



# ***TRANSPORT AND RESOURCES COMMITTEE***

**Members present:**

Mr JP Kelly MP—Acting Chair  
Mr LL Millar MP (virtual)  
Mr BW Head MP  
Ms PE Pease MP  
Mr LA Walker MP  
Mr TJ Watts MP

**Staff present:**

Ms M Telford—Acting Committee Secretary  
Mr Z Dadic—Assistant Committee Secretary

## **PUBLIC BRIEFING—INQUIRY INTO THE ENERGY (RENEWABLE TRANSFORMATION AND JOBS) BILL 2023**

### **TRANSCRIPT OF PROCEEDINGS**

**Monday, 13 November 2023**

**Brisbane**

## MONDAY, 13 NOVEMBER 2023

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**The committee met at 9.00 am.**

**ACTING CHAIR:** Good morning. I declare this public briefing for the committee's inquiry into the Energy (Renewable Transformation and Jobs) Bill 2023 open. My name is Joe Kelly. I am the member for Greenslopes and the acting chair of the committee. I would like to respectfully acknowledge the traditional owners, the custodians of the land on which we meet today, and pay our respects to elders past, present and emerging. 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 Lachlan Millar, the member for Gregory and deputy chair, via teleconference; Bryson Head, the member for Callide; Joan Pease, the member for Lytton; Les Walker, the member for Mundingburra; and Trevor Watts, the member for Toowoomba North.

On 24 October 2023 the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement introduced the Energy (Renewable Transformation and Jobs) Bill 2023 into the Queensland parliament. It was referred to the Transport and Resources Committee. The purpose of today's briefing is to assist the committee with its consideration of the bill.

This briefing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only committee members and invited witnesses may participate in today's 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 remind committee members that departmental officers are here to provide factual or technical information on the bill. Any question 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 my 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. Can I ask everyone to turn their mobile phones off or to silent.

**CAELERS, Ms Leanne, Executive Director, Transmission and Transformation, Department of Energy and Public Works**

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

**STUTZ, Ms Kaitlyn, Director, Transformation and Energy Plan, Department of Energy and Public Works**

**ACTING CHAIR:** Welcome. I invite you to make an opening statement of approximately five minutes. Then we will move on to questions from the committee members.

**Mr Shankey:** My name is David Shankey and I am the deputy director-general of the energy division of the Department of Energy and Public Works. With me I am very pleased to have Kaitlyn Stutz and Leanne Caelers, who are the intellectual powerhouses behind both the legislation and the plan. I am very pleased to have them with me. Thank you very much for the invitation to provide this briefing on the Energy (Renewable Transformation and Jobs) Bill 2023. I would like to join the chair by acknowledging the traditional owners of the land on which this meeting is held, the Yagara and Turrbal people, and pay my respects to elders past and present.

As the committee is no doubt aware, last year the Queensland government released both the Queensland Energy and Jobs Plan and the SuperGrid Infrastructure Blueprint. The plan set out the government's vision for the energy transformation and the infrastructure blueprint provided transparency and certainty around the pathway to get there. The plan and the blueprint seek to leverage the state's natural advantages to build a clean and competitive energy system as a platform for accelerating growth, to deliver affordable energy for households and businesses, to support more rooftop solar and batteries and to drive better outcomes for workers and communities as partners in the energy transformation.

The bill is the next foundational step in delivering on the vision and pathway outlined in the plan and the blueprint. This bill intends to provide certainty on the trajectory and pathway for the energy transformation, including by enshrining in law key commitments from the plan such as the renewable energy targets. It intends to provide transparency on the processes and the frameworks to build the Queensland SuperGrid and to build trust with key stakeholders and communities through the energy transformation by establishing in law the governance and advice functions from the plan and creating clear, robust processes for decision-making. This bill not only is the next step in the state's energy transformation but also intends to create the right legislative setting for a coordinated and collaborative energy transformation that will drive the achievement of the Queensland renewable energy targets.

The first category of the bill relates to the commitments that underpin how Queensland transitions to renewables. The department has consistently heard feedback from stakeholders that there must be certainty and transparency on how the Queensland government intends to deliver the energy transformation. The bill seeks to legislate three key commitments made by the Queensland government through the Queensland Energy and Jobs Plan. These commitments are the renewable energy targets, maintaining public ownership and the Job Security Guarantee and Job Security Guarantee Fund.

Legislating the three renewable energy targets—50 per cent renewable energy by 2030, 70 per cent by 2032 and 80 per cent by 2035—is intended to provide certainty to the community and investors about the direction that Queensland's energy system is heading. The public ownership provisions enshrine the Queensland government's longstanding commitment to public ownership of the state's energy assets. The bill requires the public ownership strategy to be published. This will set minimum public ownership targets and outline how the state intends to achieve the targets or promote their achievement by 2035. The Job Security Guarantee and Job Security Guarantee Fund are intended to provide security and support to affected energy workers at publicly owned coal-fired power stations and prescribed facilities. The bill enshrines the guarantee and establishes the fund. Enshrining these three commitments in legislation provides a clear signal to stakeholders that Queensland intends to transition to renewables and that the actions to achieve the transition will be underpinned by continued public ownership and respect for affected workers.

