

Energy (Renewable Transformation and Jobs) Bill 2023

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Committee Secretary
Transport & Resources Committee
Parliament House
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BRISBANE QLD 4000

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Dear Committee Secretary

Energy (Renewable Transformation and Jobs) Bill 2023 - Central Highlands Regional Council Submission

Reference is made to the current inquiry in relation to the *Energy (Renewable Transformation and Jobs) Bill 2023 (Bill)* which has been referred to the Transport and Resources Committee (**Committee**) for detailed consideration. It is noted that the Committee is presently inviting submissions in relation to the Bill from interested parties.

Central Highlands Regional Council (**Council**) notes a significant amount of work being undertaken by the State Government in the implementation of the Queensland Energy and Jobs Plan and welcomes the opportunity to provide input in relation to the Bill to the Committee.

On behalf of Council, we ask the Committee to have regard to the following matters in consideration of the Bill:

1. THE CENTRAL HIGHLANDS

Impact of the energy transition on the Central Highlands thermal coal mining industry

The Central Highlands Regional Council local government area is located in the heart of the **Bowen Basin**, Australia's largest thermal and metallurgical coal reserve, and is home to 12 operating mines. The mining sector makes the greatest contribution to economic output of the region, which at \$9.4 billion accounts for 73.67% of total output – the mining sector is also the largest employer within the region, supporting:

- 6,079 jobs which represents 35.72% of total employment within the region (not including employment within supply chains); and
- Spend of over \$790 million on local goods and services (REMPPLAN, 2022).

Based on average coal production over the previous seven years, 31% of coal produced in the region is thermal coal and 69% of coal produced in the region is metallurgical (or steel-making) coal (Queensland Government, 2022). Several

mines within the region produce significant quantities of thermal coal and some supply such thermal coal exclusively to coal-fired power stations within the Central Queensland region, including:

- Glencore Rolleston Open Cut Coal Mine, which exclusively produces thermal coal which is supplied to Gladstone NRG Power Station for domestic energy production;
- Ensham Coal Mine, which produces predominantly metallurgical coal, with 20% of production being thermal coal supplied to Gladstone NRG Power Station for domestic energy production; and
- Curragh Coronado Coal Mine, which produces predominantly metallurgical coal and some thermal coal which is supplied exclusively to Stanwell Power Station for domestic energy production.

The abovementioned thermal coal mining operations for domestic energy supply are significantly impacted by the energy transition. The Explanatory Notes to the Bill indicate that to achieve its policy objectives, the Bill proposes to “establish the governance and advisory functions required for a smooth, coordinated energy transformation that continues to be based on robust advice and supports workers and communities” – the content of the Explanatory Notes are translated to clause 3 of the Bill which reflects “the main purposes are (amongst other things) to provide for advocacy and support for workers in Queensland’s energy industry, as well as Queensland communities, that are affected by the increase in renewable energy generation”.

Such workers and communities include the workers and communities supporting the Rolleston, Ensham and Curragh mines who deserve to be included in a coordinated energy transformation, however the Bill specifically excludes those communities and workers by limiting the scope of the Bill only to “workers in Queensland’s publicly owned coal-fired power stations” and ensuring that those workers have “a secure future, choices, and clear employment pathways and opportunities”.

By excluding the supply chain from the definition of affected energy workers, the Bill creates a disenfranchised and unsupported section of the coal mining workforce. It would rub salt into the wound if the funding for the Job Security Guarantee Fund is largely derived from royalties generated by these mines.

The Central Highlands: A region ideally positioned for responsible renewables development

As a result of the mining industry presence within the region, the Central Highlands region is well serviced by existing high-voltage transmission infrastructure (with voltage of 275kV or above) and has been mapped by the Australian National University to be a low-cost and ideal location for renewables development. Renewables investment is already occurring within the Central Highlands Region, with 14 solar developments approved within the region, three of which have been constructed and a fourth development due to commence construction this year. Looking to the future, Central Highlands Regional Council has also been working with the Queensland Mine Rehabilitation Commissioner to consider renewable energy developments as one form of post-mining land use, capitalising on the existing transmission infrastructure.

