

Clean Economy Jobs Bill 2024

Submission No: 2
Submitted by: Western Downs Regional Council
Publication:
Attachments: No attachment
Submitter Comments:

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4 March 2024

Clean Economy Jobs Bill 2024

**WESTERN DOWNS REGIONAL COUNCIL
SUBMISSION**

1. Feedback Point One - Emissions Reduction Targets

RESPONSE: Council supports the Queensland Government's intention to develop a Clean Economy, to support clean and healthy living for the future, and sees the benefit to the Western Downs Region and the broader state. While Council sees the targets of the Clean Economy Bill 2024, section 5, as ambitious, it is supportive of the targets of 30% reduction by 2030, 75% reduction by 2035 and net zero by 2050.

It is important; however, further clarification be sought for Council to understand how the interim targets for 2040 and 2045 will be determined by the Minister. It is noted that interim targets are formulated based on a percentage decrease of greenhouse gas emissions compared to 2005 (baseline).

It is understood that annual progress statements will be prepared by the Minister for each financial year, including progress towards the targets and including measures taken to increase employment opportunities in emerging industries and support provided to employment affected in industries. While consideration is given to the economic, financial, and social impact the interim targets may have in Queensland, including any impact on communities, industries, and rural and regional areas, it is imperative for Council to ensure interim targets will be developed through regional and industry consultation.

Council feels it appropriate for the Bill to have synergies with the Energy (Renewable Transformation and Jobs) Bill 2023 (previously consulted on) and make considerations to produce renewable energy offset within regional areas.

Rationale:

Western Downs Regional Council (Council) is supportive of future proofing the region in accordance with changing climate and transitioning economies. Support for the Clean Economy Jobs Bill 2024 targets for emissions reduction can be seen with Council currently undertaking a carbon emissions study and exploring pathways to reduce carbon emissions to net zero by 2050. While there is an existence of targets, it is yet to be understood in what manner the interim targets will be developed across the lifetime of the Bill at the Minister's discretion.

While the interim targets are important to reach the final goal of net zero by 2050, it is important for Council to understand what measures are in place to ensure that regional consultation will occur prior to the targets being set as per Section 6 of the Bill. Council appreciates the consideration given to rural and regional areas in Section 6.4 - I and would recommend the inclusion of industry stakeholder representation to inform the decision by the Minister. This will ensure that priorities are operationally and financially beneficial and achievable for regional and remote sectors that traditionally face a unique set of challenges.

It is also important to note that the Western Downs is proudly trademarked the Energy Capital of Queensland. The Western Downs is located at the heart of the Southern Queensland Renewable Energy Zone, and as indicated by the Queensland Energy and Jobs Plan and Blueprint, is in the first phase of further renewables development. With the commitment to a cleaner economy, the region has approved 24 solar farms since 2016, with 10 in operation or construction, is home to 2 operational wind farms with the Wambo Wind Farm currently under construction. In addition to this, a renewables-based hydrogen demonstration plant is currently being constructed at Kogan Creek Power Station to enable the power station's transition to an energy hub as part of the Queensland Energy and Jobs Plan.

The region is committed to support renewables developments in the region and implementing strategies to increase the amount of renewable energy it is producing. Council is also conducting a Carbon Emission Study to determine the current baseline of emissions across the organisations and opportunities to reduce and mitigate these. The study aligns with the Government reduction target of

net zero emissions by 2050, however please note that this work is still in progress and no formal target has been adopted by WDRC at this point in time.

While it is understood that the bill aims to reduce emissions from a sector perspective, Council asks how consideration is given to regions which already have a large investment from renewable energy actions or carbon emissions reduction initiatives in place. The Western Downs is home to a significant number of renewables developments, and it is suggested the Bill takes into consideration how the region's significant contribution to the decarbonisation of the grid supports the sector action plans. This is particularly important when the decarbonisation of the grid reduces scope 2 of large industry sectors, and this state-wide reduction of emissions is particularly made possible by numerous landholders across the Western Downs region that support the deployment of renewable energy developments on their properties.

2. *Feedback Point Two - Identification of Sectors Subject to Emissions Reduction Plans*

RESPONSE: Western Downs Regional Council (WDRC) supports reducing greenhouse gas emissions within Queensland to achieve and protect a healthy environment through the implementation of Emissions Reduction Plans. However, further clarification is sought within the Bill, to determine what sectors or industry characteristics will be subject to the program of Emissions Reduction Plans, consultation that will take place throughout the development phases, and incentives to support sectors to achieve these.