The second category of the bill is the frameworks that will enable Queensland to identify and construct the infrastructure needed for the transformation. Stakeholders, including the market and investors, have requested clarity on Queensland's pathway and the processes to build infrastructure at the scale and pace required. The bill provides this transparency. There are three elements to the frameworks category: the infrastructure blueprint, priority transmission investments and the renewable energy zones. As noted earlier, the intent of the infrastructure blueprint is to lay out the technical pathway to achieve the vision of the Queensland Energy and Jobs Plan.

The Queensland SuperGrid Infrastructure Blueprint provisions establish the process and the requirements for updating the blueprint. Importantly, the blueprint outlines the optimal infrastructure pathway and is intended to provide a clear trajectory of the electricity system transformation to all Queenslanders. These optimal infrastructure pathway objectives are: the achievement of the renewable energy targets; the provision of a safe, secure and reliable supply of electricity; and the long-term minimisation of costs to consumers.

The priority transmission investment is the second infrastructure framework of the bill. These provisions of the bill enable the state to identify, assess and build transmission projects identified on Queensland's optimal infrastructure pathway. This includes transmission lines needed to connect areas of good renewable energy resources and the pumped hydros with areas of demand. It will help move power to where and when it is needed.

The renewable energy zones are the third infrastructure framework in the bill. These provisions allow for parts of Queensland to be declared a renewable energy zone to support the efficient and coordinated connection of renewable generation to the grid. This will help facilitate the coordinated development of the additional 22 gigawatts of new large-scale wind and solar outlined as being required in the plan. Communities, as well as other stakeholders, will have a voice in the development of renewable energy zones, with 60 days of mandatory consultation on the draft management plan. Working in concert with mechanisms outside of the legislation, this is intended to help build social licence and community participation during REZ development. Collectively, the infrastructure blueprint, and the priority transmission investment and renewable energy zone frameworks will facilitate increased renewable energy generation while maintaining a safe, secure and reliable electricity system and provide the infrastructure Queensland needs to achieve 80 per cent renewable energy by 2035.

The third and final category of the bill is governance and advisory, which encompasses the establishment of the Queensland Energy System Advisory Board, the Energy Industry Council and the jobs advocate. These three governance and advisory bodies will have a critical role in supporting the state, industry, workers and communities as the energy transformation takes place. Firstly, the Queensland Energy System Advisory Board, which was committed to in the plan, will be a new, independent expert technical advisory board. It will provide advice to the minister on progress towards achieving the renewable energy targets and on delivering the blueprint's optimal infrastructure pathway.

Next, the Energy Industry Council, committed to in the plan, will advise the minister on how implementation of the infrastructure blueprint will impact affected energy workers and their communities. It will also advise on opportunities for employment, workforce development, education and training for affected energy workers and their communities and on skills and training the council anticipates will be needed for the future energy industry.

Lastly, the jobs advocate, also committed to as part of the plan, will provide advice to the minister on how to increase opportunities for employment in the energy industry and will facilitate trust, collaboration and transparency through information sharing between communities and the energy sector. These bodies will help build trust in the community that the transformation is founded upon expert technical advice. The commitments, frameworks and governance and advisory categories of the bill are intended to work in concert to provide the legislative framework needed for a smooth, coordinated transition to 80 per cent renewable energy by 2035.

The bill also provides for clarifying and technical amendments to the following acts: the Electricity Act 1994, the Electricity—National Scheme (Queensland) Act 1997, the National Energy Retail Law (Queensland) Act 2014, and the Petroleum and Gas (Production and Safety) Act 2004.

I have summarised what the bill contains. I want to now briefly touch on what the bill retains. The bill does not override existing statutory processes, rights and obligations, including those under current cultural heritage and environmental laws. It is also important to highlight that the new state-based priority transmission investment and renewable energy zone frameworks will derogate in specific ways from the national electricity laws adopted in Queensland. Under the current national framework, Queensland would be unable to move at the scale and pace needed to transform the energy sector and meet Queensland's renewable energy targets. However, to the extent the bill's priority transmission investment and renewable energy zone provisions do not move away from the national electricity laws, the national electricity laws will continue to apply to that infrastructure.

