

## Queensland Climate Transition Bill 2023

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Every Queensland  
community deserves  
to be a liveable one

5 May 2023

Mr Chris Whiting MP  
Chair  
State Development and Regional Industries Committee  
Member for Bancroft

Via email: [SDRIC@parliament.qld.gov.au](mailto:SDRIC@parliament.qld.gov.au)

Dear Chair,

**RE: LGAQ submission on Queensland Climate Transition Bill 2023**

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association established solely to serve councils and their needs. The LGAQ has been advising, supporting, and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities.

The LGAQ does this by connecting councils to people and places; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and providing them with the means to achieve community, professional and political excellence.

The LGAQ acknowledges the State Development and Regional Industries Committee (the Committee) Inquiry into the Queensland Climate Transition Bill 2023 (the Bill), which was introduced into the Queensland Parliament by the Member for Maiwar on 15 March 2023.

The objectives of the Bill, as outlined in the explanatory notes, are also noted. According to the explanatory notes, the Bill will:

- support Queensland to meet its obligations under the Paris Agreement to keep global heating to 2°C, preferably 1.5°C, above pre-industrial levels, by reducing greenhouse gas emissions; and
- establish a new statutory authority to develop and implement a strategic climate transition plan that manages compensation, training and job opportunities for workers and local communities affected by the transition away from fossil fuels.

The LGAQ is committed to member-driven advocacy and working with members 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. That forms part of our overall mission to ensure that every Queensland community is a liveable one.

Informal feedback was sought from councils in relation to the development of this submission and individual councils may also choose to submit to the Committee, on their own behalf.

While there are elements of the Bill that have merit, 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.



In relation to the specific provisions and policy objectives of the Bill, the LGAQ provides the following feedback:

### **Coal, oil and gas moratorium and phase out**

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 timeframe 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 co-ordinated way, is more realistic and appropriate – something like what has been encapsulated in the Queensland Energy and Jobs Plan.

A hard and fast moratorium and phase out also seems to be in conflict with the policy principle, also implemented in the Bill, of establishing a dedicated transition authority and the work needed to develop a statewide transition plan, with locally identified, place-based initiatives to address local challenges and opportunities brought about by decarbonisation.

Furthermore, establishing a fossil fuel exports reduction target to phase out exports of coal, oil and gas by 31 December 2030 without a well-coordinated plan is putting the cart before the horse.

There is also no distinction in this plan of the difference between thermal and metallurgical coal. As Federal Minister for Resources the Hon. Madeleine King recently said, “in order to decarbonise, the world needs our resources industry and our critical minerals”.

Minister King also said that traditional resources such as gas, iron ore, bauxite and coal will also be crucial to help manufacture the technologies that will ultimately bring down emissions in Australia and around the world.<sup>1</sup>

### **Economic transition planning and worker compensation**

In relation to the establishment of a statutory authority to develop and implement a strategic climate transition plan, the LGAQ would make the following comments:

For generations, Queensland's economic success has been built on the back of a strong resources industry and the communities that enable it to thrive. Queensland miners and the sacrifices of their families continue to pave the roads we drive on, build the schools we learn in and service the hospitals for Queenslanders.

It is not just the miners themselves we can thank for this strong economic foundation. It is the support of local councils, thousands of businesses through supply chains, tens of thousands of workers enabling our key transport and logistics networks and our ports that have delivered an export driven economic dividend for the State's Treasury.

As Queensland's economy transforms to a clean energy future, resources communities and their local councils need to ensure they have place-based plans that respond to the social and economic challenges that will bring.

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<sup>1</sup> <https://www.minister.industry.gov.au/ministers/king/media-releases/minister-delivers-statement-future-resources-sector>



A successful transformation needs to be coordinated across government departments at a state and federal level but driven and delivered locally. Each of Queensland's resource communities is unique and different. They need a tailored long-term economic and social sustainability plan. Without this, these host resource communities will be left behind.

As local leaders, Queensland's resources councils know what policies are needed to ensure the liveability of their communities comes first.

One solution put forward and adopted by our member councils at the 2022 LGAQ Annual Conference was for the establishment of a Regional Transformation Authority with statutory powers inclusive of local governments, to:

1. Respond to changing supply and demand for fossil-fuel; and
2. Develop regional plans and coordinate a sustainable transformation, principally for Queensland's coal mining regions, but also for all Local Government Areas supplying to or reliant on the economic output of coal mining, as well as heavily coal-reliant industrial regions, like the Bowen Basin, and ensure all planning supports the ongoing and sustainable diversification of the resources sectors.

The effective management of this change is critical – principally for coal mining regions but also for all Local Government Areas supplying to, or reliant on, the economic output of coal mining, as well as heavily coal reliant industrial regions as well as other fossil fuels.

