



# ***TRANSPORT AND RESOURCES COMMITTEE***

**Members present:**

Mr SR King MP—Chair  
Mr CE Boyce MP  
Mr JR Martin MP  
Mr LL Millar MP  
Mr LA Walker MP  
Mr TJ Watts MP

**Staff present:**

Ms D Jeffrey—Committee Secretary  
Mr Z Dadic—Assistant Committee Secretary

## **PUBLIC BRIEFING—CONSIDERATION OF THE DEPARTMENT OF ENERGY AND PUBLIC WORKS' *ANNUAL REPORT 2020-2021* AND THE AUDITOR- GENERAL'S REPORT NO. 7: *2021-22—ENERGY* *2021***

### **TRANSCRIPT OF PROCEEDINGS**

**MONDAY, 14 MARCH 2022**

**Brisbane**

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**The committee met at 10.35 am.**

**CHAIR:** Good morning. I declare this public briefing for the committee's consideration of the Department of Energy and Public Works' *Annual report 2020-2021* and the Auditor-General's report No. 7: 2021-22—*Energy 2021* open.

My name is Shane King, member for Kurwongbah 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 people, whose lands, winds and waters we all share. With me here today are: Lachlan Miller MP, member for Gregory and the deputy chair, who will be joining us shortly; Colin Boyce MP, member for Callide; Les Walker MP, member for Mundingburra; James Martin MP, member for Stretton; and Trevor Watts MP, member for Toowoomba North.

This briefing 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. You have previously been provided with a copy of instructions to witnesses, so we will take those as read.

I also remind members of the public that they may be excluded from the briefing at the discretion of the committee. I remind committee members that departmental officers are here to provide factual or technical information. Any questions seeking an opinion about policy should be directed to the minister or left to debate on the floor of the House.

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 the chair's direction at all times. You may be filmed or photographed during the proceedings and images may also appear on the parliament's website or social media pages. I ask everyone present to please turn mobiles phones off or to silent mode.

**ATKINS, Mr Graham, Deputy Director-General, Public Works, Department of Energy and Public Works**

**BAILEY, Ms Sharon, Deputy Director-General, Procurement, Department of Energy and Public Works**

**BARRON, Ms Ainslie, Acting Assistant Director-General, Building Policy, Department of Energy and Public Works**

**HYDE, Mr Paul, Acting Assistant Director-General, QBuild, Department of Energy and Public Works**

**MARTYN, Mr Paul, Director-General, Department of Energy and Public Works**

**RIDGEWELL, Ms Paige, Assistant Director-General, Portfolio Integration, Department of Energy and Public Works**

**SHANKEY, Mr David, Deputy Director-General, Energy, Department of Energy and Public Works**

**TURBIT, Ms Robyn, Acting Deputy Director-General, Corporate and Portfolio Strategy, Department of Energy and Public Works**

**CHAIR:** I welcome representatives from the Department of Energy and Public Works—there are certainly a lot of you and I thank you all for coming—who have been invited to brief the committee on the department's *Annual report 2020-2021* and the Auditor General's report No. 7: *2021-22—Energy 2021*. I invite you to make a short opening statement, after which committee members will have some questions for you.

**Mr Martyn:** I will also begin by acknowledging the traditional owners of the land on which we meet today and pay my respects to elders past, present and emerging. During this session I understand that the committee would like to hear an update on departmental activities.

During 2021-22, the newly formed Department of Energy and Public Works matured into a unified operation and started to explore the synergies and opportunities brought about by the portfolio. I want to acknowledge the leadership of Mr James Purtill, my predecessor, who brought the department together very effectively. Mr Purtill is now the first Mine Rehabilitation Commissioner and leaves a very strong legacy for EPW.

I should also note that this year we celebrate the 160th anniversary of the formation of the original department of public works. In 1862, the department was formed by the then colonial administration as only the fourth department of the state. Since then Public Works has played a vital role in the lives of Queenslanders—during war, depression, disaster and boom times. Across the state, in every town and city, there are buildings built by Public Works that enrich the lives of citizens—Customs House in Townsville or the old Toowoomba Post Office or the Isisford Hospital. These buildings mean a lot to their communities and mean a lot to our heritage. We want to remember not only the architecture but also the people who built them—the tradies, the quantity surveyors, the procurement officers et cetera. This year we will undertake a range of activities to celebrate the 160th anniversary of the department.

I do want to say to the committee that, as a department, we are not only looking to celebrate our past but also looking to the future. As indicated in the previous hearing, we have just established a Hydrogen division, headed by a Deputy Director-General, Mr Chris Shaw, to focus on that industry of the future. We have also established a Portfolio Integration unit to assist in working across the agency to leverage our collective strengths, and Ms Paige Ridgewell has taken on the role of leading this team.

Our current budget is in excess of \$2 billion. However, the 2020-21 annual report reflects only seven months of transactions from 1 December 2020 to 30 June 2021—that is, \$1.2 billion due to machinery-of-government reporting.

