



STATE DEVELOPMENT AND REGIONAL INDUSTRIES COMMITTEE

Members present:

Mr CG Whiting MP—Chair
Mr JJ McDonald MP
Mr MJ Hart MP
Mr RI Katter MP
Mr JE Madden MP
Mr TJ Smith MP

Member in attendance:

Mr MC Berkman MP

Staff present:

Ms M Telford—Acting Committee Secretary
Dr K Kowol—Assistant Committee Secretary

PUBLIC HEARING—INQUIRY INTO THE QUEENSLAND CLIMATE TRANSITION BILL 2023

TRANSCRIPT OF PROCEEDINGS

Monday, 21 August 2023

Brisbane

MONDAY, 21 AUGUST 2023

The committee met at 10.46 am.

CHAIR: Good morning. I declare open this public hearing for the committee's inquiry into the Queensland Climate Transition Bill 2023. My name is Chris Whiting. I am the member for Bancroft and chair of the committee. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander peoples, whose lands, winds and waters we all share. With me here today are Mr Jim McDonald, member for Lockyer and deputy chair; Mr Jim Madden, member for Ipswich West; Mr Michael Hart, member for Burleigh; Mr Robbie Katter, member for Traeger; and Mr Tom Smith, member for Bundaberg. The committee has also granted leave to Mr Michael Berkman, member for Maiwar, under standing order 209 of standing rules and orders of the Legislative Assembly to participate in the public hearing today.

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 or affirmation, 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 my direction at all times. You may be filmed or photographed during proceedings, and images may also appear on the parliament's website or social media pages. Please turn your mobile phones off or onto silent mode.

BEATTIE, Mr Ben, Adviser/Engineer, Australian Institute for Progress

YOUNG, Mr Graham, Executive Director, Australian Institute for Progress

CHAIR: Good morning. I invite you to make an opening statement of no more than a few minutes before we start our questions.

Mr Young: Thank you very much, Mr Whiting. Our submission is that this legislation, if it were to be passed, would financially ruin us. It would be very difficult to implement what it sets out. It would, in the end, have no effect on the amount of CO2 emissions on a global basis. Added to that, we have concerns about the authority that would be set up, which has quite extraordinary powers, retrospective as well as superior to most of the other parts of government. That seems to us to be completely unwarranted, particularly as there is no climate emergency. We hear that there is a climate emergency, but we have plenty of time in which we can transition to a less CO2 intensive economy. The attempt to do it faster would be very damaging to all of us not only economically; it also would threaten the lives and livelihoods of people not just in this state and not just in this country but also internationally.

CHAIR: Thank you very much, Mr Young. You stated your belief about the climate emergency. What is your institute's view on the need to reduce emissions?

Mr Young: I think we do need to reduce emissions. We need to do that in a technologically sensible and organised way. If you look at the latest research, there is no acceleration in warming. It is actually within natural variability at the moment. We know that we are at the coolest end of the last 10,000 years. The latest chair of the IPCC, Professor Skea, has said that we should not panic. The amount of CO2 that we are putting into the atmosphere will basically add an extra degree every time it is doubled, and we are a long way away from doubling it. We have time. We need to have time because you just cannot implement new technologies overnight. For example, the motor car was invented somewhere around 1900 and it was not really until the 1960s that it became widespread. We have these technologies to generate electricity at the moment. They have been basically in place in any major way for only maybe 10 years. To think that in another 10 years you can have completely replaced all of the coal-fired power stations and all the gas-fired power stations and everything else in the economy, in terms of historical perspective, is unprecedented and unlikely and impossible.

There are also technologies that we should be looking at that we are not looking at. I think nuclear has to be on the table, and that is something for all of you. There is the interplay between state and federal legislation on nuclear, but it is the state that rules it out completely. As I say, you have to look at all technologies, not just a handful.

CHAIR: You have said that the working group reports to the IPCC are political, not scientific. Did you want to expand on that a little?

Mr Young: Yes. There are the papers that back up the IPCC, but the statement that we tend to get is arrived at between politicians and people working for politicians; it is not arrived at by the scientists. If you try and find in the actual papers, for example, attribution of increased hurricane activity, or tropical storm activity, you will not find it, but you will find it in the summary statements.

Mr McDONALD: Thank you, Mr Young and Mr Beattie, for being here today. There is no doubt that renewables are important for our community, but so are reliability and affordability. In your submission you particularly talked about reliability. Could you explain that to us in a little more detail?

Mr Young: The so-called renewables—and I say ‘so-called’ because they use a lot of minerals and they have a set life: solar panels after 10 to 20 years are useless; it is the same thing with wind turbines. The other side of it is that they are only available when the power source that drives them is available, and that is basically impossible in terms of wind to reliably predict over reasonable periods of time. Even with sunlight, where you can predict that at night-time it is not going to be there, you still get cloudy periods and so on where, again, there is a degree of unpredictability. What that means is that you need backup capacity to deal with it, so you need storage. Batteries will not cut it at grid scale, and if you look at the last budget you will see that the government is funding a couple of batteries and they work for a couple of hours. The pumped hydro is a different matter but a lot harder, too; you cannot just go and buy that off the shelf somewhere. You need the storage. As we have seen with flooding, you get these one-in-100-year or one-in-1,000-year events where you need an electricity system that can be there all the time. People rely on it, simply for the security of their food. If the power goes out and you have to empty out freezers full of food because you cannot eat it and the supermarkets have to do the same thing, you have a pretty big disaster on your hands.

You need the storage, but you also need to have the networks to connect to the storage, and the more networks you have the less capacity of utilisation you have in them, which means the more expensive per unit of power they become.

