

## Clean Economy Jobs Bill 2024

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Clean Economy Jobs, Resources and Transport Committee  
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**RE: Submission to a Committee Inquiry - Clean Economy Jobs Bill 2024**

I am pleased to respond to the submission request of the *Clean Economy Jobs Bill 2024*.

Based in Brisbane, Luminair works with government, business and industry to help transition towards a sustainable future that benefits people, planet and prosperity. We have an active working relationship with the Queensland Government, are a certified B Corp, and have created almost \$1B in economic impact for Queensland.

Our work primarily focuses on achieving targets related to the future economy and ESG (Environmental, Social and Governance). This encompasses the initiation and execution of pioneering government pilots in Queensland, development of government strategy, and academic partnerships.

We understand that The Bill's objective is to mitigate Queensland's greenhouse gas emissions through defined reduction targets; and that these targets, coupled with a clean-economy aspiration, will shape future-facing policies, programs and frameworks; and harmonise Queensland with national targets. In alignment with our professional experience, Luminair humbly responds:

1. **Carbon offsetting - Financial implications.** The pivotal period of transition in emissions targets is between 2030 and 2035. This coincides with a likely surge in carbon offset demand (surpassing supply), thus inflating carbon offsetting prices. Projections indicate that the cost per tonne for carbon offsetting could exceed US\$150 by 2035.<sup>1</sup> Consequently, the financial implications of Queensland not meeting the 2035 target are substantial - even a 5% offset with carbon credits could cost Queensland US\$1.5 billion (~AU\$2.3 billion).

<sup>1</sup> A Hatfield-Dodds, Dr S and Boulus, P. (2023) *Australia's safeguard mechanism and the transition to net zero: EY - global*, EY Available at: [https://www.ey.com/en\\_au/sustainability/australias-safeguard-mechanism-and-the-transition-to-net-zero](https://www.ey.com/en_au/sustainability/australias-safeguard-mechanism-and-the-transition-to-net-zero) (Accessed: 04 March 2024)

2. **Adequate resourcing is required.** The *Clean Economy Jobs Bill 2024* binds all persons, including the State.<sup>2</sup> It necessitates a comprehensive societal transition that will not only inform Government policies, programs and frameworks; but will shape a whole-of-society shift toward regenerative and sustainable behaviours, models and approaches. This transformation requires adequate resources and mechanisms for societal change, along with financial and technical aids for regions most impacted by the transition to a low-carbon economy.

If Queensland was to match the European Union's commitment to allocate 30% of all expenditure until 2027 to climate-related projects, a commitment of AU\$25 billion from the 2023-2024 Queensland budget would be required toward similar initiatives.<sup>3,4</sup>

Furthermore, pertaining to adequate structural resources and specifications, The Bill offers Queensland a chance to embrace an era where social, economic, cultural and environmental benefits are considered in unison. This concept, termed 'Responsible Prosperity' by Luminair, ensures no aspect is compromised for another. *Section 6* implies this principle by mandating the Minister to consider the multifaceted impact of each interim target on Queensland. However, we observe a lack of explicit consideration in the expert advisory framework and panel membership outlined in *Sections 15* and *16*.

3. **Impacts on Queensland's stakeholders - Challenges and Opportunities.** The introduction of these targets offers significant **opportunities**. They demand a paradigm shift in Queensland's business practices and leadership for local government areas (LGAs), small and medium enterprises (SMEs) and residents. This shift is crucial for behavioural modification and achieving our common goal. To achieve the required step-change, Queensland needs to embrace an era of opportunities and **challenges**. A summary of some of the considerations Luminair is suggesting is provided both below and via the attached.

- **Local government areas (LGAs):** Queensland, a State of remarkable diversity, is composed of 77 distinct LGAs, each possessing its own unique identity, landscape and economic structure. As Queensland embarks on its journey toward a cleaner, more sustainable economy, it becomes evident that a tailored approach is required for each of these 77 LGAs.
- Luminair's recent invitation to present at a Queensland Government supply chain working group highlighted the potential benefits of empowering LGAs through strategic procurement from sustainability-oriented Queensland scale-ups. This approach could stimulate local economies, foster innovation and reduce economic leakage for Queensland. By enabling decarbonised and sustainable supply chains, LGAs could potentially drive new market development, enhance regional connectivity, create jobs and advance technology.
- **Small and medium enterprises (SMEs):** Business and industry are responsible for nearly half of all global emissions due to their role in production and consumption activities.<sup>5</sup> They also play a crucial role in the economy, with SMEs significantly contributing to our economy and accounting for approximately one-third of our national GDP. In Queensland, there are approximately 473,043 SMEs, constituting 99.86% of all businesses, with 97% employing fewer than 20 staff. <sup>6</sup> This indicates a substantial paradigm shift is required in terms of reach and impact. Practical, incremental changes can enable SMEs to contribute to emissions targets, promoting sustainable growth and responsible prosperity in Queensland.

