provided within the LGAQ submission. My council did not lodge a submission individually because

we had a lot of input into the LGAQ's and we agree wholeheartedly with the narrative and the recommendations that they are putting forward for us. We think it is critical that this legislation does not add to the proverbial spider's web of legislation that governs resource and renewable projects.

My region alone delivers over \$10 billion of royalties to Queensland and every day we support nearly 15,000 nonresident workers who travel from all over Queensland to come into our region. We are home to and facilitate high-paying jobs and we do provide a home away from home, so any disruptions to the employment industry or working conditions of the 15,000 nonresident workers in our region, on top of those we are already hosting residentially, is not just going to affect us here in Isaac. We just want to be clear that what happens out here reverberates into these people's homes in Brisbane, the Gold Coast and the Sunshine Coast.

I also would like to echo the support for the establishment of a regional transformation authority. From our point of view, that is because communities like Glenden, Mount Isa and where I am sitting here today in Clermont, which is the next one, are all grappling with the decommissioning of long-term traditional industry projects and they are being described and treated at a state level as one-off situations. While I acknowledge that every scenario is different, my region will experience another 31 of these one-offs in our lifetime. As I said, I am sitting here today in Clermont and this will be our next community that will be decommissioning a mine within the next few years. I know that there are a lot of other councils in Queensland that are in the same boat as us.

While this is all occurring we are meant to be maintaining livability and enabling economic diversification in the pursuit of the clean economy, and I can honestly say that we do not have capacity within our organisation to manage this effectively without a coordinated mechanism established by the state. It is our view that the regional transition authority would be made up of departments to address housing infrastructure, set clear and coordinated approaches to overarching principles, guidelines and access to funding and navigating policy. On page 2 of the explanatory notes it says that the bill provides a framework for future action that builds on significant investments the Queensland government is making and it says that there are six areas of significant investments and funding streams, programs, strategies and road maps. For us it does become a spider web of policy that sits within different portfolios of government and we are struggling to try to navigate these at a local level to get outcomes for communities.

As I said, the reality is that we are not equipped with the people or the finances to try to do that and the huge potentials that sit within the policy and plans, including this one that we are talking about today and the ones that will be developed in recent years. Without a coordinated approach, it is obvious to us out here at the coalface that the full benefits will not be realised and a consistent approach to mitigation strategies will not be had. We will not be able to harness opportunities with decarbonisation if we do not establish that authority. I would really love to speak to another couple of recommendations, if that is okay, or would you prefer me to wait for questions?

CHAIR: We will be concluding in 20 minutes time. Is Mr Fletcher going to make a statement as well?

Mr Fletcher: If I can, and I will try to be relatively quick, but I am happy if you would like to continue, Madam Mayor, to close that out.

Ms Vea Vea: I will be as quick as possible and I am so sorry for having quite a long statement, but this is really important to our region. I know it is important to a lot of resource regions.

CHAIR: I appreciate that, but I just know that time is limited and the committee will have questions for you.

Ms Vea Vea: Of course.

CHAIR: I am trying to make sure that we strike the right balance.

Ms Vea Vea: I will go really quickly.

CHAIR: Great.

Ms Vea Vea: I just wanted to say as well that having a dedicated voice that sits on the Clean Economy Expert Panel is really important, because currently what we do know is that local government does not have a seat at the table to ensure the intention of this bill is realised. I was sitting in a meeting just two weeks ago, participating in discussions with other council representatives across the country with the federal Minister for Climate Change and Energy and in his opening statement he made it very clear that he has localised challenges that are preventing him from achieving a range of targets. He was sharing examples from our planning schemes and approval processes, and I think for all of us across the country online it just was not surprising. There is not

any collaboration that identifies barriers at a delivery level and helps identify solutions as we develop policy. There is not a consistent voice and policy planning to highlight issues at a local level at a very early stage, and I think that is why it makes sense to give local governments a dedicated voice on the expert panel and only by legislating that seat for local government will the rubber hit the road on decarbonisation. Thank you. I will leave it there.

CHAIR: Thank you. Mr Fletcher?

Mr Fletcher: Good morning, Madam Chair and members of the committee. I will try and cherry-pick some of my statements given our time constraints. Firstly, thanks for inviting Western Downs to participate. I would like to acknowledge the traditional owners of the land. I come to you from Barunggam country this morning. Western Downs is also very much aligned to the LGAQ submission, including the four recommendations, although we did put in our submission as well.

CHAIR: Thank you for making that submission. We appreciate it.