In developing the Queensland Energy and Jobs Plan, which underpins the bill and this legislative package, the Department of Energy and Public Works undertook various forms of consultation and extensive engagement with a diverse range of stakeholders such as industry participants, peak bodies, local governments and individuals. In June this year an exposure draft of the bill was released for four weeks public consultation. There were 91 submissions on the exposure draft. In addition, the department reached 40 organisations through briefings where the draft legislation was discussed in depth with key stakeholders. Three themes emerged from the consultation. Firstly, there is broad support for the policy intent of the Queensland Energy and Jobs Plan and the bill that you have before you today. Most respondents believed the transition would not be easy given the sheer scale of infrastructure projects and degree of coordination required. However, despite this, respondents overall noted the energy transformation was worthwhile and considered the proposed approach taken by the bill to be sound.

Secondly, it was considered that fairness should remain at the forefront of work undertaken by the government in transforming the energy system. Respondents wanted to guard against unintended consequences with genuine engagement, consideration of multiple options and co-design where possible. The third and final theme emerging from consultation was that the respondents felt there should be a greater focus on social licence. Many believed that without proper consideration of social licence the energy transformation would fail. Respondents wanted evidence-based, long-term prosperity for impacted local communities in regions, including Aboriginal peoples and Torres Strait Islander peoples and landowners. Building this social licence and trust will require a multifaceted approach with legislative solutions forming only part of the approach.

Changes have been made across the whole bill to provide clarification to stakeholders and to address the matters raised by communities, industry participants, peak bodies and local governments, among others. For details of the consultation process, stakeholder feedback and changes made to the bill in response to this feedback I refer the committee to the consultation

summary report which has been published by the department. That brings my opening statement to a conclusion. My colleagues and I would welcome questions on this very complex bill today or tomorrow or any other day except for public holidays—Christmas, New Year and that sort of thing. Thank you.

**ACTING CHAIR:** We will let your families and friends ask you questions on those days! The bill sets a pathway to achieving various targets. We have a significant amount of energy being generated on rooftops. We also have a whole range of private sector investment into energy. Do these targets take into account those sources? Given that they are not necessarily controlled by government, how do they incorporate those into the targets?

**Mr Shankey:** Do you mean the contribution of rooftop solar, commercial solar and that kind of thing?

**ACTING CHAIR:** Yes.

**Mr Shankey:** It is true that Queensland is one of the most successful places in the world in terms of its take-up of rooftop solar. In fact, in terms of the penetration of rooftop solar on residential homes we actually lead the world—more than Hawaii, California or any place in Europe. We do count that contribution from home owners and from commercial entities. In fact, it is in commercial entities where we expect to see the most growth—on warehouses, large manufacturing facilities and so on. We are expecting to see increased growth from that area. We will be counting that as a part of the contribution to the renewable energy target. Most importantly, the minister will be required by the legislation to publish the methodology of how we calculate the target. Section 10 makes it clear that those requirements are there. I would add that a methodology on how we calculate renewable energy has already been published on the departmental website. There are certain categories of renewable energy which we have specified in the bill which are included. They include biomass and other types of energy, including ones that are still in their infancy that we are not seeing a lot of at this point. It will be possible for a future government to prescribe other sorts of energy, should another renewable energy emerge.

**ACTING CHAIR:** The federal government is investing in some renewable energy projects or is contemplating that. Are you aware if any of that investment is intended to be here in Queensland and, again, will that contribute to the renewable energy targets?

**Mr Shankey:** The renewable energy targets that the federal government has are extensive and large. The target that the Commonwealth government has, which is not legislated, is 82 per cent by 2030—a very large number. Of course, Queensland is a very significant energy consumer in the nation because of the large amounts of industry that we develop and have here to supply. The challenge of getting to a target of 82 per cent across the nation is indeed large. It is open to the federal government to get higher rates of renewable energy in other states—New South Wales, Victoria and South Australia—to try to reach that 82 per cent, but we expect that you would not be able to reach those kinds of levels without Queensland making a very significant contribution. We expect and hope that there will be assistance from the federal government over time to help Queensland reach the targets that we need to get to in order to meet the requirements of the legislation.

**Mr HEAD:** I have the Queensland Energy Workers' Charter open in front of me. It makes mention of not only the next generation of energy workers and their future but also the families and communities of current workers. Where in the bill is the guarantee of jobs or a future for the communities and families of the energy workers?

**Mr Shankey:** The Energy Workers' Charter works in conjunction with the bill and the Energy Industry Council. There are parts of the Energy Workers' Charter which are brought to life by the bill, there are other parts brought to life by the Energy Industry Council, and there will be other parts brought to life by other parts of government. All parts of government must work together and in concert to implement the Energy Workers' Charter. It will be not just this legislation alone and not just the Energy Industry Council but all parts of government working together.

I would bring the member's attention to the work of the local economic opportunities group, which is part of State Development and which is specifically pursuing different economic opportunities in those regions. It is true that the Energy Workers' Charter and the matters in the bill are very focused on the issue of transition pathways for individual workers, but the Energy and Jobs Plan is a whole-of-government effort and there will be other activities coming from other agencies specifically focused on those broader issues that you refer to.