On top of that, you basically need a fail-safe. AEMO, the body that is tasked with planning our energy infrastructure, even in its 2050 scenario has a component of gas-fired power, because you need that there as a last resort. If you look overseas, for instance, Texas are taking out what they call insurance with gas-fired power. Under this bill, you could not have gas-fired power. There are a lot of ramifications of this only being available when the wind wants to turn up or the sun wants to shine. That is one reason we do not use sailing ships anymore for serious carriage; we use diesel powered, nuclear powered or some other sort of powered vessels.

Mr McDONALD: I was going to ask you about some international examples where it has been renewables at any cost, and we have seen the problems with affordability and reliability in those circumstances. You just touched on the—

Mr Young: You are flat out actually getting above about 60 per cent. One of the best test tubes for this is King Island. If somewhere is going to work with wind, that island just off the coast of Tasmania, with the southern continent down there and the sort of wind they get, is the place it is going to work, but they only get about 60 per cent and they need diesel generators to back it up. In fact, I think Tasmania at the moment has run out of hydropower. The Marinus Link is down and they are using a lot of diesel at the moment, too.

Mr McDONALD: Thank you for your submission. I could go on for the full 15 minutes, but we have to share.

Mr MADDEN: Thank you very much for coming in today, gentlemen. I was recently at Kogan Creek Power Station, where they are putting in a Tesla mega battery. They have finished the first one and are just about to start another one. There was a recent announcement in my area of Ipswich of putting one there. I am interested in what you had to say about pumped storage. Kidston is probably the first one to come on board. Can you explain the importance of having dispatchable reserve power available through things like mega batteries and pumped storage? Can you explain how it fits into the grid? Why is it important?

Mr Young: We have been banging on about pumped hydro for quite a while, because it seems to us that the state government, even with the current plans, is out of sequence. You do not want to put the renewables and the unreliaables in there when you do not have the storage. That could be a

disaster. At the moment you have pumped hydro at Wivenhoe. I think it is about two gigawatt hours that it might provide. Kidston is smaller than that, and it has not been commissioned yet. That is an interesting one because you have an old goldmine and you have a tailings dam and they are using that, so it was relatively easy for them to do it. There is another proposal up behind Bundaberg, but that might depend on the price of gold as to when that one comes into commission. Then you have the one at Borumba, which I think is 48 gigawatt hours—

Mr MADDEN: But why is it important?

Mr Young: Sorry, I realise I am not answering your question directly. Why it is important is that when you do not have wind you do not have wind power, and when you do not have sun you do not have solar power.

Mr MADDEN: We are talking about the future, when we are relying on renewable energy sources to have dispatchable power. Is it important now?

Mr Young: It is important now. Those batteries that they are putting in are generally used for grid stability; they are not actually used for storage. The grid needs a very reliable and regular frequency. If it drops below that then you can fry things, effectively. The batteries are there to maintain that when you get fluctuations. At the moment we get by because you still have the coal-fired power stations there. They would not be there under this bill, not by 2030.

They are not very good at load following but they can be tweaked a bit to do that—batteries and other things. We are getting away with it, but once we get past about 25 per cent penetration then it becomes very difficult to match what is happening. If you go down to South Australia, where they basically have enough renewables to power the grid entirely, there is still about 30 per cent gas. They do not have the storage there, so they are using gas to balance it out as well as importing electricity from Victoria and New South Wales.

You can get by without it at the moment, but if you push it much further it is not going to happen. You are also pushing it incrementally. If you do not have the pumped hydro and other storage in place, by the time you get past that point of nonreliability you are going to be in a lot of strife, as we have seen with Snowy. When Malcolm Turnbull announced it, it was going to be \$2 billion and it was going to be pumping out power now. Who knows when it is actually going to come on line, and they are talking about it costing \$10 billion.

CHAIR: Thank you very much, Mr Young and Mr Beattie. We have a long schedule today, but we really appreciate your contribution.

Mr Young: We appreciate the opportunity, too.

Mr McDONALD: There was a paper, the cost to Queensland of closing down coal and gas industries. Can you send that?

Mr Young: Yes, Gene Tunny. I can send it to you, no problem.

Mr McDONALD: Thank you.

Mr BERKMAN: Is that one of your papers?

Mr Young: I did the submission. It references other papers, neither of which I wrote, no. Gene Tunny, economist, wrote the cost one and then Tom Biegler wrote the one, which points out that you need 2½ to three times the electricity generation to decarbonise all the other industries that emit CO2 like explosives, fertilisers et cetera.

CHAIR: If you have that link, we would appreciate you sending it to us. Thank you very much.

COOPER, Ms Jayme, Solicitor, Environmental Defenders Office

POINTON, Ms Revel, Managing Lawyer Southern & Central Queensland Practice, Environmental Defenders Office

SILCOCK, Ms Clare, Energy Strategist, Queensland Conservation Council

CHAIR: Welcome. Would you each like to make an opening statement of no more than two or so minutes, after which we will move to questions? We will go with the Queensland Conservation Council first.

Ms Silcock: Thanks for the opportunity to speak to this committee. We are very concerned that climate change is a pressing threat to Queensland's nature and communities and that climate action internationally is a pressing threat to our fossil fuel based economy. Queensland has an opportunity to lead renewable energy industries to help decarbonise the world and create a functioning carbon market that delivers nature and climate benefits, but we need government leadership. We support the Queensland Climate Transition Bill as a way to provide this leadership across the economy.

This leadership has to start with a stronger emissions reduction target. We currently have one of the weakest targets in the country, at 30 per cent by 2030, which is not sufficient for climate science. The Queensland government has shown through the Queensland Energy and Jobs Plan how it can lead through one sector. We still think there are improvements in that to build renewable energy faster and a 1.5-degree aligned trajectory as well as making sure that nature and cultural heritage are protected. It is an opportunity to show how this leadership can be done.

