

## Energy (Renewable Transformation and Jobs) Bill 2023

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8 December 2023

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Transport & Resources Committee  
Queensland Parliament  
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Dear Margaret

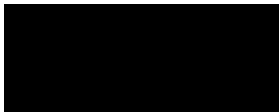
Please find attached the Queensland Resources Council's (QRC) Submission - **Inquiry into the Energy (Renewable Transformation & Jobs) Bill 2023**.

QRC thanks the Committee for the opportunity to make a submission on this complex and far-reaching Bill. We would welcome any opportunity to appear before the Committee and speak in support of this submission. If you have any questions or would like any further details about any of the matters raised in this submission, the best contact at QRC is [REDACTED]

While QRC supports the broad thrust of the Bill, redesigning the regulatory framework for the delivery of Queensland's largest-ever transformation of our energy system at such scale and speed is a challenging task and should not be taken lightly. We look forward to being involved in the consultations on the key regulatory details that are proposed to be empowered under this Bill.

Please note that the submission is not confidential, and you are welcome to publish it on the inquiry's website.

Yours sincerely



Ian Macfarlane  
**Chief Executive**

# QRC Submission

**To:** Queensland Parliament's  
Transport & Resources Committee

Inquiry into the *Energy (Renewable  
Transformation & Jobs) Bill 2023*.

**8 December 2023**

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# Introduction

## About the Queensland Resources Council (QRC).

The Queensland Resources Council (QRC) is the peak representative organisation of the Queensland minerals and energy sector. QRC's membership encompasses minerals and energy exploration, production, and processing companies, and associated service companies, both technical and professional.

QRC works on behalf of members to ensure Queensland's resources are developed profitably and competitively, in a socially and environmentally sustainable way. We see renewable energy, (and the downstream value-adding industries that reliable low-cost renewable energy enables), as new examples of Queensland's extraordinarily diversified resource opportunities. Reliable and globally competitively priced electricity is critical to ensure we maximise Queensland's value-adding opportunities in refining and smelting the components of renewable energy generation.

## About Queensland's resources industry.

QRC's latest annual [economic contribution](#) data details the resource industry's ubiquitous spending across Queensland down to the postcode level. The 2022-23 industry data shows that Queensland's [resource industry collectively](#):

- supported one in six Queensland jobs,
- contributed one in every four dollars to the State economy,
- generates around 83% of the value of Queensland exports ([Queensland Treasury](#) figures);
- supports more than 15,919 local Queensland businesses;
- paid \$18.1 billion in royalties;
- contributes to more than 1,427 charities and local sports clubs; and
- all from just 0.1 per cent of Queensland's land.

In short, Queensland's resource sector is a world-class engine of regional prosperity. A copy of the latest QRC summary graphic on the [resource industry's annual economic contribution](#) to Queensland is at attachment A.

## Industry's race to decarbonise.

Many QRC members are already advanced in implementing their detailed corporate plans to decarbonise their operations. QRC member companies are setting their own deadlines for achieving net zero emissions and in some cases, these deadlines are far more immediate than the goals of the Queensland and Australian Governments. As such, renewable energy is a key interest for QRC members, with operations directly investing in their on-site projects as well as signing power purchase agreements that underpin further renewable investments in Queensland. For example, we understand that some of CleanCo's largest contracts have been signed to supply firm green energy to QRC members.

With much of the resource industry's infrastructure already electrified, QRC members are already major electricity users in Queensland, and this will only increase, as electrification is a key decarbonisation pathway. Refineries, gas compression plants, smelters, railways, slurry pipelines, conveyor belts and draglines all require large volumes of reliable electricity to keep resource sites operating around the clock. The production of critical minerals and refining of battery minerals will only increase the intensity of electricity use in the industry.

Reflecting the importance of electricity to QRC members, the Queensland Resources Council is proud to be an active member of the Ministerial Energy Council (MEC) and its many sub-working groups. QRC is also a long-standing member of the Customer Councils for both Powerlink and Energy Queensland to represent the diverse views of our broad resource industry membership as energy producers, energy exporters and as energy consumers.