A focus for DEPW in 2020-21 was developing our workforce, ensuring we have the right people in the right places to deliver on government priorities. Our current workforce of around 2,000 is committed to our core value of maintaining a healthy and safe workplace, aiming to achieve zero harm where there is not harm to any employee at any time while at work.

I want to acknowledge my Deputy Director-General for Corporate and Portfolio Strategy, Robyn Turbit. Robyn has given many decades of service to the department and will shortly retire. I want to thank her for her service and note that this will be the last time she appears before a committee such as this. Lucky you, Robyn!

As in previous years, DEPW has played a significant role in disaster recovery and continues to do so, with many staff currently deployed to assist in the clean-up following the South-East Queensland flooding events of the last two weeks. Our QBuild team has been working to repair schools to enable them to reopen, to help restore public housing for residents and to generally support the recovery effort. I want to thank my Deputy Director-General, Graham Atkins, and the head of QBuild, Paul Hyde, for the work of their team during these times. Mr Atkins also leads the Major Projects team. The Major Projects team is responsible for facilitating the delivery of high-risk and/or high-value capital works projects on behalf of the government. They are supervising a range of large projects across the state.

The Queensland Government Accommodation Office is within the Public Works division. QGAO is responsible for the planning, management and provision of around one million square metres of office accommodation for Queensland government departments to provide services to Queenslanders. With a total portfolio value of approximately \$2 billion—including the Government Employee Housing portfolio, which comprises 3,000 state-owned residences and a continuing capital, maintenance and upgrade program for the delivery of safe and secure government employee housing in regional and remote locations—QGAO performs an important role for the Queensland government. I should also note that we have appointed a new Queensland Government Architect, Ms Leah Lang, who is bringing a very strategic approach to design leadership across government in public architecture.

The Building Policy team, led by acting Assistant Director-General Ainslie Barron, supports the department's commitments and priorities by continuing to implement security of payment reforms and developing policy and practice to further improve safety, fairness and sustainability in the Queensland building and construction industry. That vision also contributes to a strong national reform agenda by collaborating with various government agencies, the Australian Building Codes Board, regulators and industry. Ainslie's team has a very busy workload and does it very well.

Our ongoing response to COVID-19 has also been a priority for more than two years now. We have supported Queenslanders through the pandemic in numerous ways including: working with suppliers to deliver products and services such as rapid antigen tests and personal protective equipment; providing utility relief payments and the government's \$50 asset ownership dividend; establishing the whole-of-government COVID-19 Procurement Response Taskforce; and fast-tracking payments to maintenance and construction businesses to assist with cash flow.

I want to acknowledge in relation to those procurement matters the role of Deputy Director-General for Procurement, Sharon Bailey, and her team. Ms Bailey is also responsible for QFleet, which is continuing to implement the QFleet Electric Vehicle Transition Strategy for the Queensland government by progressively increasing the number of low- and zero-emission electric vehicles in our state government motor vehicle fleet. QFleet is on track to achieve its target to double the number of EVs in its fleet to 288 by the end of this year. QFleet currently has 179 EVs within its fleet, with another 10 on order awaiting delivery.

We have already spent considerable time talking about energy. I know you will have some questions in relation to report No. 7 from the QAO. I should also note that Mr Shankey and his division have indicated very clearly to our government owned corporations that increasing security of information systems remains a priority. The Energy division supports the sector by working with the Cyber and Infrastructure Security Centre in the Department of Home Affairs on the Security Legislation Amendment (Critical Infrastructure Protection) Bill 2022. This bill will assist in enabling the uplift of information security in the energy sector and support the ongoing strengthening of the security of information systems.

In conclusion, at the moment the department's priorities are: releasing the Queensland energy plan; progressing regulatory reforms for Queensland renewable energy zones; establishing a project management centre of excellence; completing phase 1 of rebuilding QBuild; completing an environmental strategy for government office accommodation; delivering a design brief for the redevelopment of the Gabba stadium; completing a procurement framework for the 2032 Brisbane Olympic and Paralympic Games; finalising the establishment of our procurement compliance function; and doubling the number of electric vehicles in the government's fleet.

It is a busy agenda. We have a great team and a department that is very committed to doing everything it can to implement the government's priorities. We are happy to take questions.

**Mr MILLAR:** I wanted to ask this in the last session. It is something that I am passionate about. It is about co-generation with COFCO in Tully and also MSF up in the Atherton Tablelands. What is the department doing, working closely with groups such as COFCO and MSF, to see the realisation of co-generation and what are some of the stumbling blocks at the moment?