**Mr HEAD:** Will the Job Security Guarantee Fund enable the relocation of workers if that is a way of providing them that jobs guarantee?

**Mr Shankey:** The Energy Industry Council is set up to prescribe or offer guidance to the minister on the sorts of issues or areas that would be contemplated as available for funding by the Job Security Guarantee or the fund that is there. You will note that the charter does specifically refer to relocation assistance as being one of the areas that is intended to be covered by the Job Security Guarantee but, in specific terms, the areas that are available for funding will be detailed as part of the regulation that accompanies the Job Security Guarantee. That regulation has not yet been written and will be written on the basis of assistance from the Energy Industry Council whereby they say, 'These are the sorts of things that should be funded under that fund.'

**Mr HEAD:** As you said, that is subject to the regulation.

**Mr Shankey:** Subject to the regulation.

**Mr WALKER:** A function of the Queensland Renewable Energy Jobs Advocate is to advise the minister on opportunities to increase employment opportunities in the energy industry. Are employment numbers in the energy industry expected to rise or fall between now and 2035?

**Mr Shankey:** My daughter is going into grade 11 and she is, of course, at that point in her life where she is thinking about the different options that she should pursue in her career. The best possible advice that I can give her would be to become an electrician. That is probably the safest career you could have over the next 20 or 30 years. The reason is that we are seeing a complete change in our existing electricity industry, going from one source to another. We are also seeing that the transport industry, for example, is moving most of its fuel source onto electricity. On top of that, we are likely to see over the next 15 to 20 years a complete transformation of people's homes in the sense of people electrifying every item in their home. I am not sure that my daughter is taking that advice—her mind is set on being an influencer of some sort—but we do anticipate that there will be growth in employment in the industries.

More specifically, when the department undertook the plan they also undertook to do various employment studies as a part of the plan. Those employment studies are available online under the Queensland Energy and Jobs Plan: A Plan for Greener Growth Report, in the same areas that we have published all of the material regarding the plan. That indicates that there will be 64,000 indirect and direct jobs out of the transformation of the electricity industry itself plus another 34,000 jobs that they anticipate will come from growth in other industries associated with the greening of the economy—batteries, new economy minerals and those kinds of things. Those numbers were predicted when we put the plan out one year ago, but we are seeing those kinds of predictions change all the time as this transformation accelerates.

**Mr WATTS:** Further to the Job Security Guarantee of \$150 million to help look after the workers of the coal-fired power stations, can you explain the timeline and how it will work on the ground for those people in those locations and that industry?

**Mr Shankey:** There are some parts of the legislation—for example, the priority transmission infrastructure frameworks—where the government could look to other states, such as New South Wales and Victoria, to see a template of how you might do this kind of thing. We can look at the legislation they have done and think, 'Could we do something different in this area?' When it came to the Job Security Guarantee and the fund that is set up and associated with it, that is an area that is completely new in Australia and completely new for the state. In doing that, we wanted to set up the fund. There were a couple of things that were very important as part of the charter. There was a desire, if you like, from the government that some of the aspects of the charter would be enduring—that is, the committee and the fund itself. How the fund is to be used and its purposes are still to be settled by the Energy Industry Council, which is a collection of GOCs, unions and the government. That will be defined in regulation after advice comes from them on what the appropriate sources are.

I might expand on why this is such a challenging issue. A couple of weeks ago I went to the opening of SAMCo, the Stanwell Asset Maintenance Company. That has been set up by Stanwell to facilitate training from their current workers into renewable energy opportunities. Four or five officers from Tarong and Stanwell have done training on the top of windfarms in Stockyard Creek in Victoria. Doing that sort of job involves being at the top of a very tall windfarm. You have to be very comfortable with heights to do that kind of thing. Not everyone will want to do that. What we are trying to do is have as much flexibility as possible for those options and for those people as we move through the transition and to take the advice of both the council and workers on the sorts of options they want to see. That is why that flexibility is there in the fund. It will be defined further in regulation.

**Mr WATTS:** Could you comment on the timeline? How long is it envisaged that will last? Is it indexed? How does that work going forward?

**Mr Shankey:** The bill does not specify an end date for the fund and the number ‘\$150 million’ is not in the legislation, but the intent of the Job Security Guarantee and the fund is to provide support to affected energy workers through the transformation out to 2035. The fund is set at \$150 million at the moment, and it would be up to future governments and future budgets on whether there was any increase in that level.

**Mr WATTS:** To clarify: is it a budgeted figure currently?

**Mr Shankey:** It is.

**Ms PEASE:** Thank you very much for coming in, and congratulations on your amazing work. It is a big undertaking and it is an example that there are opportunities in an evolving and growing renewables space. Twenty years ago, no-one would have thought there would be work there. You mentioned that in consultation, when you were developing the bill, there were some concerns around fairness and people mentioned that they were concerned about unintended consequences. Can you elaborate on those concerns, please?