QRC [supports the Paris Agreement](#) and its emission reduction goals and supports action to achieve those goals. The challenge is to reduce emissions at the least cost to society and the economy. QRC endorses the Premier's vision on page v of the [Queensland Resource Industry Development Plan](#) (2022) that Queensland has:

*"...the mineral and energy resources below the ground, the renewable energy above the ground, and the skilled and innovative people to bring the world what it needs."*

The global need for both existing and new economy minerals is driving significant future demand for our resources and the transparent, clean, safe and efficient way we produce them.

Former Chief Scientist, Alan Finkel's new book, [Power Up: Unleashing the Clean Energy Supply Chain](#), talks about building what he calls 'an electro-state' in Australia by providing resources and shipping sunshine. He describes our future opportunity as 'the age of big shovels'. Both opportunities loom large for Queensland.

*"The transition to zero-emissions energy to replace all of our fossil fuels is going to require a huge amount of resources, including copper and aluminium. We're also going to have to massively ramp up battery materials, like lithium, nickel, manganese, cobalt and graphite, and rare earth elements, of which Australia has a lot."*

*"Take European car manufacturers as an example. They are concerned about the ethics, as well as the environmental impact... BMW, for example, has decided to only buy cobalt from mines in Morocco or Australia."*

The International Energy Agency ([IEA](#)) has forecast a quadrupling of demand for the minerals required for clean energy technologies over the next two decades. Last year, Queensland produced 220,500 tonnes of copper – enough to make around 2.75 million electric vehicles – so the potential for this demand to grow by 400 per cent is an incredible opportunity for Queensland.

Queensland also has world-class deposits of cobalt, copper, scandium, bauxite and vanadium, with opportunities emerging for other new economy minerals, so we are well placed to meet this future demand created by the global energy transition. Indeed, our traditional resource export customers are relying on Queensland to continue supplying them with the building blocks of economic growth.

# QRC's key recommendations

The following section provides detailed comments and poses some clarifying questions about specific sections of the Bill, the six key recommendations raised in the body of the submission have been collated here for ease of reference.

QRC commends these key recommendations to the Committee's consideration.

## **Recommendation 1: Expand the purpose of the Act.**

QRC would suggest that the purpose of the Act be expanded to explicitly include the goal of ensuring the provision of "a safe, secure and reliable supply of affordable electricity to all Queensland consumers". This new goal could be added as a new purpose in section 3(a), given its overarching relevance to the entire Bill.

QRC suggests that section 3 should also include words to the effect of "(d) maximising local supply chain opportunities to deliver, service and maintain the new SuperGrid and the associated investments being made in the Queensland Renewable Energy Zones (QREZ)."

## **Recommendation 2: Precisely define the Act's cost minimisation goal.**

QRC would recommend that the wording of section 8(c) is refined so the current reference to the long-term minimisation of the cost of electricity is defined more precisely in relation to "the total system cost" or "the delivered cost of electricity for Queensland consumers".

The Bill's current wording could be misconstrued as focusing simply on minimising the generation costs of electricity, rather than managing the entire system cost of transmission, distribution, maintenance, security and reliability of this electricity supply.

## **Recommendation 3: Focus the advice of the Board.**

QRC supports the establishment of the Queensland Energy System Advisory Board (QESAB) as a vital source of technical advice and guidance for the Minister. Consistent with our comments on section 3 and 9 of the draft Bill, QRC believes that the function of the Board is to explicitly recognise the importance of maintaining energy security throughout the energy transition and for delivering reductions in the delivered price of electricity for all Queensland energy customers. QRC recommends that the functions of the Board under section 94 should be amended to explicitly encompass the delivery, safety, security, reliability and affordability of electricity supply in addition to simply increasing the share of renewable energy.

## **Recommendation 4: Ensure the diversity of views around the QESAB table.**

QRC recommends under section 99(3) including a category of Queensland Energy System Advisory Board (QESAB) member who has knowledge, qualification or skills in relation to advocacy for producers and users of energy. QRC would recommend the newly established Queensland Renewable Energy Council (QREC) as ideally placed to fill this new role.

QRC would further suggest that it may well be worth having a Board member appointed explicitly to represent a regional perspective in the Board's deliberations.