However, this plan and the sometimes tough decisions it involves are completely ridiculed by the fact that the Queensland government is still approving new coal and gas projects. That is why we need overarching climate leadership through a bill such as the Queensland Climate Transition Bill. It is not just a problem of carbon that we export to the world. Fugitive emissions from mining coal and gas are 15 per cent of our own emissions, and if we expand this we will become a bigger sector.

We believe that the Queensland government must set a 1.5-degree aligned target or at least double the current target, to 60 per cent by 2030. The Queensland Climate Transition Bill provides a starting point for how such a target could be managed through different sectors and it needs to start with stopping new coal and gas projects.

CHAIR: We will go to the EDO.

Ms Cooper: Good morning, Chair and committee members. Thank you for inviting the EDO to speak. The EDO strongly supports the passing of the Queensland Climate Transition Bill. However, respectfully, the bill in its current form does not go far enough to ensure that Queensland's greenhouse gas emissions are in line with the Paris Agreement commitments. To be effective, a climate act for Queensland must: set adequate emission targets including achieving net zero by 2035; immediately phase out all fossil fuel projects including placing a moratorium on fossil fuel development; require monitoring and adequate public reporting on all emissions across all sectors to ensure that emissions targets are actually met; and, finally, impose duties on government and industry stakeholders to meet greenhouse gas reductions targets to ensure that net zero is achieved.

Firstly, the bill's target to set 70 per cent reduction in greenhouse gas emissions by 2030 and net zero emissions by 2035 is a step in the right direction, particularly when current targets are dangerously inadequate to limit global warming to between 1.5 and two degrees Celsius. Current science tells us that no new coal or no new gas projects can be approved if we are to have any chance of meeting the Paris commitments. However, to achieve net zero by 2035 there must be detailed subtargets and review mechanisms. The bill must also require sufficient monitoring and public reporting to ensure that targets are actually met.

Secondly, while the bill contains a mechanism that prevents the approval of any new coal or gas, the International Energy Agency and the UN have said that rapidly phasing out fossil fuels is critical to meeting the goal of limiting global warming. Remaining within the existing climate budget requires the rapid transition away from fossil fuel development, which also requires the early closure of fossil fuel developments. In addition to this, we also suggest that the bill must adequately address scope 3 emissions to ensure that Queensland is meeting our global responsibilities.

Thirdly, while the bill creates the Queensland transition climate authority, it fails to impose any duties on government or industry stakeholders to meet greenhouse gas reductions. Respectfully, as drafted, the bill does not adequately address how monitoring and reporting compliance with targets

is to be done and who is actually responsible. We applaud the bill's inclusion of employment and income stability for those Queenslanders who will need to transition work to ensure that no-one is left behind.

As the committee is aware, we are in the critical decade and the time is now to address climate change. The impacts are already being experienced by Queenslanders. We thank you for the opportunity to make the submission. If the committee would like to hear more about EDO's position, we also have a copy of our position paper titled 'A Climate Act for Queensland'.

CHAIR: Thank you. We would certainly appreciate a copy of that. We will go to questions now, unless you have something else to add, Ms Pointon?

Ms Pointon: Thank you very much. I might take one more minute of your time. I want to respond to our colleagues who spoke earlier and the statements they made, if I may very briefly.

CHAIR: We will ask a question on that. That will be my second question. The first one is to the EDO. You have said that we need those long-term policy frameworks and you mentioned, only very briefly though, road maps or things that can be done such as create new markets, create new opportunities and facilitate private investment. They are only brief, but is that what you imagine with pathways? Do you have more details on those?

Ms Pointon: We do not have specific details ourselves right now, but we do understand that these are the areas that need to be worked on. From our understanding, the bill provides the strategic planning process and the authority that takes forward these considerations of how as a society we need to do the transition work across the board. We can see that would greatly facilitate achieving all of these, and more policy work does need to be undertaken.

CHAIR: Any information is always useful for us. Any information that you may have on the possible parts of that pathway are always appreciated. Secondly, in regard to the things you have heard today, is there anything else you would like to say?

Ms Pointon: Respectfully, while we would all love to believe the position that our colleagues put forward earlier, nobody really wants to accept the serious reality we are facing right now with climate change. To say that stopping fossil fuel projects will have no effect and we have plenty of time is completely contradictory to all of the globally recognised and accepted science out there today. This science clearly documents the need for urgent transition and for getting greenhouse gas emission industries transitioned into clean industries to reduce the serious risk of climate change that we are increasingly facing.

The reality is that lives and livelihoods are already being put at risk right now. We have seen extreme drought affecting farmers across Queensland for many years. We have seen extreme flooding affecting us here in this fine city along with many cities and small towns across Queensland. We have seen fires that are now burning our rainforests, which is unprecedented, and we are now moving back into an El Nino period with increasing risk of drought and more extreme fires. This is no joke. We understand also that, with sufficient policy support, our renewable energy industry and energy efficiency programs can support the transition to renewables and cleaner industries and right now they are cheaper than building new fossil fuel projects.

CHAIR: I will go to the deputy chair and then the member for Burleigh followed by the member for Bundaberg.

Mr McDONALD: Given the time restrictions I will pass to the member for Burleigh.

Mr HART: Putting aside the climate change argument for a second, we have been told by engineers that these sorts of numbers are impossible with the present technology that is available. Do you have any concerns about what happens to the nation if we transition so fast and the technology is not there and the cost of us doing that sends businesses and residents broke in the process?

Ms Silcock: I think there is a lot of talk amongst some engineers about this, but there are definitely a lot of engineers on the side that it is possible. The Australian Energy Market Operator is preparing to operate the system at 100 per cent renewable energy in certain periods by 2025. It is not saying that it is easy and it is not saying that it should not be closely reviewed, but we need to set this leadership and this goal to achieve the outcomes.

Mr HART: I think everybody accepts that you can run on 100 per cent renewable energy in certain periods. What happens for the rest of the day?