**Mr Shankey:** There were three themes that emerged from the public consultation process on the exposure draft. One of them was the need for fairness. That was really about having transparency around what was really happening—being able to see the trajectory of the transformation and being clear about that. In having both the transparency and an awareness of the trajectory, the community can have trust in how this is occurring. Stakeholders also sought assurances that the frameworks underpinning the energy transformation and that execution would not have unintended consequences, and they were seeking genuine engagement and transparency in the co-design. I will go through the amendments that we made in response to those kinds of requests for fairness.

We have altered the bill so that advice from a suitably qualified person is now a ‘must’ for the priority transmission investment frameworks, providing greater confidence in the process and execution. That was a ‘may’; we changed that to a ‘must’. The draft management plan consultation for processes has been extended from 28 to 60 days. That gives people more of an opportunity to have a say on renewable energy zones and how they propose to be developed so that there are greater opportunities for engagement. Importantly, we now have a new provision for a REZ assessment to assess if a region is ready to host REZ transmission infrastructure and renewables, again with the intent of providing more opportunities for engagement. Having opportunities and engagement was a very big theme.

Fairness in the energy transformation includes both legislative and non-legislative action from the government. In addition to the bill itself, it is very important to recognise that the government has also put out the REZ road map, which shows where the 22 gigawatts of renewable energy is going to give the community some confidence around that. The government has also changed—I believe it is Powerlink that is responsible for this. They have a new framework for the SuperGrid landholder payment framework, which significantly boosts payment to landholders including landholders who are neighbours as well as those who are specifically impacted. That is a first for Australia.

Overall, the bill is intended to provide a legislative setting for the transformation. It makes clear the trajectory. It provides transparency around those changes and also builds the level of trust. Do you want to talk about the partnerships framework?

**Ms Caelers:** Last month the Queensland government released the Local Energy Partnerships initiative, which represents \$9.25 million of initiatives to build trust and support greater social licence and community acceptance of the energy transformation. It includes a number of initiatives that go to building partnerships, particularly with peak industry and community groups, around addressing the challenges of the energy transformation and in particular reflecting local choices, voices and benefits in that energy transformation. The department is currently establishing some of the work programs that sit under that Local Energy Partnerships document including one of the key elements, which is working with the GasFields Commission Queensland around new councils for engagement across the state and their role in expanding into coexistence issues in Queensland.

**Ms PEASE:** Are you actually doing that work now?

**Ms Caelers:** Yes, that is progressing at the moment including various grant processes with key bodies and workshops with the GasFields Commission and the Department of Resources.

**Ms PEASE:** Obviously the consultation has given you this feedback. Who were the people who mostly raised the concerns, because it sounds like you are doing a lot of work with community? Was it local government or was it the GasFields Commission? Where were those people who were concerned about that fairness and social licence?

**Ms Caelers:** Local government was certainly a huge advocate for some of the social licence issues. In particular, the Local Government Association of Queensland called numerous times for the expansion of the GasFields Commission's role. That was certainly led from the local government sector. The feedback on social licence and stakeholder views on social licence really was across the board. A lot of agricultural groups, a lot of environmental groups—particularly those concerned about biodiversity—a lot of local community groups that represent landholders and others really wanted to ensure that the energy transformation left legacy outcomes in communities and improved communities in the long term. That Local Energy Partnerships initiative speaks to the way the Queensland government can partner with key bodies that already know the challenges of their different representative groups and communities as part of that energy transformation. Also as part of that Local Energy Partnerships initiative the government is looking at what other benefits could be delivered as part of this transition.

**Mr Shankey:** We have a copy of that.

**Ms PEASE:** Can that be tabled?

**ACTING CHAIR:** Would you like to table that?

**Mr Shankey:** Yes, please.

**ACTING CHAIR:** Is leave granted? It is so tabled.

**Mr WATTS:** In relation to the creation of the Queensland Energy System Advisory Board, Energy Industry Council and Queensland Renewable Energy Jobs Advocate, I am interested in what are the expected annual costs of these groups and positions, how they will be financed and how they will function. Who appoints them and for what sort of tenure?

**Mr Shankey:** The new advisory bodies—the Queensland Energy System Advisory Board—the Energy Industry Council and the Queensland Renewable Energy Jobs Advocate are going to be supported by the Department of Energy and Public Works. The cost of providing the support will be absorbed by the department's existing functions, supplemented by some additional funding provided under the Queensland Energy and Jobs Plan. The remuneration allowances that may be paid for the appointed chair and members of the board and the chair and the council for the advocate are to be decided by the Governor in Council. It will be based on the recommendation of the Minister for Energy, Renewables and Hydrogen and in line with the remuneration procedures for part-time chairs and members of Queensland government bodies.