### **Recommendation 5: Queensland Local Content Advocate.**

At the risk of making an already long title even more unwieldy, QRC suggests that the Jobs Advocate also be given responsibility as the Local Content Advocate too.

QRC's experience is that Local Governments and local economic development bodies can be key allies in helping to refine and hone a local content policy for their community. QRC suggests that delivering tangible local content outcomes will be just as important as delivering jobs in terms of securing the social licence to operate of the renewable energy zones and the SuperGrid infrastructure. As such, we'd recommend that the scope of the Jobs Advocate be broadened to include an explicit focus on local content.

A broader focus for the Advocate, which explicitly encompassed the local supply options around local content would enable the focus on jobs for Aboriginal and Torres Strait Islander peoples to also focus on delivering local content opportunities for Aboriginal and Torres Strait Islander businesses.

### **Recommendation 6: Retrospective transitional provision should be approached with caution.**

QRC is supportive of transitional regulations, particularly for the major changes proposed in this Bill around derogating from national electricity laws to apply bespoke Queensland regulatory tests to infrastructure investments of an unprecedented scale. However, this section proposes that the transitional provision can be retrospective for a period of up to two years after the Bill commences, section 180(3).

The Bill's proposal for retrospective transitional provisions is difficult to reconcile with fundamental legislative principles, particularly when the threshold for making the regulation is as broad as set out in section 180(1)(a)(ii) – “to allow or facilitate the doing of anything to allow the operation of this Act or the national electricity laws in relation to a priority transmission infrastructure (PTI) matter or renewable energy zone (REZ) matter”, (underlining added).

QRC suggests that in order to have sufficient regard for the institution of Parliament that before any regulation is made under this section, it should be first tabled in Parliament. If the retrospective transitional provisions are sufficiently material, it might be appropriate for them to be also referred to a Parliamentary Committee for review.

# QRC's specific comments on the Bill

## Section 3: Main purpose of the Act

Given the importance of maximising local content opportunities in investing in Queensland's SuperGrid, QRC suggests that section 3 should also include, (subject to advice from Parliamentary Counsel), words to the effect of "*(d) maximising local supply chain opportunities to deliver, service and maintain the new SuperGrid and the associated investments being made in the Queensland Renewable Energy Zones (QREZ).*"

Subject to advice from Parliamentary Counsel, QRC would further suggest that the main purpose of the Act be expanded to explicitly include the goal of ensuring the provision of "*a safe, secure and reliable supply of affordable electricity to all Queensland consumers*". This new goal could perhaps be added as a new purpose in section 3(a), given its overarching relevance to the entire Bill. QRC notes that currently, the Bill's first reference to "*the safe, secure and reliable supply of electricity*" is tucked away in section 15(2)(e)(iii)(B), which perhaps risks being seen as less prominent than the Bill's main purpose in section 3.

## Section 7: Meaning of 'optimal infrastructure pathway'

The reference in section 7(c) to defining the optimal infrastructure pathway in terms of any renewable energy zone (REZ) transmission network for a REZ not mentioned in the infrastructure blueprint is a confusing drafting choice. QRC would have thought that defining the optimal infrastructure pathway by exclusion would be a risky approach and one that flies in the face of the transparency established by the publication of the SuperGrid Infrastructure Blueprint and its regular updates.

## Section 8: Meaning of the optimal infrastructure pathway objectives

Regarding section 8(c), the long-term minimisation of the cost of electricity, subject to advice from Parliamentary Counsel, QRC would prefer that the drafting was specific in relation to "*the total system cost*" or "*the delivered cost of electricity for Queensland consumers*". The current wording could be misconstrued as focussing simply on minimising the generation costs of electricity, rather than managing the entire system cost of transmission, distribution, maintenance, security and reliability of this electricity supply.

## Section 9: Renewable energy targets

QRC supports the three renewable energy targets that have been set in the Queensland Energy & Jobs Plan, however, those targets were set in very clear context of maintaining energy security and driving down energy prices. As such, QRC suggests that section nine also provides the same context in legislating these three targets. Subject to advice from the Parliamentary Counsel, this could be achieved by adding words to the effect of:

*"From the time this Act commences, the standard of energy reliability will only rise and the delivered price of electricity for Queenslanders will only fall, while also achieving the **renewable energy targets** for Queensland - "*

To support the implementation of this suggestion, QRC would also suggest that the Queensland Energy System Advisory Board (QESAB) could include in their annual report to the Minister and Parliament (section 94) progress on delivering these sustained levels of energy reliability and affordability over the preceding 12 months.