**Mr Martyn:** That is a fantastic question. Over the past couple of weeks I have met with the CEO of the Australian Sugar Milling Council to discuss those opportunities. We are aware that there are up to 400 megawatts available through co-generation across those mills. The ASMC has done a number of studies on the technical barriers and opportunities in terms of upgrading of boilers to expand co-generation capacity. They have put some very interesting ideas to the department, which we are currently considering. Indeed, there is a Friends of Sugar event at parliament tonight that I am going along to, to further discuss these opportunities. We do see co-generation as an important part of that mix of fuels that Mr Shankey was talking about earlier. It is dispatchable, it can be turned on and, indeed, in our most recent event it was turned on and was a significant support to the state's grid. It is an important issue. We are certainly engaged on it and we expect it to figure in the energy plan when it is released.

**CHAIR:** I have a question about the department's support for energy consumers. You mentioned the \$50 rebate. Could you expand on any other rebates?

**Mr Martyn:** The government continues to support all Queensland consumers by ensuring energy remains affordable and reliable and by providing financial assistance to help households meet their energy cost, particularly for those who are most vulnerable. The government has delivered stable prices over a sustained period of time and in 2021-22 typical consumers in regional Queensland on all major tariffs saw a decrease in their electricity bill based on final prices set by the Queensland Brisbane

Competition Authority. This is the fourth year in a row that prices have declined and the largest decrease in more than 16 years. Because Queenslanders own their energy businesses the government is giving all households another \$50 bill credit in the second half of this year and that is the sixth dividend payment since 2018. This is on top of the \$50 asset ownership dividend payment to households in 2020 and 2021, which were automatically applied as a credit on electricity bills.

In addition, during the COVID-19 pandemic the government delivered a \$500 million utility relief package that provided over two million households with a \$200 rebate on their electricity bills in mid-2020 and almost 200,000 small businesses with a \$500 rebate on their power bill. This means over the last four years households have received total power rebates of \$450.

The government also continues to support vulnerable customers through direct concessions. Nearly one in three households is currently receiving an energy rebate to assist their energy costs. In 2021-22 \$261 million was allocated to assist households struggling to pay their energy bills. Around 628,000 pensioners, seniors, veterans and low-income households are accessing the electricity rebate of \$340.85 per year. On top of this, pensioners, seniors and veteran households that use natural gas are also eligible for the Reticulated Natural Gas Rebate of \$74.92 per year. The government also provides the Home Energy Emergency Assistance Scheme of up to \$720 once every two years to around 12,600 households experiencing financial hardship due to unforeseen short-term financial factors.

Customers with chronic medical conditions requiring the use of oxygen concentrators and home dialysis machines can apply for the Electricity Life Support Concession of up to \$694.18 per year. People needing to use their air conditioners excessively for temperature regulation can also receive \$340.85 per year through the Medical Cooling and Heating Electricity Concession Scheme.

Farming businesses affected by drought can access financial support through the Drought Relief from Electricity Charges Scheme, which provides reimbursements for South-East Queensland customers or indeed a waiver for regional customers of supply charges associated with pumping water for irrigation purposes. Recognising the unique situation faced by regional businesses on obsolete tariffs, the government introduced the Electricity Tariff Adjustment Scheme with support available from 1 July 2021 for up to nine years, including \$9.1 million in 2021-22. The scheme provides eligible customers with individually tailored transition rebates to help offset bill increases when moving to standard tariffs.

Due to the vast distances and lower concentration of customers, the cost of supplying regional customers is significantly more than in South-East Queensland. However, Queensland's uniform tariff policy provides that customers should pay the same amount or a similar amount for electricity regardless of where they are located. The government thereby subsidises the difference between the retail prices that regional customers can be charged and the actual costs of supply through the community service obligation budgeted at around \$500 million in 2021-22. We recognise that affordable, reliable power is critical to all Queenslanders and the government is undertaking a range of programs to support consumers and to keep downward pressure on their prices.

**Mr BOYCE:** My question is to Mr Shankey. Recently I was briefed by Stanwell Corporation with respect to hydrogen industry development. Hydrogen electrolyzers will require a percentage input of traditional baseload power sourced through carbon offsets to be fully operational 24/7. What is the department doing to ensure the recognition and delivery of coal-fired power to a developing hydrogen industry?

**Mr Shankey:** I take it you are referring to Stanwell's proposed project and their partnership with the Japanese?

**Mr BOYCE:** Correct.

**Mr Shankey:** Stanwell's plan for the project is to have components supplied from renewable energy and they are looking to transition the firming aspect of that power over time when more firming becomes available. The hydrogen industry is at the very beginning of its deployment and it is projected to grow over the next 10 years. Stanwell's plan would be that, as soon as the project begins, it would have a certain amount of renewable energy and it would be firming it with coal-fired power, as you say. It also will be proposing that they will purchase LGC certificates to offset that and then over time, as firming becomes available at an appropriate price, they would be replacing that coal-fired power.

I think what is important to recognise here is that the Japanese government, and I might ask the DG to make comment on this, is committed to having their hydrogen industry sourced from renewable sources. If we are to partner with the Japanese government over the long-term, we will have to make clear to them that there is a pathway to move it to be fully renewable.