The bill does indicate that certain persons are not entitled to be remunerated for the different bodies: one if they are a public servant or employed or appointed by the GOC; for the council it would be members of energy GOCs and unions; and for the advocate it would be if they are a Queensland public servant. The costs are going to be outlined in the annual report that must be prepared for each body and will be published by the minister on the department's website for each financial year. We are trying to make sure we are being clear with the public about these costs but also ensure that the operation of the bodies have value for money as well.

**Mr WATTS:** That is coming out of the department and they are appointed by the minister. To what level can we guarantee independent advice, bearing in mind it is a completely controlled entity sitting inside the department and appointed by the minister?

**Mr Shankey:** There is a specific section of the legislation which indicates that these bodies are independent from the state.

**Mr WATTS:** But it is remunerated from inside the department?

**Mr Shankey:** It is remunerated from inside the department but legislatively it is entitled to be independent. There are provisions that specifically detail that the board, council and advocate do not represent the state. These clauses are 93 for the board, 123 for the council and 154 for the jobs advocate. That is that. They have independence in the legislation.

**Mr WATTS:** In terms of appointment tenure, do we know what the intent is?

**Ms Stutz:** Members of the board can be appointed for up to four years. Members of the Energy Industry Council and the advocate can be appointed to a term of up to three years.

**Ms PEASE:** Earlier you talked about some of the improvements you have made, particularly with regard to compensation for landholders and landholder neighbours. Can you elaborate a little bit on that and what that looks like in other jurisdictions, please?

**Mr Shankey:** In other jurisdictions, particularly in terms of transmission, it is only the affected landholder who is compensated. This is a challenge right across the nation, particularly in areas like Victoria which are having extreme difficulty getting landholder consent for significant amounts of transmission. It is an area that Powerlink wants to head off, if you like, and also acknowledge that



there are genuine concerns about new infrastructure occurring. That is why, as I understand it, Powerlink undertook to revise their landholder framework and ensure that it was not just taking into account the particular person. This is arising out of the fact that when the first set of transmission was built—we are talking about 30 or 40 years ago—we did not have the same level of population and the same level of neighbour concerns that we might have today.

We are now trying to undertake as a state a rebuilding of the electricity system over the next 15 years—completely changing from one system to another, which is what we may have done over a period of 50 years in the building of the first system. We are trying to do that in a state which has probably grown in population fourfold during that period. All of those factors coming together mean we have to take a much more complex and sophisticated approach to energy infrastructure and improving how this is done every single month and every single year. It will take the private sector, the state and also the communities themselves working together to make sure we are getting the best outcomes from this development.

**Mr HEAD:** On the transmission line question, one point that has been made to me as the member for Callide is the inequality in compensation. Specifically, landholders with these energy projects on their property are getting anywhere from a minimum of \$50,000 for one wind turbine to significantly more. Some are said to benefit greatly directly and yet those facing compulsory acquisition with little say are only getting a fraction of this. I was wondering what consideration to that was given in the development of this bill.

**Mr Shankey:** Do you mean consideration in terms of equalising payments?

**Mr HEAD:** I understand that recently Powerlink made an announcement around compensation for the transmission lines. I know that there are further points with regard to recovering the costs of infrastructure as part of Powerlink recovering the costs. I was wondering if more consideration was given to bolstering the compensation paid under compulsory acquisition.

**Mr Shankey:** I think there are some things which would be highly appropriate for legislation because they will be enduring and over time, but how compensation is determined and how this infrastructure and consent is given from landholders is one of those things that is appropriately dealt with outside of legislation, because it will change so significantly and depend on different areas. The bill does not change the existing processes for gaining access to build transmission lines. That is dealt with outside the legislation. Under existing law, landholders whose properties are traversed by an easement are entitled to payments. This is under the Acquisition of Land Act. Compulsory acquisition of land for energy infrastructure is generally a last resort. I am not sure about some of those circumstances. Compensation for compulsory acquisition can be very different from a negotiated settlement and negotiated settlements are always the preferred outcome. That is the bare minimum.

In addition to those requirements under the act, Powerlink has introduced the new SuperGrid landholder payment framework, which I talked about before. To give a bit more detail on that, payments for hosting landholders are based on property-specific values and impacts as opposed to using only a flat rate. Adjacent landholders within a one-kilometre radius of a new transmission line will also receive a payment from Powerlink, and Powerlink is the first transmission company in Australia to offer payments to landholders with adjacent properties. In recognising that accessing a property may interfere with an agricultural business or activities that contribute to a landholder's income, Powerlink has developed a project participation and access alliance for landholders whose primary income comes from their land. That project participation and access alliance is separate and in addition to the compensation paid under the Acquisition of Land Act.