Ms Silcock: By saying that you can operate 100 per cent of the time, by default you will be getting to a high percentage of electricity coming from renewable sources. This is where we are talking about long duration storage like pumped hydro, and also demand response is very important. There

are a lot of strategies we have to get up. What is really important is to recognise that we are currently at 20 per cent renewable energy. There is a long way to go, and once we start down that path there is a lot of innovation in how we manage the system to get to 100 per cent.

Mr HART: During estimates the government ministers in charge of pumped hydro told us there was close to \$100 billion worth of investment for two pumped hydro systems. They will be nowhere near sufficient to back up 100 per cent renewable energy. We are looking at trillions of dollars. How does the nation survive spending trillions of dollars?

CHAIR: You are tending to ask for an opinion, member for Burleigh, but I will allow that to go through.

Mr HART: What happens if we do this and the lights go out permanently?

CHAIR: Member for Burleigh, we have done pretty well so far. We are asking for the witness, who has come in on their own time, to respond as best they can to your question.

Ms Silcock: I do not really accept that we need more pumped hydro than has been presented by the Queensland government. There have been a lot of plans done, again by the Australian Energy Market Operator, that say we could operate with less. I think there is still a lot to be figured out, but I do not think we are running into the trillions of dollars. I think that is scaremongering.

Ms Pointon: Comparing the cost of climate disasters that we have experienced to date, and will increasingly be experiencing, is a good comparator of the price of lights going out, which can also be caused by climate disasters—as you might have experienced. I had a week without electricity with our recent floods. We will be experiencing that more and more with businesses going out of business. There are definitely high costs of not doing anything right now to tackle climate change.

Mr HART: That is why I said to put that aside for a second. I only want to talk about the engineering and economic side of it. Accepting climate change—that is fine—I am just concerned about businesses and whether they can survive.

Ms Pointon: We are also concerned about businesses and the survival of us all, and it is highly related to climate change.

Mr SMITH: For every action there is a reaction and, as much as our government is committed to the Energy and Jobs Plan, I am wondering about what future technologies look like. We will be looking to mine more precious minerals in the future. In terms of the impact on the environment, is there much difference between mining coal and gas and mining precious minerals?

CHAIR: Once again, that is asking for an opinion, but I will allow that one to go through.

Mr SMITH: I guess it is a bit about the scientific background. What is the data that reflects the difference between mining for coal, producing gas and precious minerals?

Ms Pointon: To the extent that we can respond to your question, as lawyers and not scientists, firstly it is a matter of urgency to try to tackle the issue of reducing our greenhouse gas emissions. Looking at the two industries from that perspective, our critical minerals industry is obviously a necessary part of the renewable energy transition, to ensure we can build that industry. It will have environmental impacts—nobody is denying that. We think the work towards energy efficiency is an incredibly important part of our transition work to ensure we are not wholly reliant on building more renewables—that we are using our energy more efficiently. In terms of the emissions from critical minerals, they can be undertaken with the support of renewable energy as their energy source and so will be, from a climate change perspective, less intensive. They will not have the emissions that come from our fossil fuel industry.

Mr SMITH: Clare, when we talk about strategy moving forward, we on this side of the table are for wind farms, solar panels and so on, but there is always the question of the future. Can you recycle them or what do you do with them when they reach the end of their life? What is the strategy moving forward around wind turbines and solar panels that you can maybe provide us?

CHAIR: Do you mean in terms of recycling?

Mr SMITH: Thirty, 40 or 50 years after installation, what is the process? I know that a lot of people have concerns about recycling and so on. Obviously it is very different from nuclear waste, which we know will stick around for a long time and be very harmful.

Ms Silcock: We think this is really critical, and this is the critical time to do it. We are pleased that the government has opened up a review of state code 23, which places stronger requirements on wind farms to have decommissioning plans in place. There is a lot that we could do in all areas of our life to improve the circular economy and recycling. We need to think about renewable energy as

one part of that, particularly solar panels. It is possible to recycle them. There is a place in Melbourne that does it. We have the technology; we just need to make sure that we have the regulations and the economic incentives put in place so that when we have panels and wind turbines being replaced they can be recycled. It is important to remember: often projects talk about the financial lifetime, and a lot of panels and wind turbines can keep producing beyond the 20- to 30-year life span, so it is not a hard cut-off and they stop working.

Mr KATTER: I am trying to keep to the bill, but a lot of it is predicated on urgency around climate change. I am trying to be objective, but I remain sceptical. In terms of having a productive conversation, one of the submissions made a reference to the reef, which is an issue I follow closely. I would not say that I follow climate as closely. In the last three reports AIMS has said that there is record coral cover—those are the facts. It has come up with green ticks for the last three years. You are speaking to someone who is sceptical of the urgency. There are countless—mostly anecdotal—reports that promote urgency. In terms of bushfires, a lot of them have been in unmanaged national parks. I have had rangers saying, ‘We have been under-resourced for years. The fuel load is up.’ All we need is someone throwing a cigarette, like they did years ago, and suddenly we are saying, ‘That is climate change. We need to act urgently.’ There are a couple of things, when you are talking to a sceptic, that need to be addressed. Do you have a response to that? I am trying to not just make a statement; I am trying to engage.

Ms Pointon: Thank you for the question in segments. We are happy to take on notice a response on coral bleaching and fires in terms of the relationship to climate change. I think it might be more effective. My understanding is that we have recently had further coral bleaching. We do not have our friends from AMCS to speak to that, but my clear understanding is that we are not out of the woods whatsoever in terms of the reality that we are likely to not have a Great Barrier Reef, with the way we are going, in the coming decade, and that is because of anthropogenic climate change. If you are happy for us to take that question on notice, we are happy to write a brief response.