Mr Fletcher: Not a problem at all. Our council is very much steadfast in being able to support the success of this bill and other associated bills as well, but there are a couple of clarification pieces that are probably pertinent to us—in particular, the process in which the minister will establish the interim targets for 2040 and 2045, the specific industry sector that will be subject to tailored emission reduction plans, the degree of stakeholder engagement in formulating those interim targets and the emission reduction plans as well, and the nature and scope of incentives provided to businesses for meeting the emission reduction objectives and any potential repercussions for businesses failing to comply with those emission reduction mandates.

We are certainly acknowledged as the energy capital of Queensland. We are at the forefront of the energy transition out in our region. With a gross regional product of \$3.68 billion, the economic output per capita in the Western Downs almost matches Brisbane and we significantly surpass our neighbouring councils, many of which are larger than us. We are thriving in agriculture, energy and manufacturing, making up 15.2 per cent, 6.2 per cent and 6.4 per cent respectively of our workforce out here. Since 2016 we have approved 24 solar farms—10 currently operating and two under construction. We have two operational wind farms, with stage 1 of the Wambo Wind Farm currently under construction as well.

In the inquiry overview it states that by legislating targets the bill aims to achieve two things: create policy certainty to attract investment in new industries and in decarbonising the state's existing industries. Western Downs is very much supportive of this; and support the creation of more job opportunities in Queensland's emerging clean economy industries and in existing industries. This particular aim, while noble, does create some complexities for the prosperity of our region and arguably similar regions. The rationale for this is that in 2021 we had Deloitte Access Economics complete a workforce gap analysis and at that time it identified a gap of 4,610 jobs, and without any significant intervention or support this number is expected to grow to around 7,790 by 2030. We are certainly excited about the opportunity and the energy transition, but there are some real challenges on the ground of getting vacancies filled at the moment. Adding additional jobs, while everybody is excited about that, does create some serious challenges for us. We see the success of this bill pretty similar to the Queensland Energy and Jobs Plan: without disproportionate funding being allocated to the identified renewable energy zones, the targets will be out of reach and the strategic intent of the bills will be hard to materialise. I will hold up there and welcome any questions or discussion.

Mr WEIR: Daniel, you probably just touched on my question. I noticed in the LGAQ's submission, I think—do I have the right one? It might be the Western Downs submission. It talks about the reports that have been done, and each of the reports clearly highlights that the risks associated with getting this transformation wrong are equally as significant as the positives. What specifically are those risks?

Mr Fletcher: The biggest one we would speak to is the coexistence. We have a significant challenge at the moment with managing the coexistence of the current development in our region, and a lot of credibility needs to be given to the Queensland government in establishing the GasFields Commission but also extending the scope recently to include the renewable energy sector. As the government on the ground in the region here, we are regularly chatting with landholders about the complexity they have to deal with in the immediate and long-term challenge of this public transition. If I was to respond, that would be ideally the coexistence challenge for us.

Mr WEIR: Alison, is that pretty much what you are referring to?

Ms Smith: I might hand over to Nathan Ruhle to speak on that particular aspect of our submission.

Mr Ruhle: As our submission outlines, realising the opportunities through decarbonisation will be one challenge that local communities will face, as well as obviously mitigating any risks or challenges. It speaks to that first recommendation we made around establishing the transformation authority so that across government there is a well-coordinated effort in making sure we are ahead of the game, if you like. As Mayor Veve outlined, there are a couple of specific recent case studies of where there are challenges in communities—and she spoke of Glenden and Mount Isa with their particular projects and how they have impacted the community in the last 12 months—but we know that there will be more obviously going forward. Making sure that the framework is coordinated at a state level across government agencies is critical and that the focus is not just about that economic diversification piece but also bringing communities along on the journey is critical. Our submission outlines a couple of specific reports that have identified the opportunities that can be realised through decarbonisation as well as notes the challenges.

Mr HEAD: This question is for everyone. Daniel, being in my local area, if you could answer first, please, it would be appreciated. There is a lot of technology that needs to be developed, refined and even, to some extent, invented for this to happen. For the sake of rural communities, it is going to need to be commercially viable to be rolled out but also come with a lot of jobs and a lot of opportunities for rural and regional Queensland. If we do not get this right, what does the future look like for regional and rural Queensland?

Mr Fletcher: The particular challenges we are facing at the moment have probably been exacerbated in the last 12 to 18 months with some federal government provisions around coal seam gas. Notwithstanding that, the supply chain for supporting the renewable transition and being able to support it locally is not able to transition quickly. Local businesses need to be able to plan, prepare and execute for the supply chain opportunities. If we cannot get that right, if we cannot give them enough lead time, it is going to be incredibly complicated; it is going to be very compromising for a lot of businesses. The long-term outcome for the small businesses in our smaller towns—not only the smaller towns but all regional towns—I think is going to be a real challenge.

Mr HEAD: Does anyone else want to provide comment?

