

## Energy (Renewable Transformation and Jobs) Bill 2023

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**RE: *Energy (Renewable Transformation and Jobs) Bill 2023***

The Mining and Energy Union Queensland District (MEU) is the principal union representing workers across all roles in Queensland's coal mining and coal-fired power generation industries, with a proud history in the state of more than 115 years. We welcome the opportunity to make a submission on the *Energy (Renewable Transformation and Jobs) Bill 2023* (the Bill).

The global energy transformation will have a profound impact on our members and their communities. The most immediate affects will be felt by workers in the domestic thermal coal sector. In implementing the Queensland Government's Energy and Jobs Plan, the Bill will play an important role in shaping how this transformation will be felt by the workers and communities who have powered Queensland and supported its economy for generations.

Our comments on the Bill primarily go towards strengthening its responsiveness to energy workers and their communities. Without appropriate consideration of the impacts on them, the transformation will be experienced negatively and could have deleterious effects on regional Queensland economies.

**JOB SECURITY GUARANTEE FUND**

The Job Security Guarantee for energy workers at publicly-owned power stations is a critical element of the Queensland Energy Workers Charter. The MEU strongly supports the Job Security Guarantee, which must apply to all affected workers including those directly employed as well as labour hire and contractors and welcomes the inclusion of a Job Security Guarantee Fund at Part 7 of the Bill.

Queensland's continued public ownership of its energy generation assets positions it ahead of other states in being able to support workers displaced by energy transformation. Where energy assets have been privatised (as they have in Victoria and NSW), Governments have to-date struggled to provide the necessary support to workers, leaving them facing unemployment or significantly reduced income. In fact, research recently published by e61 Institute found that Australian coal power station workers made redundant after a coal power station closure earned 69% less in the year after

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redundancy (compared to 43% less for all other redundant workers), and 50% less after four years (compared to 29% less for all other redundant workers).<sup>1</sup> To avoid this fate, new jobs created at GOCs as part of the Energy and Jobs Plan must match the pay and conditions in the Queensland’s publicly-owned coal-fired power stations. Those jobs must also be located in the energy regions which will face greatest upheaval.

Addressing the impacts of the energy transformation on displaced energy workers has become a key policy concern of Australian governments at all levels, with the forthcoming federal Net Zero Authority a major example of this. Queensland should embrace its opportunity to lead in this area, and the Job Security Guarantee is an opportunity to do so.

## **OPTIMAL INFRASTRUCTURE PATHWAY OBJECTIVES**

The optimal infrastructure pathway objectives (“OIPO”) as defined in s.8 outline three main objectives:

- (a) the achievement of the renewable energy targets;*
- (b) the provision of a safe, secure and reliable supply of electricity to Queensland consumers;*
- (c) the long-term minimisation of the cost of electricity for Queensland consumers.*

The OIPO are matters that inform a number of key functions of the Bill such as the infrastructure blueprint<sup>2</sup> the Queensland Energy System Advisory Board.<sup>3</sup>

Further the Job Security Guarantee Fund<sup>4</sup> and definition of “affected energy worker<sup>5</sup>” also take into account the OIPO.

Whilst the Job Security Fund’s purpose is to compensate workers who are adversely affected by the OIPO, there appears to be no requirement in the Bill to ensure that the OIPO is implemented in a manner which minimises the adverse affects on workers defined as “affected energy workers.”

The MEU acknowledges the energy transformation underway, and the central role that this Bill will play in shaping that transformation for Queensland.

The MEU further acknowledges that the Bill will have a direct impact on its members in the energy sector as they are going to be adversely affected by the Government’s push to transform the energy sector by moving away from coal fired power to renewable energy.

The MEU finally acknowledges that the Bill’s Job Security Guarantee Fund will play a critical role in providing a financial safety net for impacted MEU members and other affected energy workers.

However the MEU also strongly believes that the OIPO, and all bodies that must consider the OIPO as part of their functions, must also give consideration to *how* the OIPO are implemented and do so in a manner which minimises the adverse impacts of the OIPO on affected energy workers.

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<sup>1</sup> Andrews, D., Dwyer, E. and Vass, L. 2023. ‘At the Coalface: What Happens to Workers Displaced by Decarbonisation?’, e61 Micro Note 11, 23 October.

<sup>2</sup> S.15 and s.16 of the Bill

<sup>3</sup> S.94(b) and s.95(2)(b)

<sup>4</sup> S.89

<sup>5</sup> S.86

To ensure that the OIPO takes into account the adverse impacts workers as defined in the Bill, the MEU recommends that the OIPO in s.8 is expanded to also include an objective (d) stating that objectives (a)-(c) must be met in a manner which minimises the impact on affected energy workers.

## **RENEWABLE ENERGY ZONES**

PART 6 of the Bill creates the new Renewable energy zones, the purpose of which is, amongst other things, *“to ensure the impact of the declaration of renewable energy zones on Queensland communities is appropriately considered.”*<sup>6</sup>

Despite this stated purpose, it is unclear to the MEU how this stated purpose is to be achieved. For example, in declaring a REZ<sup>7</sup>, the Minister is not required to consider the effect on any communities in recommending the declaration of a renewable energy zone. Further, the contents of any management plan<sup>8</sup> for a REZ makes no requirement to identify, consider or consult with any communities affected by a REZ, outside of the general obligation for consultation under s.46 of the Bill.