A good illustration of how much this area is changing is that I understand that Powerlink work on the neighbourhood payments is only one year old. We are in a 15- to 20-year transition, so we expect further improvements and changes all along the way. It is probably best dealt with in that negotiation framework between Powerlink and the landholders rather than specifically in legislation. There is a planning framework review that is underway. Do you want to touch on that?

**Ms Caelters:** The Department of State Development, Infrastructure, Local Government and Planning is currently conducting a planning framework review to ensure this is fit for purpose for renewables. This was an initiative out of the Queensland Energy and Jobs Plan. I understand they are in the final phases of stage 1 of that review, which is looking immediately at the wind code. Some of the compensation that I think you were perhaps referring to also includes the payment that landholders receive for hosting energy infrastructure. A lot of the feedback we received from some of the consultation activities focused on the fact that some landholders really appreciate that compensation is a way to diversify their holdings. That also led to the department working with the Queensland Farmers' Federation around the landholder toolkit to provide greater information and

transparency to landholders about how they can get the best out of those interactions with developers. There are two different elements there: firstly, a planning framework review, which is continuing, that may look at elements that you have raised today; secondly, further information and support to landholders as to how they get the best out of those compensation arrangements.

**ACTING CHAIR:** Presumably, all of this energy that we are going to be generating is all being sold into the NEM and distributed in that manner. If other states and the federal government start to massively increase their supply of renewable energy, is there a risk that the costings we have based our plans on might be overestimated if there is a greater supply of electricity and hence a drop in price?

**Mr Shankey:** Certainly any more supply in the market is to be welcomed at this stage in the transition. Queensland is relatively unique in the NEM in that we are at the end of the line in terms of interconnection. We have interconnection only to New South Wales, whereas of course New South Wales has interconnection to Victoria as well as Queensland. Victoria, for example, has interconnection to New South Wales and South Australia. Queensland's interconnection to the NEM is somewhat limited by those interconnectors, and in an input sense it is limited to about 700 megawatts. In some senses that leads Queensland to ensure that it has sufficient supply of energy to satisfy its own requirements for residential and industrial needs. It has also been a long-term feature of the Queensland market that it is a very reliable exporter to New South Wales. One of the illustrations of that is that the export interconnector to New South Wales is of greater capacity than the import ability of that interconnector. It sits at around 1,200 megawatts. We do see that renewable energy—and New South Wales has very significant plans for investment as well—is going to have an impact on the NEM. More supply will decrease the cost, but at the same time the features of the Queensland market and limited interconnection mean that Queensland is, to a certain extent, in control of its own destiny.

One of the things Queensland has sought to do in this legislation relates to the rules we had across the NEM for how transmission will be built. For example, they are always looking at whether a particular transmission project is to the benefit of the whole National Electricity Market. This legislation fundamentally asks that a different question be put to a regulator on the assessment: is this transmission project in the interests of Queensland rather than in the interests of the National Electricity Market? We are seeing a significant shift indicated by the legislation.

**Ms Stutz:** The bill provides provisions for reviewing, making and approving the infrastructure blueprint. We do have the 2022 infrastructure blueprint, which outlines the government's pathway to achieve the renewable energy targets. This bill requires the minister to review the infrastructure blueprint by 31 May 2025 and then at further two-year intervals. The intent is to provide transparency around the ongoing trajectory and ensure Queensland remains on an optimal infrastructure pathway. There are three optimal infrastructure pathway objectives in the bill: achievement of the three renewable energy targets; the provision of safe, secure and reliable electricity; and the long-term minimisation of the cost of electricity to Queensland consumers.

**ACTING CHAIR:** This is a similar question but it relates to a different type of generation. There has been a fair bit of public discourse about the feasibility and possibility of nuclear energy. If another state or the federal government chose to go down that path, what impacts would that have in relation to this bill?

**Mr Shankey:** The construction of a nuclear facility is illegal in Queensland. It is also illegal under national legislation. Those two things would have to change substantially. I could not really comment on how that would impact on the energy system given that it is currently not a legal option for either state. One of the challenges is that the time it would take to develop that kind of facility would be extraordinarily long given our lack of experience in that area, so that would then present different challenges as to whether we are going to meet our targets.

**Mr HEAD:** I do have many more questions I would love to try to get to. Under these targets how much land will be taken up? In the documents it notes that Queensland needs to connect 22 gigawatts of new large-scale wind and solar generation by 2035. I have seen other government entities mention 45 gigawatts. I want to know at the end of the transition the full scale of renewables that will be connected to the grid and then between solar farms, wind farms, transmission lines et cetera, how much land across Queensland that will take up.

**Mr Shankey:** We did make an estimate of that in the Queensland SuperGrid Infrastructure Blueprint. That obviously is going to depend on particular assumptions about what you decide in terms of wind and solar and that make-up. When calculating these numbers we did it on the basis of other wind farms in other states or other wind farms that are in existence, the number of hectares it was taking up and similar outputs as well.