**Mr Martyn:** It is great to see our government owned corporations participating in this new hydrogen industry. Stanwell's proposal, in partnership with Iwatani, is a great example of that. Everyone is learning in hydrogen. Everyone is exploring how this new fuel source will work, how best to make it, how best to transport it et cetera. That includes considerations around whether the electrolysis is undertaken at the point where the renewable energy is generated or whether it is undertaken at the port. What is the best technology to transport hydrogen: is it liquefied hydrogen under pressure, is it ammonia, is it MCH et cetera. From the Japanese point of view, they are very interested in the total supply chain, so what is the delivery mechanism when the hydrogen reaches Japan? All of these things countries around the world are exploring to see how we do this in the best way, how do we do this in the least cost way.

To see CS and Stanwell both participating in this I think is really productive and again it gets to that whole message around how do we have a diversity of energy sources in Queensland, how can we use that for our own industries, how can we also use that for export. The way in which hydrogen is produced and used, as Mr Shankey said, will change over time. A number of experiments are taking place in each state in Australia. We are certainly, as a department, keeping a very close watch on those experiments to see which one works. What we see over time is all the projections around when will hydrogen start to become a commercial reality. All of those projections keep coming forward. Originally it was the end of the 2030s, but it is all coming forward. The work that Stanwell, CS and others are doing helps us to prove it up and helps us to begin the deployment of that technology and to build the confidence of both investors and customers that hydrogen will be both commercially feasible and that it will be able to be technically delivered to ports in Japan and ultimately, obviously, to end users.

**Mr MARTIN:** My question is about security of information systems and also security of the network, which was mentioned by the Audit Office. I want to get an idea from the department on this. Could you elaborate on what entities need to be doing and how you are working with them to ensure that their information systems and the network are secure?

**Mr Martyn:** The committee will obviously be aware, and I think the Auditor-General highlighted it in his testimony this morning, that cybersecurity remains an issue for all organisations, large and small. There was an incident at CS Energy last year that highlights how malicious hackers can seek to do damage through cyber attacks. I understand that the attack emanated from Russia.

I will not today, if it is all right with the member, provide details about specific cybersecurity strategies of the government owned corporations with a view to not providing any further information that may help criminal action by hackers. I can advise and reassure the member that on 1 December last year the minister wrote to the chair of all energy GOCs highlighting the priority of cybersecurity and seeking advice on plans for improved cybersecurity mitigation and risk reduction strategies. All of those GOCs provided information to the department about how they are doing that. I can assure you that all of them have in place strategies to do that and they are regularly reporting to the department on that.

The important thing is that we are acutely conscious of the threat to state energy assets and the need to ensure that those assets are proofed against cyber attack. Importantly in the CS case, at no stage was the actual electricity generation system threatened. It is something that we continue to monitor. It is something that we do in partnership with the Australian government through a range of arrangements. Certainly, as I indicated, each GOC has indicated the priority that they apply to cybersecurity and, indeed, they have been doing work over multiple years. One of the points that the Auditor-General made, which I think is worth underlying, is that the job is never done on cybersecurity. The criminal elements continue to use new and sophisticated tactics. It is an ongoing effort at preparedness.

**Mr WATTS:** I come from Toowoomba. I am interested in whether Toowoomba is in the south-east corner or outside the south-east corner from the department's point of view and how does that relate to price competition in electricity? Is there any technical reason why we cannot have price competition in Toowoomba? I understand policy; I am not asking that. I am asking: is there any technical reason? The second part of my question is this: you mentioned a million square metres of office space. I am interested to understand what the balance of that is between the south-east corner and regional, provincial and remote Queensland.

**Mr Martyn:** Mr Shankey might answer the first question and Mr Atkins the second, if that is all right.

**Mr Shankey:** Certainly competition is not excluded from Toowoomba and it will be whether other private or commercial entities—Origin, AGL, that kind of thing—can offer electricity at a competitive price. The thing that would stop them from doing that would be the amount of the Brisbane

consumer service obligation that is paid to supply electricity in that area. The reason the government does that is that it is committed to ensuring that all Queenslanders pay a very similar price to what is happening in South-East Queensland. There is no technical reason why competition would not be there, but it would be a financial reason in that they are unable to compete with the CSO for supply.

**Mr Atkins:** With regard to the public works component of the department, our south-west Queensland regional office is located in Toowoomba, and from there to the west is led by our regional director in Toowoomba. In terms of Queensland government office accommodation, I will have to come back to you on the percentage. It is certainly a significant component in SEQ, particularly in the CBD, but I will have to come back on the percentage that is in South-East Queensland.

**CHAIR:** You can take that on notice. That question has piqued my interest. On the Uniform Tariff Policy, the UTP, the costs for, say, a remote community or a farmer at the end of 60 kilometres of SWER line would be significant if they were to pay the normal price of what it actually costs to get there. Are you able to divulge what they do pay versus what they could potentially pay in a few examples? The policy does make sure that everyone pays a similar amount.