The outcome sought from implementing this resolution was that a multi-agency, intergovernmental Regional Transformation Authority is created to:

- Manage and coordinate the negative social and economic impacts associated with end of mine life and decarbonisation in coal mining regions.
- Ensure that all stakeholders can meaningfully participate in decision making processes and in the design of new plans and programs to decarbonise the economy.
- Work across all aspects of community and economic transformation to enable the flow of information and resources for effective, timely and regionally appropriate investment and action to facilitate:
  - Regional workforce support and planning well in advance of mine closures;
  - Place based investment in social infrastructure/services to support the future needs of regional communities;
  - Economic diversification to build on strengths of the regions to attract investment and jobs;
  - Investment in coal mining regions and infrastructure development/investment, by providing a vehicle to attract and channel funds into economic diversification initiatives;
  - Adaptation of legislation and policy as necessary; and
  - Community capacity building to leverage social and economic diversification initiatives.
- Provide feedback to government and industry which is integrated to ensure coordinated post-mining land use planning.
- Timely pre-closure planning applying contemporary social impact assessments across the resource sector.

Coal mining regions and the local governments that support them have borne the brunt of environmental, social and governance impacts associated with mining projects for decades.

Regional Australia is undergoing a social and economic transformation that will be beyond the capability of local councils to address. Existing coal heartlands like Central Queensland are in a position to capitalise on the global shift to net zero emissions provided appropriate Federal and State government planning and investment is received. Equally, coal mining regions are particularly vulnerable in the decarbonisation process.

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Numerous reports have articulated both the social and economic opportunities and risks for regional Australia associated with decarbonisation. Modelling by Accenture suggests that over 395,000 jobs could be created if Australia can capitalise on changes to the energy sector and become a 'renewable energy superpower'. Another report by Deloitte projects that the Queensland economy could grow by 7 per cent if it successfully manages the shift to net zero. Each of the reports clearly highlight that the risks associated with getting this transformation wrong are equally as significant as the potential for growth.

Transition authorities have played a significant role in helping regions navigate changes in the energy sector in other parts of Australia and globally - this has included coordinating planning efforts to ensure energy security, economic diversification, industry adaptation, environmental regeneration and positive social outcomes.

Given the Federal Government's adoption of net zero emissions targets and the reality that Queensland is likely to face disproportionate impacts as a result of decarbonisation, it is critical that there is coordination of resources across government departments and agencies to plan for and implement transformation actions.

Without a well-planned and coordinated transformation plan with a clear mandate and statutory powers to manage change, local councils will be fighting for their community's very existence under the pressure of negative social, economic, and environmental impacts resulting from end of mine life and global climate change responses.

The LGAQ welcomed the announcement by the Federal Government on 5 May 2023 of the establishment of a Net Zero Authority to oversee the transition to a net zero economy as a major step forward in ensuring the transition is coordinated and has the best interests of local communities front of mind.

As it has been announced, the National Net Zero Authority will have responsibility for promoting the orderly and positive economic transformation associated with achieving net zero emissions. It will work with state, territory and local governments, existing regional bodies, unions, industry, investors and First Nations groups and others to help key regions, industries, employers and others proactively manage the transformation to a clean energy economy.

The most positive element of the Queensland Climate Transition Strategic Plan outlined in the Bill, that that is consistent with our advocacy, is the concept of developing region-specific economic transition and resilience plans to be developed and implemented together with local workers, residents and businesses in affected communities.

The development of transition and resilience plans, aligns with the calls of Queensland councils at the 2022 LGAQ Annual Conference calling on 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 regional basis. That is why the LGAQ has included calls for expansion of a 'Communities in Transition' program in its 2023/24 State Budget submission.

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 previous pilot program focused on six regional communities and supported the development of a roadmap for each region, as well as prefeasibility business cases.

It is critical that regions experiencing the removal/ closure of coal-fired power stations are supported with the maintenance of a skilled workforce, retention or provision of equivalent employment, successful transition of the economy by mitigating adverse economic and social impacts and mitigation of the adverse impact on small and medium local businesses.

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## Emissions reduction

Across Queensland, 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 these goals.

At the LGAQ's 2022 Annual Conference, Queensland councils also called for greater investment by State and Federal Government to support councils' transition to net zero emissions through the provision of targeted operational and capital grants programs that address local emissions reduction priorities. The LGAQ has carried this ask forward into our 2023/24 State Budget submission and also in our support for the Australian Local Government Association's 2023/24 Federal Budget submission priority related to local government emissions reduction.

The explanatory notes to the Bill, outline how Queensland contributes to global emissions and the ability of our state to transform to a low carbon economy.

Evaluating comparisons on a global scale on a per capita basis will always disadvantage Australia, due to the combination of our vast fossil fuel resources and widescale agricultural production, over a large land mass and a comparably very small, low density population base. It seems somewhat disingenuous to frame this data on a per capita basis.