The Central Highlands region is therefore well placed to be included with the Queensland Renewable Energy Zone declared under the draft Bill.

Protection of prime agricultural land at risk through a proliferation in renewables and transmission infrastructure development

Of course, the Central Highlands region is also home to:

- 19% of the region identified as a Queensland Priority Agricultural Area, with significant tracts of Strategic Cropping Area; and
- The largest cattle inventory in Australia, together with thriving broadacre cropping and horticultural industries which capitalise on access to extensive irrigation infrastructure.

It is therefore imperative that the development of transmission lines is carefully balanced with safeguarding prime agricultural land, particularly in terms of biosecurity risks.

2. THE DRAFT BILL

2.1 Establishment of Renewable Energy Targets

Broadly, the Bill, through the establishment of renewable energy targets pursuant to clause 9 will result in potentially unintended consequences for the thermal coal mining sector and the regions supporting the sector, which do not appear to have been addressed by the Bill.

The Bill outlines the State's commitments to establish Queensland's three Renewable Energy Targets – 50 per cent by 2030, 70 per cent by 2032, 80 per cent by 2035 – and new reporting obligations in legislation. The Explanatory Notes set out that targets provide the overarching goal during the energy transformation, and provide certainty and confidence in Queensland's energy transformation.

Enforceability of targets

As at 5 May 2023, only 24.9% of energy produced in Queensland was renewable energy and therefore a significant increase in the scale of renewable energy development and transmission infrastructure is required to meet the renewable energy targets set out under the Bill. It was articulated in an article by InQueensland dated 29 September 2022¹ that there is a lack of certainty with the projects within the Queensland Energy and Jobs Plan.

Noting this uncertainty, further clarification is required from the state government in relation to how enforceable the proposed 'targets' will be. Council is concerned that setting targets will mean the creation of a renewable energy 'goldrush' which may overshadow the lengths that the state government is going to in an effort to create a framework for responsible renewable energy development such as through Renewable Energy Zone readiness assessments and the implementation of the Regional Energy Transformation Partnerships Framework.

Narrow scope of targets

The narrow scope of the targets which are expressed to apply only to renewable energy would appear to exclude other potentially non-renewable but carbon neutral energy sources within the energy mix. This narrow scope could limit future developments and disincentivise innovation in power generation.

Review periods

The 5 yearly review periods proposed in clause 12 of the Bill would appear to be too lengthy to cater for new developments in the renewable energy space and the broader energy mix

¹ <https://inql.com.au/business/2022/09/29/hot-air-hydro-energy-plan-showpiece-already-no-certainty/>

and would not allow adequate government intervention in the event that these targets were not met due to matters not known at the time of assent, or exceeded prior to review.

Need for support for large sectors to transition to renewable power sources

The renewable energy targets set out within the draft Bill will inevitably require large sectors, such as the local government sector and steel-making coal mining and broader steel-making sector, to rapidly roll out renewable energy to power its facilities and operations. With the exception of workforce support for power station and prescribed facility workers outlined within the draft Bill, and the Department's advice that two coal mines (which are outside of the Central Highlands region are prescribed facilities under the draft Bill), the State Government has not provided any certainty as to support needed for these sectors to transform their operations. This places significant pressure, without certainty of the prospect of support on local government organisations, already under-funded and many struggling with financial sustainability.

Support for the local government sector

The local government sector has long been advocating for the state government to support the local government sector to transition to net zero emissions, including through the provision of targeted operational and capital grants programs that enable local government to invest in behind the grid renewable energy solutions to power its operations.

It is proposed that such support is provided to the local government sector through the creation of operational and capital grants programs at a state government level in parallel with the Bill to support the renewable energy targets.

The rollout of this support is urgently needed in order to meet the renewable energy targets. A copy of Council's motion that was endorsed unanimously at the Local Government Association of Queensland's 2023 Annual Conference is **enclosed** for the Department's consideration.

