## Planning (Social Impact and Community Benefit) and Other Legislation Amendment Bill 2025

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**Submitted by:** RACQ

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**Submitter Comments:**

The Royal Automobile Club of Queensland Limited ABN 72 009 660 575
2649 Logan Road, Eight Mile Plains, Qld 4113
PO Box 4, Springwood, Qld 4127
(07) 3361 2444 racq.com
Assistance Banking Insurance Lifestyle

20 May 2025 January 2025

Mr Jim McDonald MP, Member for Lockyer
Chair
The State Development, Infrastructure and Works Committee

Via: SDIWC@parliament.qld.gov.au

**RACQ Submission on Planning (Social Impact and Community Benefit) Amendment Bill 2025**

Dear Mr McDonald MP,

The Royal Automobile Club of Queensland (RACQ) is Queensland's largest member-owned mutual, and we exist solely for the benefit of our over 1.7 million members. Throughout our 118-year history, we have actively engaged with Government in the interests of our members, sharing our expertise and recommendations on a wide range of policy areas including commercial, industrial and home solar, transport affordability and sustainability, road safety, transport and infrastructure, natural hazard resilience, and disaster response. Our membership makes up a significant portion of Queensland's population, and we have a presence in more than 60 percent of Queensland homes.

RACQ through RACQ Solar has extensive experience operates nation-wide for commercial and industrial installations. RACQ became the majority shareholder in highly awarded GEM Energy in early 2022. Established in Emerald, GEM Energy has combined the latest technologies and exceptional service to provide safe and reliable solar, inverter and battery systems across Australia since 2013. Along with delivering outstanding residential solar panel and battery systems, GEM Energy has been trusted to install self-consumption commercial systems for prominent Queensland organisations, including Australia Zoo, Brisbane Convention and Exhibition Centre, RNA Showgrounds, Catholic Education Rockhampton and Catholic Education Townsville.

RACQ supports the government's commitment to ensuring appropriate regulation of and community consultation on utility-scale renewable energy projects. This submission however seeks a discrete change to the proposed amendments to Queensland's planning framework for renewable energy projects, specifically regarding the proposed definition of "large-scale solar farm" in the Bill and its unintended application to commercial-scale self-consumption focused solar installations.

**Key Concern: Definition of "Large-Scale Solar Farm"**

The current proposal defines a large-scale solar farm as "a solar farm development that has a generation capacity of one megawatt or more and/or two hectares or more of site cover." This threshold fails to distinguish between utility-scale solar farms and commercial-scale installations intended primarily for self-consumption at business premises.

**Recommendation**

We recommend amending the definition of "large-scale solar farm" to:

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- **Increase the capacity threshold from 1 MW to 5 MW, and**
- **Add a purpose test** that distinguishes between utility-scale generation (primarily exporting to the grid) and commercial self-consumption installations

**Unintended Consequences**

**1. Disproportionate Red Tape Burden**

The proposed framework would subject commercial-scale solar installations (1-5 MW) to the same extensive requirements as utility-scale projects, including:

- Social Impact Assessment (SIA)
- Community Benefit Agreement (CBA)
- State Assessment and Referral Agency (SARA) assessment
- Mandatory public notification
- Third-party appeal rights

These requirements are designed for large utility grid focused projects with significant community impacts, not for commercial scale self-consumption installations.

**2. Weakening Business Energy Security and Increasing Costs**

The Bill as presently worded would have unintended negative consequences on the Queensland economy, notably in regional Queensland where electricity costs add to difficulty in doing business. The present threshold fails to distinguish between utility-scale solar farms (grid electricity generation) and commercial-scale installations intended primarily for self-consumption at business, utility or local government facility premises. The commercial scale installs are mainly roof mounted though some utility projects are ground mounted or a combination. The energy intensive typical businesses that will be negatively impacted are retailers and shopping centres, data centres, manufacturers, (ie food processing) and logistics and cold storage. There would also be negative impacts on local government and other community infrastructure with high energy demand, such as waste water treatment plants.

**a) Critical Business Infrastructure:**

- Many Queensland businesses have invested in or are planning on-site solar generation (1-5 MW) as a critical strategy to secure long-term energy price stability and reduce operational costs
- These installations provide businesses with protection against volatile electricity prices and grid reliability issues
- On-site generation has become essential for maintaining competitiveness, particularly for energy-intensive industries
- Many businesses' financial viability depends on the predictable energy costs that on-site solar provides

**b) Sustainability Objectives Undermined:**

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- Commercial solar installations (1-5 MW) are a key component of many businesses' sustainability and emissions reduction strategies
- These installations help businesses meet corporate sustainability targets, ESG commitments, and customer expectations
- The proposed regulations would effectively prevent businesses from achieving these objectives
- This would place Queensland businesses at a competitive disadvantage compared to interstate and international competitors

**c) Competitive Cost Disadvantage:**

- Queensland businesses would face a significant competitive cost disadvantage compared to businesses in other states without such onerous requirements for commercial-scale solar
- The inability to deploy cost-effective on-site generation would increase operational costs
- Energy-intensive businesses may relocate to other jurisdictions with more favourable regulatory environments for commercial solar
- This would result in job losses and reduced economic activity in Queensland

**3. Impact on Commercial Solar Installation Industry**

The proposed regulations would effectively shut down the specialised industry that has developed to serve the commercial and industrial (C&I) solar market in the 1-5 MW range:

**a) Industry Viability:**

- Queensland has a thriving ecosystem of specialised solar providers focused on the C&I market segment (1-5 MW)
- These businesses have developed expertise, supply chains, and business models specifically for commercial behind-the-meter installations
- The proposed regulations would render their business model unviable, forcing business closures and job losses in this growing sector
- Many of these companies are Queensland-based SMEs that lack the resources to pivot to utility-scale development

**b) Specialised Expertise Mismatch:**

- C&I solar providers have developed specialised expertise in commercial energy solutions, not in navigating complex regulatory processes designed for utility-scale developers
- These companies typically do not employ social scientists, community engagement specialists, or legal teams experienced in negotiating agreements with local governments
- The cost of acquiring these capabilities would be prohibitive for most C&I solar providers and impossible to justify given their business model and project economics

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- Unlike utility-scale developers backed by large investment funds, C&I solar providers operate on thinner margins and shorter project timelines

**c) Project Economics Destruction:**

- The additional costs of SIA, CBA, and extended approval processes would increase project costs by 20-40%
- These costs cannot be viably absorbed by either the installer or the commercial client
- The extended timeframes (6-12 months additional) would make projects financially unviable due to increased holding costs and delayed returns
- The uncertainty created by third-party appeal rights would introduce unacceptable risk for both installers and clients

**4. Misalignment with Project Impacts**

The State Code 26 performance outcomes address concerns that are not relevant to commercial installations:

- Impacts on high-quality agricultural land
- Fragmentation of agricultural land
- Effects on stock route networks
- Workforce accommodation impacts

Commercial installations on existing business premises have negligible impacts in these areas.

**5. Inconsistency with Renewable Energy Targets**

The proposed regulations would significantly impede the deployment of commercial-scale solar, undermining Queensland's renewable energy and emissions reduction targets by:

- Reducing the economic viability of behind-the-meter solar for businesses
- Forcing businesses to rely more heavily on grid electricity
- Limiting private sector investment in renewable energy
- Undermining business resilience to energy market volatility and supply constraints

**Better Approach to Commercial Scale Solar**

We propose a clear distinction in the regulatory framework between utility-scale solar farms and commercial behind-the-meter installations. The following alternative approach would maintain appropriate oversight while ensuring the continued viability of the commercial solar market:

**1. Complete Exemption for Commercial Self-Consumption Installations**

Commercial solar installations under 5 MW that are primarily intended for self-consumption at the premises should be completely exempted from the proposed new requirements, specifically:

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- No Social Impact Assessment (SIA) requirement
- No Community Benefit Agreement (CBA) requirement
- No State Assessment and Referral Agency (SARA) assessment
- Retention of Local Government assessment

**2. Clear Definition and Qualifying Criteria**

We recommend implementing clear qualifying criteria to determine which installations are exempt:

- **Capacity threshold**: Installations under 5 MW
- **Purpose test**: Primary purpose is self-consumption at the premises (with incidental export)

The purpose test could also consider other factors such as:

- **Location**: Installation is on an existing commercial/industrial premise or directly adjacent
- **Ownership**: The solar installation is owned by or directly benefits the business operating at the premises

**3. Streamlined Local Assessment Process**

For commercial installations meeting these criteria, we propose:

- Continuation of current Local Government assessment
- Code assessment rather than impact assessment where appropriate
- Standardised assessment criteria focused on technical and safety considerations rather than social impacts
- Expedited approval timeframes with clear statutory decision periods

**4. Rationale for Differentiated Approach**

This differentiated approach is justified because:

- **Minimal community impact**: Commercial behind-the-meter installations have negligible impacts on agricultural land, visual amenity, or community services compared to utility-scale developments
- **Critical business infrastructure**: These installations represent essential infrastructure for business energy security and cost management
- **Different business model**: The economics, financing, and development process for commercial self-consumption is fundamentally different from utility-scale generation
- **Alignment with government objectives**: This approach supports both renewable energy adoption and business competitiveness

**5. Safeguards and Accountability**

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To ensure appropriate oversight while removing unnecessary barriers:

- **Local planning schemes** can include specific provisions for commercial solar installations
- **Standard conditions** could be applied to address potential impacts
- **Technical standards** would still apply to ensure safety and grid compatibility
- **Reporting requirements** could be implemented to track commercial solar deployment

**6. Implementation Mechanism**

This approach could be implemented through:

- **Explicit exemption** in the Planning Regulation 2017 for qualifying commercial solar installations
- **Separate definition** distinguishing between "utility-scale solar farms" and "commercial behind-the-meter solar installations"
- **Guidance material** for Local Governments on assessing commercial solar applications

**7. Benefits of This Approach**

This alternative approach would:

- Preserve the commercial solar market for installations between 1-5 MW
- Support business energy security and cost stability in an era of volatile energy prices
- Reduce regulatory burden on both industry and Local Governments
- Accelerate renewable energy deployment in the commercial sector
- Focus regulatory resources on developments with genuine community impacts
- Maintain Queensland's competitiveness for energy-intensive businesses

**Conclusion**

While the RACQ supports appropriate regulation of utility-scale renewable energy projects, the current proposal fails to distinguish between utility-scale and commercial-scale installations. By increasing the threshold to 5 MW and adding a purpose test, the government can ensure appropriate oversight of utility-scale projects while allowing the commercial solar market to continue to support both business competitiveness and Queensland's renewable energy goals.

RACQ appreciates the opportunity to provide this feedback and would welcome further discussion on how to achieve a balanced regulatory approach that supports both community interests and renewable energy deployment.

Thank you for considering RACQ's submission. If you would like to discuss our recommendations further, please contact the undersigned on [redacted] or at [redacted]

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Yours sincerely

[redacted]

Dr Michael Kane
Head of Public Policy

Email: [redacted]