**Mr Shankey:** It ranges. The more population there is in a particular area, the lower the CSO, the consumer service obligation. In areas very close to Brisbane, the amount of subsidy is quite small and as you go further north it gets larger. It can be up to tens of thousands a year if you are getting down to particular customers and that kind of issue. Certainly, as you go further west it would be that amount.

That does raise the question of whether there is a cheaper way of providing electricity than on the end of long SWER lines and possibly even a more reliable way because we are all aware that some of those very long lines can have issues with lightning strikes and so forth. There is a lot of work going on to support what are called standalone power systems which could be deployed in more regional areas which might reduce the cost of supplying electricity in those areas and also increase their reliability if you can.

The challenge is that, if you are on the end of a SWER line, you cannot just deploy a solar and a battery and hope that the power remains on for them. The retailer, which in this case is Energy Queensland, would have to ensure that they get the same level of reliability as they do from grid connected power. That is quite a challenge still. Before you disconnected the line in any way, you would have to ensure that they would have power 24 hours a day, 365 days a year.

It is certainly something that we see will be a feature of a future electricity system, and not just in our remote communities. We have 33 of those communities that are on their own separate grid, and we are seeing increased deployment of renewable energy on those rooftops, combined with the current diesel set-ups they have at the moment. That is certainly the first area where we think solar and batteries and a bit of wind will take off in. We think after that we will start to see with the long SWER lines us putting in standalone power systems instead as the system evolves. In doing that, we have to think about what we are paying for electricity out there at the moment and whether there is an alternative way of doing that.

**CHAIR:** Coming from the industry, I understand the line through black-soil country and everything and the inherent danger and the maintenance costs of that.

**Mr MILLAR:** I have two questions and they are both related to my electorate of Gregory. Firstly, where are we with the Barcaldine Renewable Energy Zone project? Are there any hold-ups? Secondly, in the town of Emerald where I live, we do have a solar farm. It was placed on valuable irrigation land. What is the department doing to coordinate with other departments to make sure that solar farms are going on land that is not valuable agricultural land, such as the Emerald irrigation area?

**Mr Shankey:** I just want to be sure that I am talking about the right area. This is the RAPAD project with Ross Garnaut involved?

**Mr MILLAR:** Yes.

**Mr Shankey:** There have been a number of feasibility studies done into that project. Those feasibility studies have increased in complexity over time. A lot of that project is based on using energy within the area. They are talking about hydrogen as part of it, and they have tomato growing proposals and some sort of biochar as well.

**Mr MILLAR:** Yes, urea.

**Mr Shankey:** Yes. A lot of it is a kind of self-sustained ecosystem of energy and agricultural products. From an energy point of view, we are as supportive of that project as possible. We would like to see it be a viable project. We have to look at the studies and look at what is possible. Where it

can be challenging is that, if they are talking about exporting power from there to the rest of the grid and connecting it into SEQ, the quality of the transmission that we have out there will probably need some work. If it is a self-sustaining project in the Barcaldine area, we are very supportive of it. If it is exporting power to SEQ, there is probably substantial augmentation required. The second question was solar and I will pass that on.

**Mr Martyn:** I will give a bit of background in terms of the planning framework that currently applies to renewable energy projects. The government developed the wind farm code in 2017 and the Queensland solar guidelines in 2018. I am told that on a statewide aggregate basis the incidence of solar projects overlapping—for example, with resource authorities and agricultural class A and B land—is low, perhaps 0.5 per cent. Even in key solar regions, such as the Western Downs Regional Council area, land use overlap with resource authorities is below one per cent, while class A land overlap is 0.3 per cent and class B land overlap is 1.5 per cent.

What I would say though is that, during the course of our consultation on the energy plan, many stakeholder groups have raised the need for re-examination of the planning framework as it applies to renewable energy. We met with the Queensland Farmers' Federation and they raised the specific issue of the overlap between renewable energy projects and what in the old days was known as good quality agricultural land. It is certainly an issue that we as a department are very much alive to. One of the things we are conscious of is that, in order to make this energy transformation, we need more renewable energy but that renewable energy needs to be deployed in a way that maintains the confidence of the community and that understands that we do not want to get into a situation of competing land uses and community distrust and conflict. That is not what we want.

As part of the energy plan, we are looking at this issue of social licence, this issue of what is the appropriate planning regime, and this issue of how do local communities see the benefit of the growth of the renewable energy sector. We have recently concluded consultation on the local benefits framework for the Queensland Renewable Energy Zones framework and will shortly release that. I think it is fair to say that the feedback has been very much around local communities wanting to see that benefit.

It is a very good question. It is certainly an issue that has been raised frequently with us. Indeed, at a meeting of stakeholders last week it was really very much impressed upon us the importance of addressing that issue.