Support for the metallurgical coal mining sector and steel-making sector

The metallurgical coal mining sector and the broader steel-making sector also requires support to transition to renewable sources of power that are unlikely to be met by the grid. Such support should aim to minimise adverse consequences on the metallurgical coal mining sector within the Central Highlands region, which is of particular importance given the inevitable impact upon the region's thermal coal mining sector.

2.2 Development of a public ownership strategy and the Queensland SuperGrid Infrastructure Blueprint – the coal royalties coffer

Clause 13(1)(a)(iii) of the Bill refers to a target for deep storage assets to be 100% public owned. While Council sees some benefit in public ownership, Council is concerned that this will potentially disincentivise pumped hydro being established as a form of post mine land use for mining companies wishing to transition their business to renewable development and to see some return of investment. For example, it has been the case in Musswelbrook that Idemitsu has remained the owner of the pilot pumped hydro project from rehabilitated mine voids and Council considers that this should be encouraged as part of the transformation.

Furthermore, clauses 13 and 15 of the Bill propose the preparation of a public ownership strategy in relation to particular energy assets and the preparation of a Queensland SuperGrid Infrastructure Blueprint (**blueprint**). The development and implementation of a public ownership strategy and blueprint will no doubt

require significant investment of State government revenue, which will inevitably be funded to a great extent through coal royalties. Significant revenue is currently derived from local government areas within the Bowen Basin through coal royalties, equivalent to \$18.1billion in royalties in the 2022-23 financial year, a \$10.462billion increase from previous years. The Bill is also unclear as to how revenue from the private investment will be shared amongst all Queenslanders, in a similar way to royalties.

Given that thermal coal mining regions will be among the regions most impacted by the Bill, the public ownership strategy and blueprint should see a return of royalties to the Bowen Basin region through investment in these regions in generation, transmission and distribution and deep storage assets as well as electricity infrastructure projects. Given existing regional strengths with respect to transmission infrastructure, the Central Highlands region should also be considered as a candidate for priority transmission investment under clause 21 of the Bill.

2.3 Queensland SuperGrid Blueprint

The Queensland Energy & Jobs Plan recognises that gas and hydrogen will play a role in the energy transformation and that “The Queensland SuperGrid will be Queensland’s modern electricity system. It will consist of new foundational Pumped Hydro Energy Storage (PHES) assets, new backbone transmission, more renewables in Queensland Renewable Energy Zones (QREZ), more batteries, and low to zero emission gas”.

The Queensland Energy & Jobs Plan further outlines an implementation activity under Action 1.5 to “Work with industry to investigate options for connecting the Bowen Basin to the East Coast Gas market and options to secure additional gas storage for electricity needs”. However the scope of the Bill is remarkably silent in relation to the abovementioned implementation activity and would appear to leave gas out of scope. Council considers that gas is an essential part of the transition energy mix, as has recently been recognised by the state government and considers that gas should be recognised within clause 15. To this end, it is noted that the Bowen Basin Gas Pipeline concept has been well developed by the Department of Resources and could be utilised to generate blue hydrogen and green hydrogen following exhaustion of gas supplies.

Furthermore, clause 15 should be expanded to ensure the optimisation of corridors for not only electricity transmission, but also water and telecommunications infrastructure, with a view to mitigating biosecurity risk, fragmentation of wildlife habitat and good quality agricultural land (Class A). Comments in this paragraph also apply to Division 2 of the Bill.

2.4 Establishment of a Queensland Renewable Energy Zone

The Bill proposes the establishment of a new Queensland Renewable Energy Zone framework to coordinate and efficiently connect the 22 gigawatts of new large-scale wind and solar Queensland needs by 2035 to transform the electricity system. In particular, clause 40 of the Bill proposes for the declaration of renewable energy zones by the Minister. It is noted that the REZ Roadmap released by the State Government does not include a REZ zone within the Central Highlands local government area, despite the local government area hosting transmission infrastructure suitable for a REZ zone and being included in the broader Central Queensland REZ region. As the intent of clause 35 of the Bill is to identify parts of Queensland which are suitable to be renewable energy zones (and by extension, areas that are not suitable to be renewable energy zones), it is presumed that the Central Highlands region is deemed presently unsuitable by the Queensland Government for renewable development, despite the Australian National University study confirming the region’s suitability and the existence of 12 solar farms in the region, with a further two solar farms and windfarm in development stages. Council

understands that its identification as a REZ zone is imperative to securing and indeed, allowing, renewable investment in the region and has significant concerns in relation to the Bill potentially prohibiting transmission connections outside of declared REZ zones, which will become more important for the economic diversification of this region as a result of the impacts of decarbonization policy on the coal mining sector. To this end:

- Local government ought to have the ability to propose areas for inclusion in the Queensland Renewable Energy Zone, rather than this being solely at the discretion of the Minister or a REZ delivery body so that matters such as existing transmission infrastructure strengths and coal mining region susceptibility to the significant structural change and the resultant need for economic diversification and State/private sector investment can be considered – there currently appears to be no avenue within the Bill for REZ proposals to be made; and
- The Queensland Mines Rehabilitation Commissioner ought to have the ability to propose areas for consideration as a REZ to ensure that renewable developments can be considered as a form of viable post mining land use, key to the economic diversification of impacted thermal coal mining regions.

Clause 49 of the Bill refers to matters that will be taken into account in the creation of a REZ assessment which expressly call out impacts with named examples including infrastructure and land use and communities related only to transmission networks.

Firstly, it is suggested that this assessment should not only be related to transmission networks but also to the renewables developments themselves.

Secondly, it is suggested that clause 49 should include a process for consultation with local governments within which the REZ is proposed to understand the place-based impacts. Local government is uniquely positioned to identify impacts specific to a REZ zone geographic area, which would include:

- Impacts upon local government officer resourcing to manage negotiations with renewable proponents in relation to the impact upon local government assets and preparation of infrastructure access agreements; and
 - local governments to access legal advice and engineering advice in relation to planning, land access and infrastructure access matters
- Impacts with respect to the location of infrastructure corridors in terms of potential to mitigate fragmentation of agricultural operations or natural habitat and to ensure that biosecurity is safeguarded to prevent a proliferation of weeds and seeds;
- The adequacy of road network and washdown infrastructure to manage oversize overmass load and to prevent the spread of weeds and seeds in the construction and maintenance of new transmission infrastructure;
- Impacts on housing supplies for construction workforces, to prevent similar boom and bust cycles as occurred in the Gladstone region;
- Impacts in terms of waste generated;
- Impacts upon social infrastructure (health, education and emergency response); and
- Impacts upon other industries.

The abovementioned matters are not included within the example impact provisions set out under clause 49(b) or as part of the management plan requirements and warrant consideration. In addition, it is suggested that clause 49 should also be expanded to consider cumulative impacts.

2.5 Establishment of the Job Security Guarantee Fund

Clause 85 of the Bill proposes to provide security and support to 'affected energy workers' in relation to employment matters, including for example, by:

- Providing training for, or access to, employment opportunities within the energy sector or another sector;
- Providing other benefits or opportunities; and
- The provision of the job security guarantee.

Based on advice from the Department, it is understood that the clause 85(1)(b) definition of 'affected energy worker' does not include employees of Queensland coal mines that supply thermal coal for domestic energy production, as those coal mines are not prescribed by regulation for the purposes of the definition.

The introduction of the Bill and Renewable Energy Targets will have significant consequences upon thermal coal mining workers and their exclusion from the Bill is unacceptable and will result in significant social and economic consequences for the Central Highlands Region.

The introduction of the Bill and Renewable Energy Targets will also have significant indirect consequences on supply chains that heavily support thermal coal mines that produce thermal coal for domestic energy production and consideration as to support for that workforce must also be considered by the State Government.

It is noted that no assurances had been given by the Department of State Development, Local Government, Infrastructure and Planning that thermal coal mining for domestic energy supply workers within the Central Highlands region would be included within the Job Security Guarantee Fund proposed under the Queensland Energy and Jobs Plan.