Ms Smith: It is a good question, because this is the crux of what we are talking about. In summary, it is why LGAQ is asking so strongly to have that community voice representation, because of the importance of delivering local, place-based solutions as well as ensuring they are significantly funded—properly funded—to be able to hit the ground running so that communities are not left behind. When we talk about properly funding, it is around enhancing livability of those host communities and communities that will be impacted by decarbonisation. It is why one of our recommendations is to have the REFF program expanded. That was set at an initial \$200 million, but we see that that needs to be expanded so as to provide that long-term community sustainability, because having enabling infrastructure is not just about economic diversification; it is about housing, roads, water, education, health services, skills and training support.

CHAIR: Alison, in terms of local councils and their corporate emissions, do you know if there is any data that exists to show what the current reductions are that the local government sector has achieved?

Ms Smith: If there is data, it is not one that LGAQ holds. Obviously what councils are doing to work on their own transmission goals and how they are looking at minimising emissions and enabling offsets of fleet and other equipment is all done at an operational level. On the issue of what councils are doing, we believe that councils are making some really great inroads, and where they are making great inroads that provides opportunity for those initiatives to be scalable and applied to other councils, again ensuring there is funding to be able to do that. In fact, one of the pieces of research LGAQ has commissioned recently relates to the Olympics. As members of the committee are aware, it is an emissions-positive or green-positive Olympics that we are heading towards. Therefore, councils have come up with ideas of how a funded program from the state to establish a sustainable building fund for new or retrofitted councils could be an ideal way to help with that overall goal from the Olympics.

CHAIR: It would probably be a useful exercise to look at how you would coordinate that data and that information. If it is looking to have a seat at the table as an expert panel, I think having access to that data so that it is all evidence-based is very important. In terms of your submission requesting that seat at the table for local government, would that be a representative from LGAQ which forms part of the process for looking at who might sit in that seat? What were your thoughts on that?

Ms Smith: It would be, in our eyes, ideal for the LGAQ to be extended an opportunity. Having said that, we would look to one of our key councils to put up a representative if that was appropriate. There is obviously great opportunity to have directly affected councils sitting at the table. However, if the opportunity was to provide a statewide view then of course LGAQ could provide that representation.

Mr WALKER: The LGAQ recommendation 2 recommends that the Regional Economic Futures Fund is significantly expanded. What is the current budget of REFF?

Ms Smith: As I said before, it started off with an initial \$200 million fund. That was something the Premier announced back in September 2022. It has quite broad objective. The REFF program is essentially to support long-term community sustainability. Since it was announced last year we have had regional transformation strategies and implementation plans being developed across regions such as North-West Queensland, Central Queensland, Darling Downs, South-West et cetera. We think that funding should be increased. In fact, in 2022 at our annual conference, our members supported a resolution that called for the establishment of a sovereign wealth fund. That is something that would provide long-term support for regions to transition to net zero, to support other regional economic and community development opportunities and also to provide physical stability and long-term sustainability through those regions. Ultimately, what we are saying is that if you are going to properly fund the community transformation that is needed to enhance the livability of these communities that are going to be impacted then the current REFF program needs to be expanded.

Mr WALKER: When you say 'expanded', by how much? What sort of percentages or dollars are you looking to expand it by?

Ms Smith: That is something we would be happy to work through. If we have the opportunity to further consult with our members, we can do that as well. As I say, while the initial amount, whilst supported, at \$200 million is a great start, we see that as a great start. We are happy to look at that further.

Ms PUGH: Depending on side of the fence our submitters today have been on, we have heard that setting legislated targets is either going to be beneficial or going to potentially cause challenges. The targets we are talking about legislating have been around for quite some time. If legislating these targets is not the answer, what actions have been taken while these targets have been known and how can the community have confidence going forward that we are going to get anywhere near the targets we had set?

Mr Ruhle: From our perspective, we would say that setting targets is not the only answer. It is about building capacity and working across government to deliver a tailored, place-based plan to help each community on that journey. Members would have heard from other submitters this morning already about the challenges for industry. We are saying that everyone needs to be at the same table and that there needs to be a legislated voice for local government to provide that certainty for our sector and for the communities that our members represent, to ensure they are part of the conversation. It is not just about targets or no targets. We would say that targets are one thing, but to actually achieve we need a plan to build capacity across the state, particularly targeting those more high-risk communities who will feel a greater impact from this transition.

CHAIR: Thank you all very much for your contribution and time today. The time for this session has expired. That concludes this hearing. Thank you to everyone who has participated today. Thank you to our Hansard reporters and our secretariat team here. A transcript of these proceedings will be available on the committee's webpage in due course. I declare this public hearing closed.

The committee adjourned at 12.00 pm.