**Mr MARTIN:** My question is about one of our renewable energy initiatives and the department's feedback on how that has gone. The clean energy in schools initiative has been very popular in my local area. All of the schools in Stretton now have solar panels on them and it has been received very positively by the mums and dads doing the school drop-off. Has the department had any feedback on that initiative? Also, do you have any idea about how that contributes to the renewable mix, or is it too soon to know that?

**CHAIR:** I understand it was a different department that did that but can you talk to the overall balance of the generation on schools?

**Mr Martyn:** The education department has done an outstanding job with that program. It is important not only to reduce the energy bills of schools but also to educate young people about the value of renewable energy and how it can be practically deployed. As a department, we do not have information to hand on the program, but it is certainly something where we are actively looking as a landlord of a whole range of different government assets around how solar can be deployed not only to save money but also to contribute to this energy transformation.

**CHAIR:** I imagine the daytime load of the air conditioners in schools would be a lot less with that solar generation.

**Mr Martyn:** That is a very good point. In schools, all the energy use is during the day, which is exactly the time when the sun is shining most days, so the balance there is very good—unlike residential houses, where the energy use tends to be of an evening, which creates those storage issues that we talked about in the last session.

**Mr BOYCE:** I have a question to Mr Hyde. What is the department doing to ensure value for dollar spent on the cost of delivery of projects delivered by QBuild versus the cost of delivery of similar projects delivered by the private sector? There are many examples of QBuild projects being significantly more expensive than those delivered by the private sector.

**Mr Hyde:** With the QBuild field staff, we are working towards competitive training of our tradesfolk. We are looking at cost competitiveness in our estimates when we are building up an estimate. We are also looking at benchmarking our pricing back to industry. The area where we find our competitiveness very well is in the regional and remote areas. We engage with industry for supply.

We look very closely at how we can do things much more efficiently and effectively with our insourcing. We work very closely with the sector in combined project delivery. We are looking at a number of strategies to reduce what it costs us to deliver projects.

We are also looking at better designs, better ability to combine projects across government, bulk purchasing and also delivery of strategies to bring purchasing and building on site together so that we have subtrades working across the industry well. The answer to the question is that we are looking at better ways of making our trade labour more efficient. We are bringing trades through under apprentice training, and we are also looking at working closely with industry for more transparent and competitive deliverables.

**Mr Martyn:** Could I point out that QBuild directly delivers only eight per cent of the total amount of work that it commissions, so 92 per cent is actually delivered by private contractors. That is an important point. In relation to the question before about the balance between South-East Queensland in terms of government, we have an answer for that question if we could add it now.

**Mr Atkins:** The total floor area that QGAO is responsible for is slightly over one million square metres. In the CBD and fringe we are responsible for about 400,000 square metres and in the balance of the state it is just over 600,000 square metres. So it is about a 40-60 split of CBD fringe to the rest of the state. In Toowoomba we manage about 20,142 square metres.

**Mr WATTS:** There are always opportunities to expand in Toowoomba.

**CHAIR:** I want to commend QBuild on the number of apprentices that you train. The private sector does benefit from that. Everyone benefits. Being a tradesman myself, I love apprentices and apprenticeships.

**Mr WALKER:** In relation to the QFleet Electric Vehicle Transition Strategy, the graph on page 11 of the annual report identifies that there were only 84 electric vehicles compared to the target of 144 electric vehicles in the QFleet vehicle fleet in 2020-21. Can the department please outline the reasons why this target was not met or achieved for that period?

**Ms Bailey:** The targets are set on a calendar year and unfortunately the annual reports are on a financial year, so we actually did make our target. At the end of 2021 we exceeded that target and had 165 in the fleet at that point in time. Unfortunately, our targets and the annual report are a little bit out of sync.

**Mr WALKER:** As a supplementary, I heard in the opening statement from the DG that it was 179 EVs, which is quite exciting. The reason I raise that point is that people look at that report and go, 'Fuel's up, vehicles are down,' so I am glad you clarified that because in the opening statement there was a very good briefing on where we are at with those vehicles and it is very exciting, so thank you very much.

**Ms Bailey:** It is. It is a really exciting time.

**Mr WALKER:** Thank you.

**Mr WATTS:** Going back to an earlier question—and I think I may know the answer—I want to know about pumped hydro and its ability to be able to provide stability to the grid. While on pumped hydro, is the department undertaking any sort of comprehensive mapping of opportunities that may or may not exist in Queensland? I am particularly interested in pumping up water that would normally run out to the ocean, and getting it up over a hill and letting it go the other side so that it runs inland, but I am just curious.

**Mr Shankey:** I will answer the first part of the question first, which is the ability for pumped hydro to supply system services, if you like, to the grid. We are extremely keen as a department on pumped hydro because we can see how it can be almost a direct interchange for our current system set-up. We have a lot of gas turbines—3,000 megawatts of gas turbines—and lots of coal turbines as well and they all provide spinning system services, inertia, frequency control and that sort of thing and pumped hydro can be programmed or set up in a way that it can almost do exactly the same thing. We are familiar with it in Queensland because we have pumped hydro in Wivenhoe, so we know how it works. We have been able to change how Wivenhoe works in the system over the past few years to be much more of a storage service.