The state government is urged to consult with the impacted mining operations and their relevant union representatives, as a matter of priority, in relation to this impact and consider the inclusion of such mines as prescribed facilities, prescribed by regulation under any Act to enable those employees to be deemed 'affected energy workers' for the purposes of this Bill.

2.6 Establishment of the Energy Industry Council

Clause 123 of the Bill proposes the establishment of the Energy Industry Council which is proposed to have functions of, amongst other things, provision of advice in relation to:

- How the implementation of the infrastructure blueprint will impact affected energy workers and their communities;
- Opportunities for employment, workforce development, education and training in the renewable energy industry for affected energy workers and their communities; and
- The skills and training the council anticipates will be needed to build and deliver workforce capacity and capability for the future of the energy industry.

Council reiterates its submissions outlined under section 2.2 and 2.5 of this submission, that 'affected energy workers' under the Bill should include all thermal coal mining employees who are employed at coal mines supplying thermal coal for domestic energy production, either directly or as sub-contractors, noting that the introduction of renewable energy targets will have impacts upon the thermal coal mining sector, to the extent that thermal coal produced from those mines is used for domestic energy production.

It is observed that there is currently no regional nuance included within clause 130 of the Bill in relation to the eligibility of appointed Energy Industry Council members – it is submitted that clause 130 of the Bill should be amended to ensure representation within the Council through its membership of impacted regions – namely regions currently hosting coal-fired power stations and thermal coal mines. In addition, it is

suggested that the Local Government Association of Queensland be included as a Council member to ensure local government representation.

2.7 Establishment of the Energy System Advisory Board

Clause 93 of the Bill proposes the establishment of the Queensland Energy System Advisory Board. It is submitted that such Board should have a function under clause 94 of the Bill to consult with Local Economic Opportunity Networks and Stakeholder Advisory Committees, the state government's established stakeholder engagement groups, to enable adequate consideration of economic benefit, which currently appears to be missing from the remit of the Board. In addition, eligibility of Board members under clause 99 of the Bill should also ensure adequate representation from impacted regions – namely regions currently hosting coal-fired power stations and thermal coal mines.

2.8 Establishment of the Queensland Renewable Energy Jobs Advocate

While the establishment of the Queensland Renewable Energy Jobs Advocate under clause 154 of the Bill presents several benefits and opportunities, it is important to acknowledge and address potential risks associated with this role. The following are some key risks that should be considered:

- **Economic Viability:** The advocate's initiatives and strategies to increase employment opportunities in the renewable energy sector must be economically viable and sustainable. There is a risk that the advocate's recommendations may not align with the market dynamics or the financial capacity of investors and employers. Overreliance on incentives or strategies that are not economically feasible could undermine the long-term growth and competitiveness of the energy industry. There needs to be a conduit for informing the advocate of market or global shifts that could impact the type jobs they generate.
- **Political Influence:** The role of the advocate is closely tied to government policies and decision-making processes. There is a risk that political agendas or partisan interests may influence the advocate's recommendations and actions, potentially compromising the impartiality and objectivity of their work. To mitigate this risk, transparency, accountability, and safeguards to ensure independence should be prioritised.
- **Market Distortions:** The advocate's interventions in promoting specific electricity infrastructure projects or employment opportunities could lead to market distortions. Favouring certain projects or industries without considering market demand or competitiveness may result in inefficiencies and misallocation of resources. Careful evaluation and assessment of market dynamics are necessary to mitigate this risk and ensure a level playing field.
- **Unrealistic Expectations:** Stakeholders, including the community and industry participants, may develop unrealistic expectations about the advocate's ability to guarantee employment opportunities or resolve all challenges related to workforce development in the renewable energy sector. Managing these expectations and providing clear communication about the limitations and complexities of the advocate's role is essential to avoid disillusionment and potential backlash.
- **Lack of Industry Representation:** The advocate's effectiveness may be limited if there is insufficient representation and consultation with key industry stakeholders. Without a comprehensive understanding of the industry's needs, challenges, and dynamics, the advocate's recommendations may not be practical or responsive to the real-world requirements of the renewable energy sector. Ensuring broad and inclusive stakeholder engagement is crucial to mitigate this risk.
- **Overemphasis on Quantity over Quality:** While the advocate's focus on increasing employment opportunities is essential,

there is a risk of prioritising quantity over quality. Simply aiming for a high number of jobs without considering the quality of employment, including factors such as fair wages/wage parity, workplace conditions, and career growth prospects, may lead to the creation of low-quality or unsustainable jobs. It is critical that the quality of jobs outweighs the emphasis on quantity.