Mr KATTER: Yes. It would be interesting to look at those AIMS reports. Nuclear energy seems to set off alarm bells. I always raise the question: why are we not talking about nuclear? The Democrats in the US seem to be strong on it, but no-one seems to want to engage on it here. Why is it not coming up? We talk about the immediately dispatchable base load that will have to be a part of any system. Why is there resistance? What am I missing?

Ms Pointon: My understanding is that it is not economically feasible right now. I do not know if Clare would like to speak to that.

Ms Silcock: From a climate perspective, to build a nuclear industry in Australia would conservatively take at least a decade, and that is a critical decade for emissions. We have, as Revel said, the cheaper technologies to deploy now.

Mr KATTER: That does not correlate with what I have heard, but I think that would be an interesting debate to have because I have heard otherwise.

CHAIR: Can you provide some information on your view on those long-term options against nuclear energy? Member for Traeger, were you after information on reef water quality or bleaching?

Mr KATTER: No, I was asking for a response on the AIMS reports of the last three years that have said that there is record coral cover.

CHAIR: We will ask on notice for information regarding the nuclear power sector and information regarding coral cover or coral bleaching. Member for Maiwar, you probably should declare to the committee any history with any of these organisations as a potential conflict of interest.

Mr BERKMAN: Yes. First up, this is a bill that I introduced. Everyone on the committee and on the panel I am sure knows that, before I was elected, I previously worked at the Environmental Defenders Office for a period of about 5½ years. Is that sufficient, Chair?

CHAIR: Yes.

Mr BERKMAN: Both organisations made an observation in their opening statements that Queensland’s current targets are entirely inconsistent with achieving the objectives of the Paris Agreement. Could you speak briefly to the consistency or inconsistency of federal emissions reduction targets and the existing practice of opening new coal and gas projects with limiting average global warming to 1½ or two degrees?

Ms Silcock: I understand that the federal government purports the 43 per cent emissions reduction target to be 1.5 degrees aligned. That is not our opinion, from a fair share perspective. From a global emissions perspective, that is roughly in line with the emissions reductions we need to see

across the globe by 2030 to be on a 1.5 degree aligned trajectory. Australia has contributed so much more than our fair share to climate pollution already and we have the technology and resources available to act more rapidly than, in particular, the global developing south. That is why we do not believe that the current federal government target is sufficient, either.

In terms of opening new coal and gas and Australia, as I mentioned, there is a massive fugitive emissions problem. That is where methane leaks out of mines and gas fields. It is not just inconsistent with global climate action; it is also inconsistent with achieving domestic emissions reduction. Even at the scale of the insufficient targets that we have, we are risking them by opening new coal and gas.

Ms Pointon: We recently saw a report on methane emissions. With the advances in satellite imagery over our gas and coalmines that are in existence, we currently do not know how much we are emitting in terms of methane emissions, which are incredibly dangerous. They are more dangerous in the short term than carbon dioxide. Not knowing these methane emissions means that trying to build more is just ludicrous. We already have the IPCC saying that at the moment we have enough coal and gas to provide for our energy transition and to try to work within our carbon budget as we transition away from those current industries. To create more gas and coalmines in today's climate—both as a market, in terms of the financial cost of those projects compared to renewable energy, and in terms of our carbon budget—is an insanity in terms of keeping our current and future generations safe.

Ms Cooper: In relation to the exporting of fossil fuels as well as coal and gas, it does not matter where those projects end up and where those emissions are eventually combusted: all of the impacts will be felt on Queensland and on Queenslanders. There are no borders that separate us and other states. That is why we have a global responsibility to together reduce greenhouse gas emissions.

Mr MADDEN: With regard to coal and gas, it is clear that you are opposed to the use of those two products for electricity generation, but are you opposed to the use of metallurgical coal for the production of steel and are you opposed to the use of natural gas for the production of nitrogen fertiliser?

Ms Pointon: With respect to metallurgical coal, we understand that advances are being made and we do need to continue those advances to move away from that industry, so it fits within the work that we need to be doing right now to be transitioning to a clean future without the requirement for that coal. Equally with regard to fertilisers, coming from Queensland, as we all are, and the impact that fertilisers are having on our reef along the coastline and our waterways, it would be ideal that we were also curbing our fertiliser use. That is an area I am not sure that I can speak to in terms of the technological replaceability of that from a gas source. However, in terms of the actual use, there is a significant amount of work that could be done to be curbing the amount of fertilisers we are relying on now.

Mr MADDEN: I guess the question I am asking is: when you use the phrase 'the fossil fuel industry' in your submission, the fossil fuel industry does involve metallurgical coal and does involve the use of natural gas to produce nitrogen. When you say you are against the fossil fuel industry, I just want to clarify: can I take that to mean that you are against the current use of metallurgical coal to make steel and you currently are against the use of natural gas to make nitrogen fertilisers? I just want to clarify that issue.

Ms Pointon: Our position, under an understanding of globally recognised science, is that we need to be moving away from fossil fuels as greenhouse gas emitting industries. That would also include metallurgical coal and the use of gas for any product. They have to form part of that work where we need to be moving towards what we are calling net zero as quickly as possible, and I say ideally by 2030 or 2050, to ensure we have a world that we can survive in. This is requiring us to invest in areas that can transition us from these industries that rely on fossil fuels. I do not believe that we say we are against those industries; we are pro having a future that is a healthy and safe one for everyone.

CHAIR: We have run out of time for this session. I note that we have requests to provide further information on coral bleaching and coral cover and the status of the nuclear power industry. I ask for that information to come to us by 5 pm on 28 August 2023, and we will be in contact about that. Thank you all very much for your evidence today.

