

Queensland Climate Transition Bill 2023

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Attn: State Development and Regional Industries Committee
Parliament House George Street Brisbane Qld 4000

By email to: SDRIC@parliament.qld.gov.au

Dear Committee members,

Re: Queensland Climate Transition Bill 2023

The Next Economy welcomes the opportunity to contribute to the Queensland Climate Transition Bill 2023.

The Next Economy is a not-for-profit regional economic development agency that supports regional areas across Australia by developing strategies to manage economic change to accelerate the transition to a climate-safe, socially just and regenerative economy. This work includes identifying ways to support industries undergoing transformation, with a key focus on how regions can manage changes in the energy sector for long-term economic prosperity.

The Next Economy acknowledges the positive benefits for the environment and communities of an increase to the Queensland's target from 30% to 75% emission reduction by 2030 and net zero by 2035. The recent Intergovernmental Panel on Climate Change (IPCC) report provides evidence about the escalating adverse impacts and related losses to biodiversity and people of climate change if we exceed 1.5 degrees of warming.¹

We recognise the importance of the Queensland Climate Transition Bill and any other associated legislation and policy development to coordinate efforts to support regional coal and gas communities as fossil fuels are phased out and renewable energy expands.

This submission outlines our high-level recommendations regarding how these communities could be supported. Our recommendations are based on our work in coal and gas regions over the last five years, including our findings as presented in the *What Regions Need on the Path to Net Zero Report* (April 2022). This report summarises the results from engagements with over 500 people and organisations across coal and gas regions in Queensland, New South Wales, Victoria, Western Australia and the Northern Territory. The aim of these consultation activities was to assess the support communities with close ties to fossil fuels need to manage the inevitable and accelerating transition to net zero emissions.

¹ [AR6 Synthesis Report: Summary for Policymakers Headline Statements \(ipcc.ch\)](https://www.ipcc.ch)

We refer the Committee to the *What Regions Need on the Path to Net Zero* report, which can be viewed here: [What-Regions-Need-Report-Full-May22.pdf](https://nexteconomy.com.au/What-Regions-Need-Report-Full-May22.pdf) (nexteconomy.com.au) and the *Transforming Queensland: The Case for a Transition Authority* report here: [Transforming Queensland: The Case for a Transition Authority – The Next Economy](#).

The main recommendations from these reports and from other consultation activities The Next Economy has conducted that relate to the Queensland Climate Transition Bill and its implementation include:

1. Build on growing community and industry support for more ambitious climate targets that align with keeping global warming to under 1.5 degrees Celsius:

The overwhelming majority of industry and community members whom The Next Economy has engaged with in areas with close ties to the fossil fuel industry understand that Australia needs to accelerate action on climate change to align with scientifically determined targets and attract the level of international investment needed to develop new industries (eg: green hydrogen and other renewable exports) and decarbonise existing industries so they can remain viable into the future. Increasing Queensland’s emissions reduction target to 75% emission reduction by 2030 and net zero by 2035 is an important step. According to WWF Australia, Queensland is currently Australia’s highest emitting state, with over a third of total emissions.² New independent analysis shows that if Queensland doesn’t increase current emission reduction targets of 30% below 2005 by 2030 and net zero by 2050, the state will reach almost three times the emission budget available to Queensland to keep the temperature rise to 1.5 degrees Celsius.³

For Queensland to comply with the Paris Agreement goal of holding warming to 1.5 degrees Celsius and develop climate policies aligned with holding warming to 1.5 degrees require both the higher targets proposed in the Queensland Climate Bill and stopping new and phasing out existing fossil fuels.⁴

2. Develop consistent targets, policies and regulations across all levels of government to align with climate goals and provide the certainty needed by business and investors:

Industry and investors have repeatedly raised the challenge of needing to navigate different targets, policies and regulations between different states and levels of government in relation to emissions reductions targets, renewable energy, community engagement/benefit sharing requirements, land-use and environmental impacts. Consistency across targets, policy settings and regulations will help to de-risk investments and accelerate the expansion of renewable energy generation, storage and manufacturing to achieve our national and state targets.