## Section 11: Annual progress statement

As part of the Minister tabling an annual statement from the Queensland Energy System Advisory Board, QRC suggests that this section stipulate that the Minister's statement of the methodology (section 10) also be incorporated into this annual report.

## Section 12: Review of renewable energy targets

QRC notes that the drafting of this section refers to the targets in plural, referring to all three targets defined in section 9, but it might be worth linking the three targets explicitly, so it is clear that faster (or slower) progress towards an earlier target, would also see the subsequent targets adjusted accordingly. The targets aim to map the gateways in a trajectory of a growing share of renewable energy generation, so linking the targets in the Act seems like a prudent step.

The timing of the review under section 12(1)(a) is a bit unusual in that having just established a series of three renewable energy targets in legislation (section 9), the passage of this Bill would trigger an immediate obligation on the Minister to review these freshly legislated targets. QRC would suggest that perhaps it might be more appropriate for the Queensland Energy System Advisory Board to review the three targets and table a report to the Minister in Parliament.

If the Minister's 2030 review concludes that a further target beyond 2035 is warranted (section 12(3)(b)), then QRC recommends that the sunset clauses in this Bill, many of which have been chosen to coincide with that existing 2035 deadline, (for example section 34), should also be revised as part of that 2030 review.

## Section 13: Public ownership strategy

While the nested definitions in section (3) are a bit confusing to read, QRC suggests that the definition of a publicly owned gas-fired power station might be casting the net a bit broadly by including a station which section 13(a), (note this would seem to be the fourth of the five "part (a)s" which are listed under section 13 on page 16 of the Bill), "*partly and indirectly owned by a Government Owned Corporation (GOC).*" A partial and indirect ownership from a GOC seems as though the degree of public ownership should be calculated on a pro-rata basis.

The definition of deep storage assets, section 13(3)(a) is very specific. QRC understands that the Queensland Energy & Jobs Plan is predicated on the successful on-time commissioning of [Borumba](#) and [Pioneer-Burdekin](#) pumped hydro-electricity plants to provide system firming across Queensland but is curious to know how the 100% public ownership of deep storage will be implemented. If a private sector proposal for a pumped hydro system with at least 1.5 GW of generating capacity and more than 24 hours of storage was proposed would the Queensland Government deny them a generation licence on the grounds of the public ownership strategy? QRC would suggest that it might be more practical to define the public ownership strategy in terms of the minimum generating capacity, in GW hours, of the form of deep storage assets that are required to deliver the firming and reliability goals established in the Queensland Energy & Jobs Plan.

QRC also notes that section 13 doesn't seem to define a publicly owned coal-fired power station, which seems like an odd oversight given the explicit focus on these assets in section 15(2)(c) and a definition in the dictionary on page 131 of the Bill.

## Section 15: Public ownership strategy

Section 15(2)(e)(iv) requires the SuperGrid Blueprint to estimate the electricity generated by 2035 by devices owned by Queensland consumers, with a drafting note offering an example of rooftop solar panels. With the uptake of battery storage and electric vehicles expected to expand significantly in Queensland by 2035, QRC suggests that this estimate should also consider how

much of grid electricity will be displaced by the behind-the-meter combination of household battery storage, bilateral charging of electric vehicles and solar generation.

### **Section 16: Review of the infrastructure blueprint**

QRC would be interested to know if all the advice listed under section 16(3)(a) through to (g) will be made publicly available? If this advice is not made public, it will be difficult for the Parliament (or the public) to be confident that the Minister has discharged their responsibility that that “*they must have regard to these matters.*”

### **Section 23: Responsible Ministers must seek advice about Powerlink’s submission**

The regulatory threshold that is applied to this important process of seeking advice in section 23 is focussed on modifications that are “*minimal as practical*”. While minimalism might be a laudable objective, in some cases Powerlink might be able to suggest wholesale modifications that significantly reduce construction time, or to allow greater capacity or to provide a stream of savings for consumers. QRC would be loath to see the Minister eschew considering more lateral modifications to the proposal because the Act required a focus on minimal, rather than comprehensive, changes.