BRADLEY WOODS, Ms Millicent, Principal Projects Adviser, Central Highlands Regional Council (via teleconference)

HAYES, Mr Kerry, Mayor, Central Highlands Regional Council (via teleconference)

RUHLE, Mr Nathan, Manager, Intergovernmental Relations Advocate, Local Government Association of Queensland

VOGLER, Ms Sarah, Head of Advocacy, Local Government Association of Queensland

CHAIR: I welcome representatives from the Local Government Association of Queensland and the Central Highlands Regional Council, the representatives of whom are joining us via teleconference. I invite each of you to make an opening statement of no more than two minutes before we move to questions. We will start with the LGAQ before we go to the Central Highlands.

Mr Ruhle: Good morning and thank you for inviting the LGAQ to participate in today's public hearing as part of your inquiry into the Queensland Climate Transition Bill 2022. I firstly want to acknowledge the traditional owners of the land on which we gather here today and pay our respects to elders past, present and emerging. My role is the manager of intergovernmental relations at the LGAQ and joining me here today is our head of advocacy, Sarah Vogler.

The LGAQ is the peak body for local governments across Queensland. We are a not-for-profit association established to service the state's 77 councils and the local communities they represent and we have been advising, supporting and representing local councils since 1896. As I said, we are pleased to be provided an opportunity to speak to our submission to your inquiry and take questions on any relevant points raised. It is also great to be joined here today by representatives of one of our member councils, and good morning to the Central Highlands Regional Council and Mayor Kerry Hayes.

Firstly, we acknowledge the objectives of the bill as outlined in the explanatory notes. The LGAQ is committed to member-driven advocacy and working with our member councils to build stronger local governments and more resilient local communities. In accordance with our LGAQ policy statement, Queensland councils are committed to providing a leadership role to assist local communities, including industry, to understand and address climate risk, including acute and chronic physical risks and transition risks associated with moving to a low-carbon economy. As a sector, local government is also committed to working in partnership with all spheres of government, industry and the community to develop and implement effective climate risk management strategies focusing on emissions reduction and adaptation. This forms part of our overall mission to ensure that every Queensland community is a livable one.

As we noted in our submission to the committee, while there are elements of the bill that have merit and we support, the LGAQ does not support the bill in its current form and would encourage the committee to recommend that it not be passed by the Queensland parliament. The most positive element of the bill is the Queensland Climate Transition Strategic Plan, and that is consistent with our advocacy and the concept of developing region-specific economic transition and resilience plans to be developed and implemented together with local workers, residents and businesses in impacted communities.

The development of transition and resilience plans aligns with the calls of Queensland councils at our 2022 LGAQ annual conference—calling on both state and federal governments to provide resourcing to support communities in planning for a transition to a lower carbon future, both on a local government area and a regional basis. The state government's previous Communities in Transition pilot program adopted a place-based approach to promote long-term economic development and climate resilient communities in regional Queensland. The program focused on six regional communities and supported the development of a road map for each region as well as prefeasibility business cases.

In relation to emissions reduction, local governments are at varying stages of setting emissions reduction targets for their own council operations, monitoring scope 1, 2 and 3 emission sources where this data is available, and seeking to procure low-emissions products and services to meet those goals. At the LGAQ's 2022 annual conference, Queensland councils also called for greater investment by the state and federal governments to support councils to transition to net zero emissions through the provision of targeted operational and capital grants programs that address local emissions reduction priorities.

Finally, the LGAQ does not support the provisions in the bill that prohibit the approval of new coal, oil and gas projects with immediate effect from the time of commencement. The development of Queensland's extractive resources remains a key economic and social driver in many local communities. Implementing this provision in the time frame suggested in the bill would wreak economic and social havoc on many local communities across Queensland, displacing thousands of local workers, destroying the foundation of regional supply chains and significantly impacting families in the middle of widespread cost-of-living challenges. A phased transition towards renewable energy generation and a low-carbon economy in a coordinated way is a more realistic and appropriate goal, something like what has been encapsulated in the Queensland Energy and Jobs Plan. That concludes my opening statement.

CHAIR: Thank you very much. Do we still have Councillor Hayes on the line? I think they have dropped out. We will come back to them in a moment, so we will go to some questions first to the LGAQ. Have we got Councillor Hayes back?

Mr Hayes: Yes, we have. We dropped out just briefly.

CHAIR: No worries. Councillor Hayes, I invite you to make a quick introductory statement before we get into some questions.

Mr Hayes: I acknowledge the opportunity of being a witness today and also endorse the comments and much of what Nathan has already briefed you on. As some context, as an individual council we have also participated in a lot of the advocacy work around this very important topic. To give some context, the Central Highlands local government area is located in the heart of the Bowen Basin, which is Australia's largest predominantly metallurgical coal reserve, and is home to 12 operating coalmines in our local government area. The mining sector is the largest employer within the region supporting almost 36 per cent of direct jobs or over 6,000, not accounting for employment within those supply chains. The mining sector also contributes to a significant spend of over \$790 million on local goods and services, so clearly it is an important part of life in the Central Highlands. Our response is certainly in recognition of the vulnerability of our local government area to the transformational change we are facing as a result of the natural end of mine life and decarbonisation more broadly.

We submitted a motion for debate at the LGAQ annual conference, as Nathan alluded to, last year which was adopted unanimously by Queensland local governments. The motion calls for the establishment of a regional transition and transformation authority at a state level. It is noted that the Queensland Climate Transition Authority, proposed under clauses 20 to 23 of the bill before the committee today, does set out some of the functions that council considers are necessary for that authority to the extent that the authority would: consult and liaise with a range of stakeholders; give advice or recommendations to the Premier about our plans, objective strategies or policies to be implemented by government entities; and develop regional place-based plans, which are critically important to us and, as you will understand, are very topical at the moment, although council respectfully suggests that the authority could fulfil a broader function with a range of actions that council suggests that an authority should undertake, set out within council's submission, and council has been engaging in ongoing conversations with the state government to this end. We are very grateful for that and certainly State Development has afforded us some interesting conversations.