<sup>2</sup> Queensland budget 2023-24 (no date) Clean Economy Jobs Bill 2024 Available at: <https://documents.parliament.qld.gov.au/bills/2024/3184/Clean-Economy-Jobs-Bill-2024-058f.pdf> (Accessed: 04 March 2024)

<sup>3</sup> (2024) European Council: Council of the European Union Available at: <https://www.consilium.europa.eu/en/policies/climate-change/> (Accessed: 03 March 2024)

<sup>4</sup> Queensland budget 2023-24 (2023) Queensland Budget 2023-24 Available at: <https://budget.qld.gov.au/overview/budget-overview/> (Accessed: 04 March 2024)

<sup>5</sup> (2022) World Economic Forum Available at: <https://www.weforum.org/agenda/2022/01/what-is-needed-to-build-a-circular-economy/> (Accessed: 04 March 2024)

<sup>6</sup> *Advancing Small Business Queensland* (no date) Department of Tourism, Major Events, Small Business and the Commonwealth Games Available at: <https://tinyurl.com/SMEQueensland> (Accessed: 04 March 2024)

- By empowering and fostering the growth of SMEs, we could not only enable these businesses to transition toward the demands of our new economy and open new market gateways, but also enable them to contribute to Queensland’s emission reduction targets. By leveraging opportunities from Environmental, Social and Governance (ESG) stewardship, Sustainable Development Goals (SDGs), technological progress and localised, decarbonised supply chains, Queensland businesses could flourish within a new era of economic transformation and expanded domestic and international supply options.
  
- As a Queensland SME and a Certified B Corporation (assessed at the international level for our social and environmental performance), Luminair proposes that the pathway to realising Queensland’s emissions targets and clean economy aspirations is to be paved, in part, by enabled and scaled Queensland SMEs.
  
- **Queensland residents:** To align with future emissions targets and aspirations for a clean economy, a comprehensive transformation in the behaviour of Queensland residents is imperative. Market research has highlighted a growing demand for clean and sustainable products, services and experiences. However, our own research, conducted through a Queensland-wide pilot, indicates that a significant number of residents and business owners are uncertain about where to begin. Given the current economic realities, which play an increasingly crucial role, it is unrealistic to expect spontaneous behavioural changes without proactive and targeted interventions and initiatives, even if they align with current trends. The proactive implementation of nudge economics, in conjunction with fair and equitable behaviour change initiatives (where beneficial choices result in equitable benefits for both society and individuals), represents a significant opportunity for Queensland. This approach could potentially catalyse the necessary shift toward a more sustainable future.

## Recommendations

Luminair recommends:

- a. Adequate Budget and Resourcing. *The Clean Economy Jobs Bill 2024* necessitates a comprehensive societal transition. It is recommended that the Government commit to the following:
  - i. adequate resourcing and mechanisms be enabled to support a transition toward regenerative and sustainable behaviours, models and approaches.
  - ii. this support includes the consideration of financial and technical aids, for regions most impacted by the transition.
  - iii. that a commitment to allocate a percentage of all Queensland Government expenditure to climate-related projects be investigated further.
  
- b. Responsible Prosperity. That the delivery of Queensland’s social, economic, cultural and environmental benefits is undertaken simultaneously for Queensland. For clarity, this means that ‘responsible prosperity’ becomes an undertaking that is enacted within:
  - i. the delivery and reporting of The Bill.
  - ii. interim target development / considerations.
  - iii. advice provided to the Minister by the expert panel (*Section 15*).
  - iv. establishment of panel membership / expertise (*Section 16*).
  
- c. Empowered LGAs. That our LGAs are empowered to transition toward reduced carbon emissions and a cleaner, more sustainable economy, via a:
  - i. tailored approach, which respects the heritage, aspirations and individual uniqueness of each LGA. This could include LGA-specific adaptation strategy, framework and integration guidance.
  - ii. coordinated and strategic approach to procurement. With a focus on demonstrating demand for sustainability-oriented Queensland scale-ups; and enabling decarbonised and sustainable Queensland supply chains.

- d. Support for SMEs. That SMEs are enabled to adapt to the changing economic landscape, meet the demands of the new economy and prosper, via a package of assistance that:
  - i. is practical, easy-to-implement and focused on incremental change; and that this assistance enables SMEs to contribute to emissions targets, whilst harnessing the benefits of sustainable growth and responsible prosperity.
  - ii. empowers, fosters growth and enables our SMEs with new markets/gateways.
  - iii. leverages opportunities from ESG stewardship, SDGs, technological progress and localised, decarbonised supply chains. Specifically, so that our Queensland businesses can flourish within a new era of economic transformation and expanded domestic and international supply opportunities.
  
- e. Resident Behaviour Change (Nudge Economics). That nudge economics is considered as a key mechanism to encourage sustainable and beneficial behavioural change; and that the subsequent behaviour change initiatives/interventions are fair and equitable to Queensland and its residents.

Thank you for the invitation to provide a submission. I would be more than happy to provide further information, clarification and/or appear before the Committee.

In the spirit of communication, consultation and collaboration,



**Stefanie Wilson**

Chief Executive Officer

Luminair Pty Ltd

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