QRC would offer the same suggestion for the drafting of section 24(5).

### **Section 28: Regulation-making powers in relation to financial matters associated with priority transmission investments**

While QRC understands the intention of this section – that Powerlink’s asset base be adjusted to reflect the results of a priority transmission investment, QRC notes that the existing asset base has been subject to meticulous national regulatory assessments to ensure that the asset base is depreciated, optimised and priced at replacement cost. As an observation, it seems a shame to add new priority infrastructure costs whose prudence has not been scrutinised as intently to the existing regulatory base, but that reflects the changing nature of the transmission task in Queensland under the Energy & Jobs Plan

### **Section 41: Content generally**

In addition to the four factors listed, which must be identified as part of a management plan for a renewable energy zone (REZ) under section 41(c) – QRC suggests that the plan also identify any opportunities or plans for energy storage in the REZ as well as existing or prospective new sources of demand in the REZ. It may well be the case that the availability of transmission-constrained renewable energy generation within the REZ might attract new industries or enable new energy uses within the REZ, which could reduce the need for REZ transmission infrastructure. Similarly, a REZ energy generator may wish to trade off an investment in augmenting the common REZ transmission assets with an investment in their own storage that lets them make better use of the existing REZ transmission assets at times when the transmission network is not constrained.

### **Section 48: Amendment of the (REZ) management plan**

While QRC understands that the intention of section 48 is to focus on minor or incidental changes, the section is very limited in scope. QRC would suggest that the renewable energy zone (REZ) management plans should also have a separate mechanism for broader or more sweeping changes to the management plan, which should also include a provision for public and local consultation. It may well be that the REZ participants may be able to all agree on a set of beneficial changes to a REZ management plan that are not able to satisfy the current filters described in section 48.

## Section 55: Negotiated access standards

QRC is not sufficiently familiar with the intricacies of the National Electricity Rules to understand the implications of a renewable energy zone (REZ) access standard being deemed as a negotiated access standard under the National Electricity Rules – but suggests that the Committee may wish to ask the Department what they understand to be the implications of the deeming provisions in section 55(3).

QRC makes the same suggestion regarding section 56(2).

## Section 58: Application of subdivision

If part of Queensland's existing transmission network becomes part of the renewable energy zone (REZ) transmission network (section 58(1)(a)), is Powerlink's regulatory asset base reduced by the regulatory value for those transferred transmission assets? If not, there would seem to be a risk of regulatory double-counting, if the REZ transmission assets are subsequently added back into Powerlink's asset base under section 39.

QRC suggests that the same care should be taken with accounting for the transmission assets when a REZ declaration is revoked or expired under section 82.

## Section 62: Existing rights to receive DNA services

If a part of a transmission network has existing rights as a designated network asset (DNA) service, then QRC would have expected that those service rights would be included in the management plan for the renewable energy zone (REZ). If that is the case, then it's difficult to see why section 62(4) is required? QRC suggests that the Committee might like to ask the Department to clarify the circumstances in which this section might be applied.

## Section 71: Responsible Ministers may allow cost recovery through charges for prescribed transmission services.

QRC would hope that there would rarely be a shortfall in the recovery of costs of prescribed transmission services associated with a renewable energy zone (REZ) and that any such shortfall to be recovered from energy customers would be minimal. QRC notes that under section 71(4) the notice is treated as subordinate legislation. QRC would hope that as part of this regulatory treatment, the responsible Ministers would share a detailed explanation of the reasons for any shortfall and the rationale for their decision to transfer these costs to all Queensland energy customers.

QRC would make the same point about section 72 and notes that the industry would expect that it would be very rare that the test set out in section 72(b)(ii) is satisfied. QRC would struggle to think of a scenario where such a project revenue shortfall could arise and notes that it would be highly unusual for the costs of an individual project assessment to be recovered from electricity customers. If this situation does arise, QRC again suggests that the responsible Ministers share a detailed explanation of the reasons for any shortfall and the rationale for their decision to transfer these costs to all Queensland energy customers.