Councils' advocacy position with respect to the establishment of a regional transition and transformation body is evidence-based, drawing on international and domestic case studies. Each of those case studies made it clear that a much longer lead-in time is necessary to support transition and transformation planning than the seven years proposed under the bill, with Germany alone as an example allowing 22 years for transition planning and the phase-out of thermal coal. This of course leads to the proposal under the bill to implement an effective moratorium on coal, gas and oil extraction and production for exports on 31 December 2030. Such a moratorium would have a devastating impact upon regional economies, not only of coalmining local government areas but also of the eastern supply chains supporting the mining sector and hosting drive-in drive-out, fly-in fly-out employees. Noting that metallurgical coal remains a key input to global steelmaking, with green steel technologies deemed by the Australian Industry Energy Transitions Initiative to be emerging technologies which are not yet commercially proven, such a moratorium would also have a significant impact upon the global steelmaking industry and its ability to meet growing demand caused by population growth and to support the transition to renewable energy.

We have been advocating for an authority to undertake, as an initial step, economic modelling in relation to the future supply and demand of metallurgical coal to enable an evidence-based transition for our communities. Without that modelling, the economic and social consequences of the moratorium proposed under the bill cannot be adequately understood. Without reading the bill more deeply and widely, these are our significant concerns. Thank you, Chair.

CHAIR: Thank you, Councillor Hayes. We will go to questions now. It is probably the one we all want to ask. Nathan, you said that what you did like in this bill was the authority and the plans for transition. Can you expand a bit more on that, especially with what LGAQ had resolved from the Central Highlands council at their last conference?

Mr Ruhle: That is, I guess from our perspective, the key issue that we were pleased to see brought forward as part of this bill when it was introduced earlier this year. Just going back one step, and to your question, this was an issue that our members had strongly supported and advocated for at our annual conference last year in Cairns, at both a state and a federal level. Since the introduction of this bill we have seen the federal government introduce a National Net Zero Authority which was, as Mayor Hayes described, looking at developing a region-specific planning process around the opportunities of decarbonisation but also recognising the impacts, so getting that evidence base as to what the transition to a low-carbon economy looks like in every single community and recognising that Queensland, as an economy that has been largely based on extractive resources for a long time, will be exponentially impacted by a decarbonisation transition. It is not only understanding and modelling the impacts of that but understanding that within each region, within each local government area and even within different towns there will be impacts and really getting to that place-based approach.

It is understanding from an evidence point the impacts of decarbonisation but then what are the solutions that can be put in place in each town—even getting to that level about how you can diversify those economies and what are the current challenges they have in terms of the provision of essential services. From our perspective, it is about the sustainability and livability of every single community in Queensland, whether that is a traditional mining community or otherwise. It is ultimately understanding the impacts of decarbonisation and then putting in place a planning framework to both recognise that and look at the solutions that can be put in place. Each region will be different and each local government area will be different and, as the alignment of energy policy between the national and state governments has come about, I guess more so in the last 12 to 18 months, local communities are now looking at what that means in their towns and in their regions. It is not about funding; it is about a policy framework to both recognise the impacts of decarbonisation and look at what can be put in place to address that and ensure those communities are sustainable for the long term.

CHAIR: Sarah, did you want to add anything to that?

Ms Vogler: No. I think that was a pretty comprehensive answer.

CHAIR: It was. Councillor Hayes, did you want to add anything to what the LGAQ has said?

Mr Hayes: Only to enhance the regional planning concept here. As Nathan rightly points out—we have said this in the opportunities we have had with State Development—it is not about funding; it is about planning and, ultimately, the confidence that provides to communities. Right now, with these good conversations we are having, our broader communities and broader economies are waiting for plans that are saying, 'This is what our future looks like.' That is private sector investment, investments that communities make and local government making their plans for the future. It is not about our respective jurisdictional roles in some of this; it will be the fact that we realise that it will be us and the state and the feds. To get this right, we have to have this plan in place. If it was not crucially important before—these are regions that have billions of dollars of investment in them. The coordination of this is the really important part. Whilst the bill looks at transition, it really is about creating confidence for regions as well. The conversations about getting this right and the time frames are probably the most important things here.

Mr McDONALD: One of the things that is very clear to the committee after hearing from different witnesses and submissions is that renewables are important but so are affordability and reliability. We have heard that we need to see coal-fired or gas-fired power being able to provide that reliability within the grid. Some have said that this bill goes too far. Congratulations to the LGAQ and your member councils for the leadership that you have shown in this space. I actually do not like the word 'transition', because transition almost implies a change completely whereas we cannot achieve that. Congratulations on the leadership. I wonder if you could talk a little bit about the human side of this and particularly those local place-based initiatives from the LGAQ perspective. Councillor Hayes, what does this mean for your community in terms of such a rapid change?

Mr Ruhle: We think there is an important distinction between terminology: ‘transition’ as opposed to ‘transformation’. Transition has a connotation that you are losing something as opposed to: ‘What are the opportunities here in this policy conversation that we are having?’ For us it is all about people, ultimately. As I mentioned in my answer to the previous question and in my opening statement, it is about the sustainability and livability of every local community. When we talk about that, we do not just talk about it from a financial point of view or an economic point of view; it is about the social fabric of those communities as well.

Going back to my previous answer, that evidence base which would be drawn from a proper planning process is critical. If you can think of it from a council’s perspective, about their own operations going forward, particularly as population shifts over time, and when you are talking about significant changes in industry, which brings people in and out of communities, that is going to have a massive impact on people living there in that community but then people wanting to move there and invest there—where they work, for example. Just having that data around the population trends, if you like, what is planned now in the next five or 10 years is critical from a council’s perspective—understanding when they are looking at their own infrastructure and maintaining and replacing things like sewage treatment works, local roads and things. How do they plan for the future and what does that look like? Purely from the perspective of the movement of people, that sort of data is critical. That is why for us it is about getting the planning right, ultimately. It is like the foundation, if you like, to building a new house. You have to get that right now. It is not about the funding or anything like that. That will come around bringing in and diversifying industry or whatever it is around jobs of the future, and new jobs as well. That focus on people and movement of people is critical.