**Ms Stutz:** In the Queensland SuperGrid Infrastructure Blueprint, independent modelling indicated that Queensland will require approximately 25 gigawatts of total large-scale renewable generation capacity by 2035. It does give indications: just under three gigawatts of existing operational wind and grid scale as at June 2022 and a further just over 12 gigawatts of new wind generation. The total land area for this is approximately 540,000 hectares. Then there are approximately 10 gigawatts of new large-scale solar capacity, which equates to just over 40,000 hectares.

**Mr HEAD:** That is taking up a fair bit of land. In the development of this bill was there consideration given to the need for the decommissioning of assets?

**Mr Shankey:** We certainly have heard that feedback. We have done about 12 different roadshows and 28 or 30 different consultations with individuals and different councils and that kind of thing, and decommissioning and what happens at the end of the life of these projects is certainly an issue that has been brought up. That is one of the issues that we have responded to in the sense of the Queensland energy partnerships framework. We do have an allocation of funds to look more into that issue. I would say that decommissioning is often part of the approvals process. Nothing in this bill changes the current planning and approval framework that applies to any project, any mine, or any kind of housing development and that kind of thing. The planning framework still exists, and as part of the planning framework there are often requirements around decommissioning. Having heard that very specific message from a lot of stakeholders, we are looking to respond to that with some work in the local energy partnerships framework.

**Ms Caelers:** In addition to the local energy partnerships, which has \$1.5 million in it for understanding shared land use implications, that goes to considering things like the total land use required but also outcomes like biodiversity, offsets, agricultural use, resources, and a number of different shared land use considerations. Another element within the bill that went to addressing some of the issues raised by stakeholders on that front was the introduction of a REZ assessment that the minister may require be undertaken prior to the declaration of a REZ. That is focusing on looking at cumulative impacts on a range of matters, including not only infrastructure but also land use considerations as part of that REZ assessment.

**Mr WALKER:** In relation to what you just said on wind farms at the Kennedy Energy Park and the co-location of cattle farming around wind turbines, that equation of land use, that co-location and dual use can be quite conflicting in some cases depending on how you map that. Is that a fair comment?

**Ms Caelers:** Yes, absolutely. It also represents unique opportunities as well. Part of that local energy partnerships document also looks at agrivoltaics, so where there are positive coexistent outcomes that can be beneficial for both the agriculture activity and the renewable energy project that are co-locating. Certainly there are different considerations for projects when they are on land where there are cattle or sheep.

**Mr WALKER:** Can you explain how the renewable energy zone framework would support the development of transmission network infrastructure to connect more renewable energy in a timely way?

**Ms Caelers:** The renewable energy zone framework legislation sets out new powers to coordinate the development and connection of projects to the network. It includes a new asset class called REZ transmission network which will be developed in a scale efficient way to connect the renewable resource of a particular area. This means that it is both beneficial from the perspective of getting the best out of the renewable resource in that area but also represents an attractive investment opportunity for a developer. In the legislation we also have new heads of power to streamline connections, and that includes Powerlink playing a stronger role in technical requirements to connect to the grid in that area. There is also the ability to identify what are called REZ controlled assets. That is focused on assets that may be just outside of a REZ but materially impact the operating of the renewable energy zone. Under the legislation there are also new powers to regulate the connections to that infrastructure.

**Mr WALKER:** I know that time is against us, Chair, but CopperString will play a critical role in making these renewable energy zones come online more efficiently. Is that a fair comment?

**Mr Shankey:** Yes, I think that is a fair comment. CopperString is a very significant project for the state in the sense of being able to unlock those very significant wind resources in the Hughenden area which are regarded as world-class in terms of being able to match solar in a slightly different profile. It is quite windy at night up there. It is a very good wind resource indeed.

**Mr HEAD:** Can I seek some clarity on the figures? The 1,500 megawatts at 24 hours equates to roughly 36 gigawatt hours.

**Mr Shankey:** For a wind project?

**Mr HEAD:** With regard to deep storage assets.

**Mr Shankey:** Yes.

**Mr HEAD:** Noting it is prescribed by regulation, currently 36 gigawatt hours are written into the legislation. Does this mean that regulation could effectively see a smaller asset classed as a deep storage asset, therefore effectively needing strictly public ownership?

**Mr Shankey:** I do not think storage is part of generation assets. That is part of public ownership reporting.

**Ms Stutz:** The deep storage asset does have to be a pumped hydro energy storage asset that is capable of generating at least 1,500 megawatts for 24 hours and prescribed by regulation.

**ACTING CHAIR:** Thanks very much for your time this morning. Thank you to the committee secretariat and Hansard. That concludes this public briefing. 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 10.01 am.**