## Section 75: Appointment

The drafting of the section is not clear as to whether Queensland can have more than one renewable energy zone (REZ) delivery body at any one time. Presumably, if there was an intention to have more than one REZ delivery body there would be a demarcation so that each REZ had only one regulator? It seems in no one's interest to have duelling REZ delivery bodies assessing the same REZ proposals in duplicate.

## Section 77: Obtaining information for performing functions

The definition of a reasonable excuse under section 77(5) might also contemplate the deadline that has been set for the information notice under section 77(3)(c). If the deadline is impractically short, it may not be feasible or possible to comply with the notice in the limited time allowed.

## Section 82: Transmission network or part stops being REZ transmission network or part

While QRC applauds that the Bill's drafters had the foresight to contemplate a transition process for when a renewable energy zone (REZ)'s declared status ends, the reversion to the full application of the national electricity law is likely to be complex and the grandfathering processes suggested in section 82(3)(a) and (b) are likely to be complicated to implement.

## Section 86: Who is an affected energy worker?

While supporting the principle of the Job Security Guarantee, QRC is concerned that by defining the eligibility in terms of an employee of a business partly owned by a Government Owned Corporation in section 86(2) despite the caveats applied in section 86(2)(a) and (b) that the definition might be broader than intended, which would mean that the \$150 million in funding may not be adequate.

## Section 94: Functions (Queensland Energy System Advisory Board (QESAB))

QRC supports the establishment of the Queensland Energy System Advisory Board (QESAB) as a vital source of technical advice and guidance for the Minister. Consistent with our comments on section 3 and 9 of the draft Bill, QRC believes that the function of the Board needs to explicitly recognise the importance of maintaining energy security throughout the energy transition and also for delivering reductions in the delivered price of electricity for all Queensland energy customers. QRC recommends that the functions of the Board under section 94 should be amended to encompass the context of safety, security, reliability and affordability.

QRC supports the intention of section 94(a)(ii) but questions how the Board will meaningfully measure and manage annual progress against the optimal infrastructure pathway. The optimal blueprint will evolve through time, as documented in the update of the SuperGrid Blueprint every two years, so an annual progress report against that moving target is going to be challenging to deliver in a meaningful way. QRC suggests that the Board's annual report needs to include a careful reconciliation against the previous year's report to explain the evolution of the optimal infrastructure pathway, as well as progress towards the new optimal path.

## Section 96: Powers

While QRC supports the establishment of the Queensland Energy System Advisory Board (QESAB), the drafting of this section leaves itself open to generous interpretation. As drafted, it is difficult to understand what the section achieves. At face value, it seems odd to legislate that the Board "*may do anything necessary or convenient to be done in the performance of its functions.*"

QRC would suggest that perhaps the section could be made more specific about establishing powers of gathering information and providing technical advice to the Minister.

## Section 98: Members of the Board

QRC suggests that under section 98(a) and (b) the Chief Executive and Under-Treasurer be made ex-officio Board members. That would be in keeping with contemporary governance practices and would also simplify the processes of establishing a quorum (section 111) and a majority (section 110(5) and (6)).



## Section 99: Appointed Board members

QRC suggests that under section 99(3) it might also be useful to include a category of Board member for the Queensland Energy System Advisory Board (QESAB) who has knowledge, qualification or skills in relation to advocacy for producers and users of energy. QRC would recommend the newly established Queensland Renewable Energy Council (QREC) as ideally placed to fill this proposed new role.

QRC would further suggest that it may well be worth having a Board member appointed explicitly to represent a regional perspective in the Board's deliberations.

## Section 111: Quorum

Based on the current drafting, it's not clear to QRC whether the quorum includes the Board Chair under section 98(d) or whether it is intended to be four Board members under section 98(c) as well as the Chair?

## Section 118: Effect of contravention of subdivision

QRC suggests that if section 118(2) is applied, and the Board is required to reconsider a decision due to a failure to disclose an interest, this reconsideration should also be recorded in the register established under section 117.

