

Energy (Renewable Transformation and Jobs) Bill 2023

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QUEENSLAND ENERGY & JOBS PLAN

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Energy (Renewable Transformation and Jobs) Bill 2023
– Submission to Parliamentary Inquiry

About the ETU

The Electrical Trades Union Queensland and Northern Territory Branch (the ETU)¹ is the principal union for electrical and electrotechnology tradespeople and apprentices in Queensland and the Northern Territory, representing over 15,000 energy workers around the state and territory.

The ETU is a strident supporter of the principles of a Just Transition and has actively worked with the Queensland Government to develop a Queensland Energy and Jobs Plan that delivers significant economic and social benefits to not only our members, but to all workers and the people of Queensland. We thank the Queensland Government for their ongoing engagement and for the opportunity to contribute to this important legislation.

Acknowledgement

In the spirit of reconciliation, the ETU acknowledges the Traditional Custodians of country throughout Queensland and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all First Nations peoples today.

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¹ Being a division of the CEPU, a trade union registered under the *Fair Work (Registered Organisations) Act 2009* (Cth).

Preliminary

The Queensland Energy and Jobs Plan sets out a bold and achievable program of initiatives that will do so much more than simply decarbonise Queensland's energy systems, it aims to create an unprecedented economic opportunity through clean, reliable, abundant, and affordable energy and share its benefits with workers and communities right across the State. After a decade of policy uncertainty federally, it is critical that initiatives such as this one provide for long-term stability and certainty for both industry participants and the Queensland community.

As such, the ETU made representations during the exposure draft consultation on the proposed Bill and are pleased that several of our representations are now reflected in the Energy (Renewable Transformation and Jobs) Bill 2023 (the Bill) that is now before the parliament. However, due to how important the Bill is to the economic future of all Queenslanders, the ETU believes this inquiries investigation into the adequacy of the Bill and to determine further available safeguards that should be inserted to give certainty to critical elements, and importantly the communities who will rely upon them, from wholesale changes or removal of support that may occur, such as through a change of Government.

The Queensland government should consider passing this Bill in a manner that makes it more difficult to amend in the future. This might be achieved through various mechanisms, such as imposing stricter requirements for amending the legislation or introducing provisions that require a higher majority or additional steps for future amendments.

To make it more difficult to amend legislation, the Queensland government should consider if it is possible to incorporate provisions such as:

- **Supermajority Requirement:** Requiring a higher majority than a simple majority to pass future amendments. For example, instead of a simple majority of 50%+1, a supermajority could be set at two-thirds or three-fourths majority.
- **Special Voting Procedures:** Introducing special voting procedures or additional requirements for future amendments. This could include provisions for public referendums or consultation with specific stakeholders.
- **Time Restrictions:** Imposing time restrictions or cooling-off periods before amendments can be considered. This can provide a buffer period and ensure that amendments are thoroughly reviewed and debated before they can be introduced.

In addition, the mandate for future governments to continue to seize every opportunity from the renewable energy boom to create skilled jobs, power new mining and manufacturing industries and share the benefits of the renewable transformation with workers and communities needs to be entrenched in the main purposes of this Bill. This Bill must require the addition of a third main purpose, to share the benefits of the renewable transformation with Queenslanders through using local inputs and generating quality local jobs.

Both domestically and internationally it is recognised that simply decarbonising the economy without achieving broader social and economic benefits will result in both a delayed energy transition, additional costs, and voter backlash. Over the past decade states and territories have recognised this challenge and developed and implemented their own distinct energy policy programs and frameworks to address these risks by embedding these principles in their legislative programs.

For example:

- NSW’s Electricity Infrastructure Investment Act 2020 specifically calls out supply chain, local jobs and training opportunities as an objective of its energy transition plan, balanced against the interests of electricity consumers.
- The Victorian Governments VRET2 policy program also centres employment, training and broader community benefits in its energy transition work while delivering affordable electricity for consumers.

Internationally, legislative programs to accelerate the decarbonisation of economies equally incorporate these principles as is demonstrated in the Inflation Reduction Act in the United States which variously requires that the “*economic, social, and environmental benefits*” derived from the reforms are “*shared equitably*”.

If these principles do not form the fundamental building blocks of the work that will flow from this Bill, then Queensland risks not fully reaping the opportunities and benefits that can be derived from a properly managed energy transition.

The ETU notes and welcomes the addition of the new Section 3

(c) to provide for support and advocacy for workers in the energy industry and communities affected by the increased generation of electricity from renewable energy sources.

However, this change did go far enough and must address the broader economic benefits that must also be embedded in the Objects of the Bill and therefore further amendment is necessary.