Finally, at s.49 of the Bill, the MEU notes that there is, rightfully, a requirement for consideration on the impact of Aboriginal, Torres Strait Islander peoples in any REZ assessment. However, we believe this part of the Bill is seriously lacking due to the absence of a requirement to consider the impact on affected communities in any REZ assessment.

The MEU highlights that existing coal fired power stations, e.g. Callide and Kogan Creek, from an integral part of the local communities in the towns of Biloela and Chinchilla/Dalby respectively as the majority of workers at these power stations live in these local communities. The probabilities that these towns will be covered by a REZ in this legislation is high and, as one of the stated purposes of the REZ is to consider the impact of the REZ on these types of communities, the legislation must provide a greater emphasis on minimising the adverse effects on these communities. Therefore, the MEU wishes to see greater consultation and consideration of the affects of the REZ in the legislation, as well as an assurance that any adverse affects will, to the greatest extent possible, be minimised. Another concern with the REZ is that the current Bill does not include a requirement<sup>9</sup> to consider issues such as the rehabilitation of existing power stations when they are no longer required as well as a preference, to the extent possible, for the manufacturing of any REZ infrastructure to be sourced within Australia.

The MEU opinion is that these issues could be the subject of regulation but its preference is for these matters to be included in the Bill as matters that a REZ must consider and comply with.

## **ENERGY INDUSTRY COUNCIL**

Part 9 of the Bill established the Energy Industry Council.

The MEU believes that tripartism is an essential requirement for governance and oversight of energy transformation policy development and implementation. We are pleased to see that the Government shares this view, with membership of the Energy Industry Council including five representatives from industrial organisations, appointed on the recommendation of the Minister.

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<sup>6</sup> S.35(b)

<sup>7</sup> S.38

<sup>8</sup> S.41

<sup>9</sup> S.42 or s.43

However, the Energy Industry Council would be best served with a membership that is representative of the diversity of the job roles and skillsets held by workers in Queensland's energy industry. To this end, we recommend that clause 130(1)(b) be amended to list the specific industrial organisations from which representatives will be appointed.

We recommend that the Bill name, individually, the five unions currently on the interim Energy Industry Council and party to the Queensland Energy Workers Charter – namely, the Australian Manufacturing Workers' Union, Australian Services Union, Mining and Energy Union ('CFMMEU Mining and Energy Division' appears in the Workers Charter), Electrical Trades Union, and Professionals Australia.

This would align the Bill with interstate practices. For example, the NSW Renewable Energy Sector Board is established by the *Electricity Infrastructure Investment Act 2020* (NSW) (the Act), which requires that the Board consist of representatives of four different unions, named individually in Section 7(2)(a) of the Act. The NSW Renewable Energy Sector Board plays a similar role in oversight and advice on NSW's transition to renewable energy as Queensland's Energy Industry Council is proposed to, particularly in regard to advising on opportunities to develop the local workforce, and skills and training requirements to deliver major energy projects.

## **RENEWABLE ENERGY TARGETS**

Section 9 of the Bill defines the "renewable energy targets" as:

- (a) that by 2030 50% of the electricity generated in Queensland is generated from renewable energy sources; and*
- (b) that by 2032 70% of the electricity generated in Queensland is generated from renewable energy sources; and*
- (c) that by 2035 80% of the electricity generated in Queensland is generated from renewable energy sources.*

Section 12 of the Bill states that the Minister must review the renewable energy targets at least every 5 years from either the date of commencement or last review.

The MEU acknowledges that the requirement for a review in section 12 is a minimum requirement and that s12(3) places a further requirement to review the target in 2030.

However, if the legislation commenced in 2024, the first review would not take place until 2029. This timeframe would result in the first review taking place within one year of the first target making it difficult to implement any recommendations from the review to meet the 50% 2030 target.

The second review would then have to be undertaken one year later. As this review is a mandated review, the MEU raises the utility of having such a review so close together.

The final required review then takes place in the same year as the final target, raising again the same issue of the review taking place too close to the target date to make adequate corrections that maybe required to meet the target.

The MEU believes that the minimum requirements for a review are not timed effectively as the reviews fall either too close to the target date or from the last review performed. The review dates leave insufficient time between the review and the target to allow any required correction in order to meet the renewable energy targets.

In order to maximise efficiency and effectiveness, the required timeframes for a review should be lowered from 5 to 3 years. Such a change would shift the review requirement to an initial review in 2027 with subsequent reviews in 2030 and 2033. The timing of such reviews would leave sufficient time between when the review was performed and when the target needs to be reached to allow for any required correction to meet the requisite targets. It would also have the added effect of making the 2030 review requirement redundant and therefore could be removed.

**Regards**  
**MINING AND ENERGY UNION**  
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