Recent data released by the CSIRO shows that Australia is the world's 14th highest global emitter, contributing just over 1 per cent of global emissions. Further research indicates that in 2021, just four regions accounted for about two-thirds of global fossil-fuel carbon emissions: China (31 per cent), the USA (14 per cent), the EU27; (7 per cent), and India (7 per cent).<sup>2</sup>

A comparative carbon assessment completed by Synergies on behalf of Isaac Regional Council highlighted that urban centres account for around three quarters of greenhouse gas emissions. They also identified that when compared to an average coal mine in Queensland, Greater Melbourne emits 402 tonnes of carbon per hectare, as opposed to 176 tonnes per hectare the mine.

Industry is also moving with state and national policy changes to transition to a low carbon economy. The LGAQ is aware that resource companies are embarking on strategic opportunities to embrace decarbonisation offsets. This includes joint venture partnerships by unlocking innovation and collaboration to reduce the emissions of specific projects and the broader supply chains. These opportunities can include developing new materials solutions, supporting new approaches to materials recycling, a wide range of clean energy generation development projects and exploring energy storage solutions to accelerate the transition.

In addition, for a number of years the International Energy Agency (IEA) and workers' representative groups have outlined the economic and social benefits from the development of carbon capture and storage opportunities. In 2022, the IEA recommended amongst other things that:

*“Support for research and development and demonstration for future applications of carbon dioxide could play a role in a net zero carbon emissions economy, including in aviation fuels and chemicals manufacturing. This should be in conjunction with research and development and demonstration for low-carbon hydrogen production and carbon from biomass and the air. Support for international research and development and demonstration programmes and knowledge transfer networks can facilitate accelerated development and uptake of these technologies. Governments could also provide direct funding for the demonstration of technologies with good prospects for scalability, competitiveness and carbon emission reductions.”<sup>3</sup>*

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<sup>2</sup> <https://www.csiro.au/en/research/environmental-impacts/climate-change/climate-change-qa/sources-of-ghg-gases>

<sup>3</sup> <https://www.iea.org/reports/co2-capture-and-utilisation>



More recently, international market signals from countries including Japan have spruiked the benefits of carbon capture and storage. On a recent visit to Australia, the CEO of Japan's Inpex Corporation Takayuki Ueda said:

*“Australian LNG is crucial in the pathway to net zero and vital to the energy security of the country's friends and allies in the region.*

*“The country is well positioned to become a ‘clean energy superpower’ but must act decisively to attract investment, particularly in carbon capture and storage.*

*“The race has started, and Australia already lags far behind.”<sup>4</sup>*

## **Consultation**

There has been no consultation with the LGAQ in the development of this Bill or since its introduction. That is extremely disappointing given the importance of local governments, particularly in regional communities.

There is also no mention of local government representation as part of the framework for the Queensland Climate Transition Authority, another disappointing omission.

In contrast, National Cabinet agreed to National Transformation Principles<sup>5</sup> on 9 December 2022, which puts an emphasis on the importance of engaging and including local governments, as representatives of regional communities, at the forefront of this policy framework.

The National Transformation Principles include a commitment to –

*Coordinated and collaborative: All levels of governments play complementary roles, aligning with existing local plans for transformation while bringing each governments' perspectives to planning. Actions are holistic, coordinated and proportionate to impacts. Siloes within and across the levels of government are overcome to ensure timely and joined up outcomes. Governments proactively respond to emerging needs and opportunities; and*

*Genuine partnerships: Commonwealth and state and territory governments foster collaborative and meaningful partnership with and between regional communities, First Nations peoples, local governments, industry and private sector, unions, researchers, and civil society groups. Actions by governments are tailored to the unique context of each regional community, and consider the diversity of views in those communities. Governments work in partnership with these communities to help create and implement place-based plans for their communities' future.*

Most importantly, these principles were developed in the spirit of ensuring the Commonwealth and state and territory governments work together with local governments, regional communities and industries.

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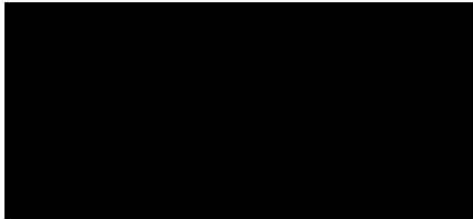
<sup>4</sup> <https://www.afr.com/politics/federal/gas-will-be-needed-for-decades-minister-launches-strident-defence-20230329-p5cwby>

<sup>5</sup> <https://federation.gov.au/national-cabinet/media/2022-12-09-national-transformation-principles>



The LGAQ is happy for this submission to be made public. If the Committee would like any further information, please contact Mr Nathan Ruhle, Acting Manager – Intergovernmental Relations on [REDACTED] or [REDACTED]

Yours sincerely,



Alison Smith  
CHIEF EXECUTIVE OFFICER