Further aggravating this concern is that even though the new Section 3 (c) provision of the Bill is welcome, several parts throughout the Bill deliberately stop the operation of this provision or fail to call it out. These include:

- Division 2 Section 38
- Division 3 Section 41
- Division 4 REZ Assessment, and
- Division 7 Section 76

Suggested amendments

Section 3 – Main purposes of Act

Insert:

(d) to ensure the benefits of Queensland’s renewable transformation are shared with workers, their families and communities through quality local jobs and by maximising the use of locally produced and supplied goods and services.

Ensure Section 3 (c) and new (d) are referenced in:

- Division 2 Section 38
- Division 3 Section 41
- Division 4 REZ Assessment, and
- Division 7 Section 76

Public Ownership of Energy Assets

The public ownership of Queensland's energy assets affords the State valuable control over the future pace and shape of its transition for energy workers and communities and enables the Government to ensure that they aren't left behind by this transition. It is critical that this pillar of Queensland's strategy for implementing a Just Transition is not watered down in any way, but consistently maintained and built upon as the transition progresses.

The ETU welcomes the Bill setting the floor for public ownership of generation assets consistent both with their current level and that of public statements made by both the Energy Minister and the Premier at 54%. This minor change from the explanatory draft sends an important signal that Queensland is not prepared to take any backward steps in their commitment to maintaining public ownership of its energy assets and delivering the social and economic dividends they provide to transitioning workers and Queensland energy users.

In keeping with the intention of these targets, to provide an assurance that the people of Queensland are in control of the majority of their energy assets, we also think it necessary to provide a requirement that where the State Government owns only part of an energy asset, that ownership make up a controlling share. Such a condition would ensure that future governments are able to continue to fully exploit the benefits of public ownership and control and protect from future strategies that may seek to, either inadvertently or insidiously, hollow out public control.

Suggested amendments

Section 12 - Public Ownership Strategy

Insert new

13 (1) (a) (iii) ensures where the State only part owns an energy asset, the ownership provides for a controlling share.

Further, our Union would question the inclusion of "holding a right or interest" under the definition of public ownership in this Part. The ETU is aware of existing examples of Queensland GOCs engaging in offtake agreements granting them rights to electricity generated from an energy asset without claiming ownership. To count these interests towards public ownership targets would be disingenuous and misleading to the public, as well as create a dangerous loophole that could threaten the future of majority public ownership in Queensland's energy assets within the confines of this legislation.

Suggested amendments

Insert new 13 (3) public ownership

(d) but only when the State owns a controlling interest or share.

Public ownership must also be delineated to the ownership by the State of Queensland. Including provisions which count public ownership in state legislation to include ownership by the Commonwealth and Local Government will include forecasting ownership of assets well beyond the states control. Section 3 needs to clarify public ownership as ownership and control by the state of Queensland.

Suggested amendments

Amendments

Section 3 throughout needs to remove 'Commonwealth and Local Government' from the definition.

Noting the changes to the definition of Generating asset, the ETU is concerned that these provisions could apply in such a manner as to broadly exempt large generation assets from consideration of public ownership. This is contrary to the intention of the Bill.

Suggested amendments

Insert new 13 (3) generation assets

(f) except where (a) through (e) are grid connected generation assets

The definition given in the draft legislation for “deep storage assets” is overly prescriptive to a particular class of long-term storage assets. We understand that the intention is for this definition to cover large-scale pumped hydro assets being developed for long-duration renewable energy storage, however we are concerned that specifying the type of technology to be classed only as ‘pumped hydro energy storage’ in legislation could be unhelpful by limiting public ownership of other deep storage technologies that may emerge which may be in the strategic interest of the state to own such as Battery Energy Storage Systems.

Finally, public accountability and reporting is critical to ensuring broad community acceptance of the Queensland Energy Plan. The Bill now limits reporting to just two reports at Section 14. One being a report for the period 1 July 2025 – 30 June 2030 and the other being for the period 1 July 2030 – 30 June 2035. The Bill needs to revert to the annual reporting requirements that were contained in the explanatory draft.

Suggested amendments

Amendments at Section 14

Revert to annual reporting requirements outlined in the explanatory draft.

Queensland SuperGrid Infrastructure Blueprint

A comprehensive grid infrastructure network able to “capture it, send it, or store it where it’s needed most” will necessarily incur significant investment, and current regulatory frameworks limit the Queensland Government’s ability to prevent these costs from passing through to consumers in the short-term. The cost minimisation objective outlined in the optimal infrastructure pathway objectives definition requires a more holistic, long-term focus to effectively promote a long-term vision and provide for consideration of both the eventual cost reductions afforded by the new generation assets that network infrastructure investments unlock and the broader economic benefits that these investments will contribute to workers, communities and the Queensland economy.