When I first started working in energy it was really drawing power at night-time; now it is very much using power during the day, so it is able to run pumped hydro. Turbines are able to run at 50 megahertz and spin in the same way as other turbines are able to and we can do that. That is not to say that batteries and other synchronous condensers cannot do that as well and we still will need those as part of the system—very much so—but we are so familiar with how pumped hydro works that it would be a very good replacement for us.

As for the second part of the question, I might let the DG talk to you a little bit about that, but there has been lots of work across the nation looking at pumped hydro sites. The most well-known of those is an ANU study by Andrew Blakers that looked all across Australia basically from a geographical point of view in terms of sites where there is a large difference between the top dam and the bottom dam. There are a lot of sites in theory, but when you layer upon them the actual geology of the area and perhaps national parks and other constraints it is more limited. It is something that we are taking a very close look at because we are trying to think, 'What does our Queensland system need? How much can we get out of that and then how much will we have to rely on batteries, interconnectors and other things?' I might let the DG comment on that.

**Mr Martyn:** I think Mr Shankey is right: as I indicated earlier, we want to be open to all technologies. We would like to see where pumped hydro can achieve not only an energy outcome but potentially other outcomes. The technical studies are considerable, as is the amount of expertise that needs to be deployed. It is something that we continue to look at, but certainly we are open to all ideas. As a state we want to make sure that we keep our options open because technology changes but equally we have to be conscious of the lead times in the deployment of pumped hydro. It is a very long-range proposition and so early commitment needs to be made for the future.

**Mr BOYCE:** With respect to solar farm guidelines, it is my understanding that these guidelines are not enforceable. They do not account for high-value agricultural land taken up by the solar energy sector. What is the department doing to ensure high-value agricultural land is protected for food production given that only 2½ per cent of land is classified as high-value agricultural land?

**CHAIR:** I know that a similar question was asked before, but if there is any way you can expand on that that would great.

**Mr Martyn:** I simply say to the member that we are very conscious of the value of good quality agricultural land, high-quality agricultural land. It is an issue that has been raised with us by stakeholders and it is being looked at as part of the energy plan. The development approvals process for solar farms frequently resides with local governments and so you run the risk of getting an inconsistent approach across the state in various different jurisdictions. I can assure you that it is something that we are committed to looking at as part of the energy plan.

**CHAIR:** I have a question about QFleet and the promotion of road and driver safety for Queensland government employees in line with QFleet's road safety initiatives. I am just wondering if you could advise the committee about any road safety initiatives directed at QFleet drivers and also the statistics that you do collect in relation to QFleet vehicle accidents and injuries.

**Ms Bailey:** Certainly. We take driver safety extremely seriously. I think QFleet celebrated its 30-year anniversary last year. It was one of the first fleet managers in Australia to have Queensland vehicle driver safety instruction manuals available. Apart from our driver safety program and our manual and our training, at the moment we are trialling IVMS systems, which are incredibly valuable in prompting drivers, so providing them with a reminder that they might be speeding and those sorts of things. At the moment that trial is happening within QBuild.

As members would appreciate, a lot of our QBuild staff are in very remote areas. We have had a number of accidents and we have just been very lucky that there have not been any fatalities. What IVMS offers us is the opportunity to know exactly where our drivers and our vehicles are should there be an issue. So we are trialling that to look at that. We certainly do collect information on a range of safety infractions. I do not have that information with me today, but I am certainly happy to get back to the member on that.

**CHAIR:** I do not need the details, just that you do collect it.

**Ms Bailey:** Absolutely. We collect it because we are a commercialised business unit that leases vehicles. The model is based on: we debt fund purchase, we lease to commercial clients across government and then we sell the vehicles at the end, so that is the sort of business model that we work on. As you can appreciate, in our insurance and all of those things we need to be very clear about how we are managing driver behaviour and safety to make sure that we keep that business commercial. We take it very seriously. We are very lucky to have excellent data collection and it is always the case in government of having excellent data in terms of what we do to realise that and get the benefit of it. Certainly IVMS systems offer us a real opportunity into the future, but it is quite a new thing and we need to work with employers and government employees about the deployment of that, hence the trial.

**CHAIR:** I concur with that.

**Mr MARTIN:** Could the department inform the committee how it has responded to the impacts of COVID-19 on its workforce and projects?

**Mr Martyn:** I might hand that over to Robyn Turbit to have answer, as she is enduring her last session. Robyn might be able to start us off.

**Ms Turbit:** We are a very geographically diverse organisation providing a very large variety of services. We are very adept at dealing with the continuation of services through natural disasters, seasonal events and obviously recently the pandemic. It is very important to ensure that the health, safety and wellbeing of our staff is maintained during all of these times. Lots of things happened during that time—a very unprecedented time for the department, as it was for government. Our supervisors have maintained close contact with all of our staff who are working remotely to monitor their welfare and maximising the use of video Teams meetings. I think we all became experts in Teams meetings during that time and got to know the mute button very well. It became a friend of ours. They kept social connections with staff in order to promote better mental health outcomes and ensured open communication all the time was continual.