On behalf of Council, I would like to take this opportunity to thank you for consideration of this submission.

Should you have any queries in relation to this submission, please do not hesitate to contact Millicent Bradley Woods, Principal Projects Advisor on [REDACTED].

Yours faithfully

[REDACTED]
Cr Kerry Hayes
Mayor

[REDACTED]
Sharon Houlihan
Chief Executive Officer

2023 LGAQ Annual Conference – Motions template

Please use this template to prepare your motion.
Please use text only – no images or tables.

Who is the key contact for this motion? (required)	Sharon Houlihan, Chief Executive Officer and Millicent Bradley Woods, Principal Projects Advisor
Do you have a contact at the LGAQ for this motion? (optional)	
Submitting council (required)	Central Highlands Regional Council
Supporting organisation (if applicable)	
Council resolution # (required)	2023 / 07 / 12 / 007
Date of council resolution (required)	12/07/2023
<input checked="" type="checkbox"/> Does this motion have state-wide relevance? (This is a required field)	
Title of motion (required)	Supporting the local government sector to transition to net zero emissions
Motion (required)	The LGAQ calls on the State Government to support the local government sector to transition to net zero emissions through the provision of targeted operational and capital grants programs that enable local government to: <ul style="list-style-type: none"> • Undertake corporate baseline emissions inventory and mapping and annually track emissions; and • Invest in operational and capital projects which address identified emissions reduction priorities.
What is the desired outcome sought? (required) 200 word limit	The creation of operational and capital grants programs at a state government level to enable local government to: <ul style="list-style-type: none"> • Undertake corporate baseline emissions inventory and mapping and annually track emissions; and

	<ul style="list-style-type: none"> Invest in operational and capital projects which address identified emissions reduction priorities.
<p>Background (required) 350 word limit</p>	<p>Councils are responsible for a range of emissions including those associated with fuels in their fleet and plant, landfill gas, wastewater treatment and the electricity required to power their buildings, community facilities and street lighting. It is therefore imperative for councils to reduce their organisational emissions in line with State and Federal government targets and to show leadership within their communities as the nation transitions towards a low carbon economy.</p> <p>The 2021 Australian Local Government Climate Review found that more than 70% of responding councils have set or are planning ambitious emissions reduction targets for their own operations, while 80% have set or are investigating emissions reduction targets across their entire community. Another recent report indicated that if all the current targets set by local governments were met, Australia would be 96% of the way to meeting its current target of a 28% reduction by 2030.</p> <p>Many state government strategies, such as the Queensland Climate Transition Strategy, recognise that “local governments have an important role to play in facilitating and supporting progress towards the net zero emissions goal”.</p> <p>Councils are at varying stages of the net zero journey. Some are embarking upon corporate baseline inventory mapping and many have carried out carbon neutral projects, including introducing energy efficient LED streetlights, installing electric vehicle charging stations, capturing biogas and flaring landfill gas emissions, diverting organic waste from landfill, installing solar and</p>

using recycled road construction materials.

Some councils are going even further, investing in renewable energy projects, and supporting local businesses and residents to reduce their emissions. These initiatives are scaleable and could be replicated by other councils with sustainable funding support.

Much of the local government sector is already taking great strides in progressing toward net zero, however the provision of operational and capital grant funding will facilitate the local government sector taking a greater leap towards net zero than current budgetary constraints and competing capital and operational priorities allow. By supporting councils to reduce emissions at a local level, the State can deliver on its own emissions commitments, whilst ensuring that no community is left behind.