Specific policy recommendations that have emerged during our consultation activities with

²[With an ambitious 10 Year Energy Plan, Queensland could become a Renewable Energy Exports Superpower | WWF-Australia](#)

³ This report applies the most recent IPCCAr6 emissions budgets: [Comparison between Queensland’s 2030 and 2050 emission reduction targets, 1.5°C pathways and 2.0°C pathways](#) (climateresource.com.au)

⁴ IPCC AR6 – Projected CO2 emissions from existing fossil fuel infrastructure without additional abatement would exceed the remaining carbon budget for 1.5°C (50%) (high confidence). See page 20: https://report.ipcc.ch/ar6syrr/pdf/IPCC_AR6_SYR_SPM.pdf.

industry, local governments and unions since the election have included setting consistent targets and providing support to ramp down coal fired electricity generation across the nation to provide certainty to workers and communities about their future and provide additional impetus to expand renewable energy generation and storage.

3. Establish an independent Regional Transition Authority to support Queensland regions to coordinate the decarbonisation of all sectors of the economy:

Throughout 2021, The Next Economy undertook extensive research and consultation regarding the types of support regions across Queensland need to manage the economic, social and environmental changes associated with the transformation of the energy sector. This included assessing whether Queensland would benefit from establishing a transition authority to work with government to manage the transition to net zero emissions.

Using a variety of community engagement tools, interviews, and surveys, The Next Economy consulted with 203 representatives from across the energy sector, heavy industry, all levels of government, traditional owners, research and training institutions, unions, environment groups and social service organisations.

Overall, there was a high degree of consensus across all stakeholder groups that some kind of body needs to be established for the purpose of facilitating better coordination and planning across government departments, between government and regions, and across different economic sectors. The strongest support for the establishment of an independent statutory authority was among those surveyed in December 2022.

The main role of a transition authority is to work with affected communities and other key stakeholders to coordinate activities to strengthen and diversify regional economies as fossil fuels are phased out and renewable energy expands.

The second main role of a transition authority is to ensure that all stakeholders can meaningfully participate in decision making processes and in the design of new plans and programs to decarbonise the economy, and that they remain informed and able to participate as change unfolds over time.

The role of a regional transition authority is broad as the entity needs to be across all aspects of the energy transition and have Federal Government support from a National Transition Authority.⁵ Important responsibilities of a Queensland Regional Transition Authority would include:

- **Energy Security, Stability and Affordability:** Coordinate across the relevant agencies, technical experts and industries to manage the phase out of fossil fuels and expand renewable energy technologies to ensure energy security, stability and accessibility. This means not only guaranteeing domestic energy supply but also expanding generation and storage to support the emergence of new industries.

⁵ At the time of writing this submission, the Australian Government is in the process of making a recommendation on the outcome of the National Energy Transition Authority Bill 2022:
https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/NETABill

- **Regional Workforce Support and Planning:** Coordinate long term support to workers in fossil fuel industries well in advance of closures, including overseeing the development of training programs, redeployment schemes, income support, and early retirement schemes. This also includes ensuring companies meet their responsibilities to workers in terms of redundancy payments and entitlements and supporting education institutions to train workers in the skills they need for current and future industries.
- **Economic Diversification:** Support industry and SMEs to adapt to changes and build on and promote the strengths of different regions to attract new investment and jobs. This includes working with State Governments to develop markets, supply chains and local procurement policies.
- **Attracting Investment:** Provide a vehicle to attract and channel public, private and philanthropic funds into initiatives designed to reduce negative impacts and build long-term resilience, wellbeing and prosperity across the regions most impacted by change.
- **Infrastructure Planning:** Work with industry and state governments to identify infrastructure needs and leverage investment.
- **Research and Development:** Identify and commission research activities and expertise as needed to support decision making processes and develop local technical capacity for emerging industries.
- **Land and Water Management:** Work with State Governments to oversee the decommissioning, rehabilitation and repurposing of power plants and mine sites, as well as liaise with agencies, industries and other stakeholders to protect and regenerate land and water resources. This includes working closely with Traditional Owner groups to ensure their land rights and cultural heritage rights are upheld and to identify economic opportunities for First Nations people, including (but not limited to) paid work that supports the restoration and protection of Country.
- **Community Benefits:** Mitigate the negative impacts of the transition on the community and ensure that the benefits are shared widely, particularly with those already economically marginalised such as young people, women, First Nations communities, the long term unemployed, people with disabilities and those from linguistically and culturally diverse backgrounds.

The success of any climate action is closely tied to the level of community, worker and industry support for change. This is why we have brought these suggestions to your attention for consideration

for the Queensland Climate Transition Bill 2023 and other pieces of legislation currently under development.

Please do not hesitate to contact me if you have any questions about this submission.

Kind regards,

[Redacted signature]

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