We have also ensured the ongoing promotion of access to the range of specialised support services that we provide to our staff, and did provide to our staff before the pandemic, to make sure that their wellbeing is well looked after, not only for them but also their immediate family. We understand the complexities associated with the pandemic. It has an impact on staff at all different levels, including navigating the challenges that it presents to day-to-day lives. It is not only what is happening in the workplace but also what is happening in their daily lives. We will continue to promote and encourage the use of these services to ensure our staff stay healthy and safe, both physically and psychologically.

Specifically, we took the following actions in response to the pandemic to protect the health, wellbeing and safety of our people whilst ensuring ongoing productivity and service delivery outcomes for government: implementation of COVID-safe plans and continual review in line with the latest health advice; physical distancing measures including, but not limited to, staggered start and finish times; the use of face masks in indoor environments and increased building signage; and increased hygiene and cleaning activities across EPW workplaces and vehicles, including the frequency of workplace cleaning and access to sanitiser.

I think the point to note too is that we were not only just looking after our own department during that time; QGAO, our government accommodation group, did an incredible work effort across government to provide a lot of information to all of the buildings that we have public servants in across the state. We increased the access to remote working arrangements where possible, including additional infrastructure to support these activities. We moved a large number of people out of the CBD in a very short space of time when the pandemic first hit. We were already looking at moving to more flexible work arrangements over a period of time. This certainly exacerbated that and really increased that incredibly in the very short space of about a month, moving almost what was then the old department—housing and public works—of almost 4½ thousand or 5,000 people to remote working very quickly. When required, affected business areas within EPW obviously activated their particular business continuity plans to support the ongoing requirement of essential services provided by the department. It was not just the physical movement of people to a different location to work; it was making sure that we maintained the services that we did need to maintain.

Dedicated resources were made available to staff to assist with any transitions to working remotely, frequently asked questions documents, guidance materials for confirmed and/or suspected cases within the workplace and access to additional support from external providers. It is fair to say that it has been unusual times over the last couple of years. I think we very effectively moved our staff into remote working arrangements and, given what we have seen recently with the floods as well, it served us well during that time so that people could effectively work and work productively from home but also keep connected. I think that was a very important part of the last couple of years—that is, the connectivity between people, staff and business areas but also constantly delivering that service. It served us well and we will continue to provide these services through the pandemic. It obviously has not left us yet. There are still issues that we do have to deal with, but I think we are much better placed than what we were a couple of years ago to, firstly, ensure the health and safety of our people working remotely while also delivering the services that government requires of us.

**CHAIR:** Thank you very much. I noticed you mentioned the recent floods. I have a question about the impact of the floods on our Queensland government owned buildings and if there has been any major damage. Can you give us an update, please?

**Mr Atkins:** Yes, there certainly has been an impact on government assets through the floods since 8 March and to respond to that we have developed a dedicated task force. When there is damage we get invited to undertake a rapid damage assessment of an impacted building. There have been 1,498 of those requested and we have been working through those. A significant percentage of

those is now complete. We have deployed 305 staff to disaster response to deal with affected government assets and 140 of these are providing frontline services. Obviously we work very closely with the asset owning agencies in response to the flooding and the recovery. The other bit that impacted us significantly was private owned assets where we have leases for government buildings, and in particular two in the CBD at 53 Albert and AM60. The majority of the work, as I said, is underway to repair that huge number of assets and most of it will be completed by the middle of April.

**CHAIR:** Thank you very much.

**Mr BOYCE:** I have a question for Ms Barron. Given the collapse of several large building companies in recent years, what is the department doing to ensure the QBCC can process claims and do its job effectively in relation to the building industry?

**Ms Barron:** Since 2018 and as outlined both in the Queensland Building Plan in 2017 and its update in 2021, the government has had a really substantial reform agenda in relation to payment protections. That has come about as a result of the Building Industry Fairness (Security of Payment) Act and continues to be implemented through the implementation of project trust accounts where the QBCC has taken on the oversight role of that framework. Through the Building Industry Fairness (Security of Payment) Act you have the range of payment protections, which include things like payment withholding requests that are available through that act and a range of other measures that can be used such as charges over land and a new offence for failing to pay a scheduled amount, so really strong payment protections for the industry continue to be implemented.

**CHAIR:** Thank you. As there are no further questions and there are no questions on notice, that concludes this briefing. I really want to thank you all for participating today. It is not often that we get a bigger bench on that side than we have on this side, so thank you all very much. Thanks to our Hansard reporters. A transcript of these proceedings will be available on the committee's webpage in due course. I declare this public briefing closed.

**The committee adjourned at 11.33 am.**