Mr Hayes: Thank you for that observation. It is also contextual, but, in terms of the perception of transformation, I agree with you wholeheartedly. We do not like transition. You can use me as a really good case study here, as a person who was born here. When I was born there was no coal/resources industry in Central Queensland at all. That is probably giving away my age, but the reality is that our communities here grew and transformed around the introduction of that large industry into a traditional industry. In a sense, we have local communities that have always constantly, as an unconscious awareness, been transitioning. We do not like that word, but they have been. They are just as capable of transitioning away from that.

What we see, though, is: in the time that we have been talking about and taking action for our future, you have people along for the ride. They are aware, from the very first day that a resource is extracted out of the ground, that that is a very finite one and they are very much up for the challenge. It is just the planning that is required. Even now in 2023, as a person who was born here and is a fifth generation person, I could not give you the absolutely best data-driven descriptor of the nuances of our community, of those social inputs, and that is why I think you are hearing people like Anne Baker and people from other resource communities talking about the need for that sort of planning.

I can say to you today quite unequivocally that people are excited about the opportunities of renewables and change, and whatever word we adopt to describe that most effectively, but the reality is: it is about the opportunity of saying exactly what we are at the moment and then looking at the data. It is not about what we think we are but actually what we are and being able to say to someone, whether it is in the Energy and Jobs Plan and the newer industries that some of us will move to—but it is about the opportunities even within our existing industry, and it does not preclude the innovation that can happen in those things that we do now that will make people want to still be here, that will make young people still want to take jobs in that sort of business, so the coordination of mine rehabilitation, the combination of gas and some of our resources here which we are very fortunate to have. They are the sorts of things that can happen, but if we get too prescriptive about where we think we want to go rather than planning the things we can actually achieve through an appropriate amount of time, they are the sorts of things we do not want to get jammed into. We want to make sure we get the right amount of time to do the things that people have already been good at for a long time.

Mr SMITH: I imagine that a big part of your role as the LGAQ is to ensure confidence among local governments in relationship with the state government. The board being proposed here would have powers to override the executive of the government. With that in mind, section 34 of the bill is entitled ‘Powers’ and section 34(1) states—

The board has the power to do anything necessary or convenient to be done in performing the board’s functions.

What concerns arise from such a statement for the LGAQ and your membership?

Mr Ruhle: I go back to our conference resolution from last year, which was the establishment of an authority, if you like, which is independent but also across government. The benefit of that is bringing together all of the agencies that are needed to look at the issue of how you best transform Brisbane

regional communities through the decarbonisation journey that we are on. In relation to your specific question around clause 34, our concern would be anything that impugns the authority of a local government as prescribed under the Local Government Act. Our policy position, particularly in relation to planning, is that local governments have planning authority first and foremost, and that is what we continually represent to the state government all the time. In terms of how we engage with the state government, we work with all levels of government on trying to secure good policy outcomes for local communities. Back to your specific question, on the face of it it is quite a broad clause. I hope that answers your question, member.

Mr KATTER: I appreciate the position you have on this. I am diametrically opposed to the bill, but I want to draw out an element that has not been discussed. I would be curious to know if you have concerns based on contact from councils. I use as an example the Etheridge shire and Genex's Kidston project, where everyone has agreed and pushed this through, which I think would be reasonable to expect with these authorities in place. They want to bang this stuff through. It is just like coal seam gas, where everyone goes, 'No, we have land use agreements' et cetera. It did not protect Etheridge shire. They have smashed the roads up there. This poor shire with a couple of hundred ratepayers is scrambling. They have another 500 overweight truck movements to build the wind farm that the roads cannot possibly tolerate and I am sure Genex is not going to pay for it. All this inadvertent collateral damage that can be done in the shires is not being discussed or accounted for. If I swapped hats and said that I am all for this then that still needs to be dealt with and I do not think it is. Has that come out as a concern?

Mr Ruhle: That is a really good question. I guess it is more to the broader issue around the rollout of renewable energy generation projects across Queensland. Something we have been strongly working and engaging on over the past 12 months is the establishment of a regulated social licence for industry and how they operate, particularly obviously working with local councils but also with local communities on their specific projects. As you noted, there are impacts on infrastructure, whether it is roads or housing or other things, at a community level, and it is about understanding what that is and taking that into consideration as part of a regulated process. That was actually another conference resolution we had at our annual conference last year and it has been part of our broader advocacy in this space that we have been engaging on, particularly obviously since the rollout of the Energy and Jobs Plan or the announcement in September last year.

There have been a number of conversations about what is the best model, if you like, that can regulate that impact on communities without discouraging investment or development on behalf of Queensland councils. We, on behalf of Queensland councils, have been engaged at both state and national levels on these issues over the past 12 months. There have been countless examples of some of the challenges that different communities have, whether that is host communities that have projects located in them or communities like the ports. Gladstone, for example, is where all of the wind turbines come out of and then fan out, depending on where the projects are located. Obviously that has significant impact on road networks, bridges and the local movement of traffic in and out of the ports.

CHAIR: Thank you, everyone. That concludes the hearing. We have run out of time. Thank you to everyone who has participated today. Thank you to our Hansard reporters and thank you to the secretariat. The transcript of the proceedings will be available on the committee's webpage in due course. No questions were taken on notice but, as we said earlier, 5 pm on 28 August would have been the deadline. I declare the public hearing closed.

The committee adjourned at 12.02 pm.