## Section 121: Dealing with records and documents on abolition

In considering how the records and documents of the Board would be managed when the Board's sunset clause is activated, QRC is interested in understanding whether the Board's documents are available to Right to Information (RTI) requests and whether this status would change once those documents reverted to the State. Given the confidentiality and commerciality of materials that the Board would be expected to manage, QRC suggests that the Department may wish to consider the Board's RTI status, both during and after its operational life.

## Section 154: Establishment, functions and powers (Queensland Renewable Energy Jobs Advocate)

At the risk of making an already long title even more unwieldy, QRC suggests that the Jobs Advocate also be given responsibility as the Local Content Advocate too.

The resource industry has worked hard to develop local supply chains in Queensland and to offer full, fair and reasonable opportunities for local suppliers to tender for work. Local content is a major driver of economic benefit for regional communities and will be a key litmus test of local social licence as new renewable investments are made.

While the Government's [Queensland Procurement Policy 2032](#) and [Queensland Procurement Strategy 2023 — Jobs, Economy, Legacy, Confidence](#) provide a good starting point, these are policies designed to guide procurement choices rather than to drive supply chain development in Queensland regions. QRC's experience has been that developing local supply chains requires far more work on the ground to help build local capacity, town by town.

QRC's experience is that Local Governments and local economic development bodies can be key allies in helping to refine and hone a local content policy for their community. They need to be at the table to help reflect the local nuance in capabilities and skills. QRC suggests that delivering tangible local content outcomes will be just as important as delivering jobs in terms of securing the social licence to operate of the renewable energy zones and the SuperGrid infrastructure. As such, we'd recommend that the scope of the Jobs Advocate be broadened to include an explicit focus on local content.

QRC's recommendation would require changes to the establishment (section 154) and functions (section 155) of the Renewable Jobs Advocate.

### Section 155: Functions

As noted above, QRC believes that local content and building local manufacturing capacity is a missed opportunity in establishing the Renewable Jobs and Local Content Advocate. For example, as drafted sections 155 (c) and (d) focus on jobs, but not the business opportunity that helps create new jobs and training opportunities. A broader focus for the Advocate, which explicitly encompassed the local supply options around local content would enable the focus on jobs for Aboriginal and Torres Strait Islander peoples to also focus on delivering local content opportunities for Aboriginal and Torres Strait Islander businesses.

QRC's experience in the resources industry is that Aboriginal and Torres Strait Islander businesses are far more likely to employ and train Aboriginal and Torres Strait Islander peoples in their communities. See for example pages 12, 13, and 18 of QRC's [2023 Local Content](#) report.

QRC recommends adding a specific new subsection that focuses on delivering local content to section 155.

### Section 160: Term of appointment

Once the Renewable Jobs (and Local Content) Advocate has completed one or, no more than two terms (section 160(3)), QRC suggests that if the individual was willing to continue contributing they would be ideally qualified to join the Queensland Energy System Advisory Board (QESAB).

### Section 175: Delegation

While it's common for legislation to be read in the plural when the singular is written, (and vice versa), in this section, QRC suggests that it would be useful to clearly differentiate between new joint powers that the Act would give to shareholding Ministers (in plural) and the powers that relate to the Energy Minister alone, particularly around section 175(2), where the limits on delegation apply to joint Ministerial (aka "*Ministers' functions*"), rather than "*Minister's function's*", as currently drafted.

### Section 176: Review of particular parts of Act

Depending on when the Act commenced, QRC suggests that a review of parts 7, 8, 9 and 10 after five years, might be too close to the 2032 deadlines to be useful. QRC suggests that if the Act commences in 2024, perhaps a review after three years – in 2027 – might be more useful (section 176(1)). Having run that review in 2027, that would then trigger the next five-year review (section 176(2) in 2032, which also seems more appropriate timing.

### Section 180: Transitional regulation-making power

QRC is very supportive of transitional regulations, particularly for the major changes proposed in this Bill around derogating from national electricity laws to apply bespoke Queensland regulatory tests to infrastructure investments of an unprecedented scale. However, this section proposes that the transitional provision can be retrospective for a period of up to two years after the Bill commences, section 180(3).