Rationale:

The current Bill does not state which industry sectors will be exposed to sector specific Emissions Reduction Plans and makes no reference to consultation which will take place in the development of those. In addition to this, it is not clear which incentives will be supporting businesses to achieve the emission reduction plans, and if there are any negative implications for businesses when these are not met due to various reasons. More clarity is required on the identification of sectors subject to emissions reduction plans.

Sector specific emission reduction plans must include an analysis of data in relation to GHG Emissions, an estimated reduction, and actions undertaken by the State to reduce GHG emissions by the sector. However, it is unclear at this stage what measures will be imposed on businesses in the sector to undertake these plans.

Considering transitional risks to businesses, it is important that the Government clearly consults and informs the many sectors within the region who will be required to implement changes that are a result of an 'emissions reduction plan.' In addition, the Government needs to increase their efforts to provide tailored support to businesses to achieve these. Section 11 of the Bill leaves a great deal of uncertainty for sectors to be defined outside of legislation and at the discretion of the Minister.

Council strongly recommends that the introduction of Emission Reduction Plans is coupled with strong and ongoing regional stakeholder engagement to ensure that the proposed plans are achievable and flexible to adjust targets if the cost of implementation begins to outweigh the benefit. Council stands firm on the need to include that in-depth economic and social analysis be completed to provide a thorough understanding for each industry on what the impact of the cost on their industry will be. Considering the need for upfront capital costs it is suggested that further grant programs are developed to assist businesses through transition.

Any amendments needed to the initial reduction plan would be evident on the ongoing reporting that will be analysed as stated in section 10.1 - (a). However, council would like clarification on how the analysis will be conducted and whether the state will be consulting with industry and environmental experts on the matter. Council also questions why the analyses will only be reviewed by the Minister every five years as stated in section 11.4.

Western Downs Region has multiple industries that all greatly contribute to the prosperous economy of the region achieving \$3.6B in Gross Regional Product in 2022. Considering the diversification and growth that is seen within the major industries within the Western Downs, it is important to consider having more frequent analyses throughout the length of the reduction plan. It would allow to identify for any subtle changes made throughout the program.

Council strongly believes that the Queensland Government should focus on practical solutions, including strong investment in R&D, to support *all* industries in achieving the transformational goal. Key pillars of the Western Downs economy are agriculture, intensive agriculture, energy and manufacturing which combined contribute over \$1B to the economy. Whilst a number of innovative trials are already happening across the region to reduce carbon emissions, there is a significant risk to the economy if emissions reductions are required to be made without cost-effective emission reduction technologies available on a commercial scale.

In the beginning planning stages, Council would encourage state to provide a list of all sectors involved with the bill, to undertake significant engagement with the industry sectors in the development of the emission reduction plans and a timeline for each sector to implement their emission reduction plans.

3. **Feedback Point Three - Support for Sectors subject to Emissions Reduction Plans**

RESPONSE: Western Downs Regional Council supports the Bill and its proposals to provide targets in relation to greenhouse gas emissions reductions, however, wants to acknowledge the ongoing impact on existing regional communities, workers, and the environment. Council holds legitimate concern for the communities in the region that may face adverse repercussions if generous consideration is not given and addressed in relation to the transition to meet such ambitious targets.

Like many regional communities, Western Downs Region is powered by diverse industries that provide employment opportunities and generate ongoing economic growth for the region. Imposing emissions reduction measures on industries in regional areas has the potential to negatively impact the community, workers, and their employment opportunities.

While our support for the ambitious targets remains resolute, Council recommends, prior to enacting the Bill, that Queensland Government ensures there are adequate pathways and support to support industry changes, for both people and assets, while minimising environmental impacts.

Rationale:

Western Downs Region has multiple major industries that greatly contribute to the national economy via the financial output and create local and regional employment opportunities. The Emission Reduction Action Plans should be formulated in such a way that they are practical and assessable and do not place significant disruptions on any given industry.

In addition to this, extensive support programs should be available to ensure businesses are supported throughout their transition. Western Downs region's biggest economic contributors include construction (\$719.1M), mining (\$645.9M) and agriculture, forestry, and fishing (\$618.2M). Based on the national inventory by economic sector, Australia's highest carbon emitters include agriculture, mining and the energy sector. The nature of these sectors creates complexity to reduce carbon emissions on scale and more consideration needs to be given to the opportunity to offset emissions that are not yet able to be reduced and which are awaiting further technological advancements. These three sectors make up 31.7% of the regions workforce which is why it is important to provide adequate pathways for people and assets within the community.

Introduction of funding to support the training of workers and businesses from the chosen sectors as seen and mentioned in Western Downs submission for the Energy (Renewable Transformation and Jobs) Bill 2023, will ensure that regional areas have job/ employment security and mitigate drastic

changes in their current sector and gives the Council assurance that there will be no disruption to our regional economy.