The Bill's proposal for retrospective transitional provisions is difficult to reconcile with fundamental legislative principles, particularly when the threshold for making the regulation is as broad as set out in section 180(1)(a)(ii) – "*to allow or facilitate the doing of anything to allow the operation of this Act or the national electricity laws in relation to a PTI matter or REZ matter*". It would be difficult to consider how to formulate the threshold in this retrospective regulation section any more broadly than it currently has been.

QRC suggests that in order to have sufficient regard for the institution of Parliament that before any regulation is made under this section, it should be first tabled in Parliament. If the retrospective transitional provisions are sufficiently material, it might be appropriate for them to be also referred to the Parliamentary Committee for review.

### **Section 184: Amendment of s 12 (Works, substations and operating works)**

QRC suggests that the insertion of a new definition of battery storage device into section 12 (4)(a) of the *Electricity Act 1994* might be too narrowly focussed on existing technologies.

In addition to the electrical batteries described in the proposed new text to be inserted, QRC suggests that it might also be worth considering including kinetic or thermal storage of energy as well, so as not to preclude the consideration of emerging new energy storage systems. For example, Green Gravity is looking at repurposing old mine shafts to mimic the role of pumped hydro in storing surplus electrical energy as kinetic energy. Similarly, concentrated solar generation often uses a system of thermal storage such as molten salt to extend the supply of electricity beyond daylight hours.

QRC has a similar suggestion for the insertion of a new definition of reactive power compensation device into section 12 (4)(b) of the *Electricity Act 1994*, as perhaps also too narrow. As well as inserting the example of a synchronous condenser, QRC would suggest that grid-forming inverters would also be included as an example of a different type of technology that potentially provides the same role of supporting system strength.

### **Section 190: Amendment of Petroleum & Gas (Production and Safety) Act 2004**

QRC notes the one-word replacement from describing a “covered” pipeline under the National Gas (Queensland) Law to instead describe it as a “scheme” pipeline as a means of apportioning the State's share of costs of funding national energy market regulations. None of QRC's gas members have raised any concern with this replacement of words.

# Conclusion

QRC thanks the Committee for the opportunity to make a submission on this complex and far-reaching Bill. We would welcome any opportunity to appear before the Committee and speak in support of this submission. The contact at QRC, if you have any questions about any matters raised in this submission, is Andrew Barger [REDACTED]

QRC commends to the Committee's consideration, our set of six key recommendations that:

1. The purpose of the Act (section 3), be expanded to explicitly include the goal of ensuring the provision of *"a safe, secure and reliable supply of affordable electricity to all Queensland consumers"*.
2. The wording of section 8(c) be refined to more precisely define the Act's cost minimisation goal, in relation to *"the total system cost"* or *"the delivered cost of electricity for Queensland consumers"*.
3. QRC supports the establishment of the Queensland Energy System Advisory Board (QESAB) as a vital source of technical advice and guidance for the Minister. QRC recommends that the functions of the Board under section 94 should be amended to explicitly encompass the delivery, safety, security, reliability and affordability of electricity supply in addition to increasing the share of renewable energy.
4. To ensure the diversity of views around the table of the Queensland Energy System Advisory Board (QESAB) that section 99(3) includes a new category of Board member who has knowledge, qualification or skills in relation to advocacy for producers and users of energy.
5. QRC suggests that the Jobs Advocate (section 154) also be given responsibility as the Local Content Advocate. QRC suggests that delivering tangible local content outcomes will be just as important as delivering jobs in terms of securing the social licence to operate of the renewable energy zones and the SuperGrid infrastructure.
6. Retrospective transitional provision should be approached with caution. QRC is supportive of transitional regulations, particularly for the major changes proposed in this Bill around derogating from national electricity laws to apply bespoke Queensland regulatory tests to infrastructure investments of an unprecedented scale. However, section 180(3) proposes that the transitional provision can be retrospective for a period of up to two years after the Bill commences.

In summary, while QRC supports the broad thrust of the Bill, redesigning the regulatory framework for the delivery of Queensland's largest-ever transformation of our energy system at such scale and speed is a challenging task and should not be taken lightly. We look forward to being involved in the consultations on the key regulatory details that are proposed to be empowered under this Bill.

# Attachment A: What are resources worth to Queensland 2022-23?