The introduction of the Bill poses significant transition risks to major industry sectors in the Western Downs. To enable long-term security of our regional economies, environmental considerations need to be considered in line with economic and social implications. Significant financial and human resources need to be made available to support industry sectors throughout the transition.

Regional communities should be at the forefront of the planning process when actioning the Bill. Due diligence should be undertaken to ensure all potential risks are mitigated in collaboration with impacted Local Governments, and plans are put into place to protect communities and regional economies.

Council advocates for the inclusion of support programs for industries that are fossil-fuel reliant or major contributors to greenhouse gas emissions. While the transition to reduced emissions is always challenging for industry, the financial burden that could be attracted to such changes, for development of innovative technology or the likes, could be detrimental to business operations. We refer back to Feedback Point 1, where Council strongly recommends engagement with regional and industry stakeholders to understand these challenges. This could be added to section 8.1 - (e) as measures the Queensland Government could take on a state level to support affected sectors achieve their emission reductions target.

4. **Feedback Point Four - Clarification on Clean Economy Expert Panel Membership**

RESPONSE: Western Downs Regional Council *in-principle* supports the establishment of a new Advisory Panel encapsulated within part 4 of this Bill. Council understands the input and advice of those who can advocate for the best outcome for all, while bringing knowledge and expertise to various issues is an important deliverable of the Bill. However, Western Downs Regional Council hold concerns regarding the panel being restricted to advising on emission reduction targets and not on the industry specific reduction plans.

Council would like to see wide representation across the Advisory Panel to represent the interest of the broader regional community and industry and be able to inform the Minister on solutions to reduce emissions across the state. A recommendation to increase the quorum of minimal panel members with relevant industry experience and qualifications would greatly enhance the consultation with the Minister to make informed decisions regarding this bill.

Rationale:

Council agrees that an advisory panel will greatly benefit the Minister's ability to successfully achieve emissions targets as per Section 14 of the Bill, however, there is a lack of business and community involvement through the terms of appointment as stated in section 16 of the bill.

Council recommends involvement of at least one skilled industry representative as well as one local member of an affected regional area who will be able to provide input which is more community focused. Council also asks for the minimum number of representatives be raised from the current two. This would improve the diversity of skill and representation of sectors across the state. Whether the involvement is through the advisory panel, or a separate entity is up to the Minister, however, it is crucial that the community that houses any of the chosen sectors is not mis/unrepresented at any capacity.

Councils main focus is always the success of the Western Downs region and our communities. Lack of representation of the Western Downs region (or a similar region) can lead to a generalised approach from the panel which is at risk of misunderstanding the regional conditions.

While it is understood, under section 14 of the Bill, that the primary function of the advisory panel is to advise the Minister about achieving the emissions reduction targets and ways to reduce greenhouse gas emissions in Queensland, Council feels that a stronger partnership between the panel and the Minister is required within the legislation to ensure that the panel can have informed and educated input into the development of the Program of Emissions Reduction Plans, including which industries are to be impacted and the content of the plans.

In section 16.2 of the bill, it refers to candidates of the advisory body only needed to meet one of the listed requirements. Council recommends that this is changed to more than one as it gives the panel a broader range of understanding instead of only being competent in one single field. Consideration to the ambiguity of section 16.2 - (e) is needed as there is no link to any relevant fields which brings concern on if the appointed members will be able to provide the necessary feedback/input.

Including a regional stakeholder will further develop the Minister's understanding of the impacts the Bill will have on local communities and businesses. The Minister's greater understanding of community opinion will hopefully positively impact the program and progress the targets appropriately. With liveability at the forefront of the Western Downs Regional Council Economic Development Strategy 2023-2028, creating greater representation for regional communities in this bill will allow Council to prevent any leakage to surrounding regions in terms of the workforce seeking employment elsewhere.

Council also needs further clarification on how the expert panel will work with Local Governments to achieve better outcomes. The bill proposes regular reporting on the progress being made and council recommends including regular meetings with local government to sure the progress is being made through all regions in the state. It also allows for Local Governments to express any problems at a regional level that may arise throughout the duration of the program, which the state may not be aware of.

Council holds concerns over Section 16 of the bill with a stipulation of no more than 5 representatives of differing knowledge or industry skill to make up the expert panel which will advise across the entire state. With a size of 1.73 million km², Queensland holds around 460,000 businesses. Even with choosing just one sector it is unfeasible to ask a maximum of five people to oversee this many businesses through the transition into low or no emission production. This is why the inclusion of further advisory bodies is necessary to not exceed the capacity of the five expert panel members. Council strongly recommends the inclusion of panel experts from each affected industry including the three renewable energy zones and an industry specific member dependant on which sector is being impacted.