These projects will undoubtedly contribute to the development of an energy grid in Queensland that delivers affordable, reliable power for consumers and job-creating industries into the 21st Century, yet these objectives fail to require consideration of the opportunities such projects are capable of generating. The optimal infrastructure pathway objective needs to promote consideration of the upstream industries set to benefit from developing a SuperGrid, and the downstream industries which will benefit most from access to affordable, reliable electricity.

Using a narrow economic metric such as ‘*minimising the cost of electricity*’ will fail to measure the other benefits that Queensland consumers may value. In the case of the NSW Renewable Energy Sector Board Plan, consumer preparedness to pay was significantly influenced by the level of benefits that were perceived to be gained from investing locally in both jobs and businesses. As demonstrated in an extract from the NSW Board's plan below, consumers placed a high level of

value on the additional economic benefits that can flow from these investments where procurement settings provide for them.

Table 1. Impact of Board's recommended local content minimum requirements

Benefit for NSW	
Net economic benefits (net present value in 2021 dollars)	\$520 million
Jobs created (full-time equivalent (FTE) 2020–2041)	13,400
Impact on retail electricity bills in NSW (weighted average, FY23–41)	
Residential	0.3%
Small business	0.3%
Medium commercial and industrial	0.4%
Large commercial and industrial	0.4%

The survey of consumer willingness to pay indicated households and businesses were willing to pay, on average, 9.7% for maximising the use of locally produced material, contribution by apprentices and trainees, and participation by First Nations people.

Extract from Pg6 of the NSW Renewable Energy Sector Board Plan

Suggested amendments

Section 8 – Meaning of optimal infrastructure pathway objectives

Amendment

~~8 (c) the long term minimisation of the cost of electricity for protection of the long-term financial interests of Queensland electricity consumers.~~

And insert new:

8 (d) the expansion of Queensland supply chains and manufacturing opportunities.

Renewable Energy Zones

The renewable energy industry in Australia has, to date, faced issues garnering social license and a suitable skilled workforce owing to substandard pay offerings, poor workplace conditions, insufficient training opportunities for local workers, and the prevalence of migrant worker exploitation. Whilst the ETU appreciates the role that GOCs play in Queensland in lifting labour standards in the sector, there is a clear need to establish a framework to guarantee that private developers are offering the same opportunities for well-paid, secure, safe jobs.

There are no references contained in the draft legislation to procurement frameworks or minimum standards required of developers seeking to undertake a project within the Renewable Energy Zones. Whilst such frameworks typically apply to contracts for government works, the creation of regulated, geographically defined zones where the Government is actively facilitating private investment prevents a unique opportunity to ensure that projects in these zones are creating good jobs and training opportunities for Queensland energy workers.

The existing Best Practice Industry Conditions framework has been proven to be a successful and effective mechanism for uplifting standards from contractors tendering for government work and

could easily be applied as a lens through which to assess the suitability of a tender for development of generation capacity on a Renewable Energy Zone. A REZ licensing scheme should be set up requiring prospective project applicants to verify their compliance with Best Practice Industry Conditions prior to participating in the assessment process.

Suggested amendments

Insert Section 41 – Content Generally

41 (1) (f) Provide for the establishment of a REZ licensing regime to verify prospective project applicants compliance with Best Practice Industry Conditions (BPICs)

As currently written, the Bill does not provide sufficient consideration of the necessary coordination and procurement outcomes that are critical to REZ development and achieving social licence. The REZ assessment regime must be expanded to include these considerations.

Suggested amendments

Insert new 49 Meaning of REZ assessment

49 (b) (iii) local workers, business, supply chains, transitioning regions.

Job Security and Guarantee Fund

Embarking on such a significant reform requires certainty. The currently introductory provisions in the Bill do not provide that in relation to the establishment of the fund. Whilst the ETU recognises that this may be due to legislative drafting requirements, we would urge the Government to use alternate wording to provide for a clearer commitment to the establishment of the fund within the legislation.

Suggested amendments

Amendment Section 67 - Job Security Guarantee

67 (1) ~~“It is the intention of Parliament that the State will provide security and support to affected energy workers in relation to...”~~

The ETU notes some improvements to the clarifying which workers qualify as an affected energy worker eligible for security and support from the State. Whilst not seeking further amendments we caution that the application of the provisions at Section 86 could be wide reaching and capture more than it is intended to. It will be important that the future Regulations does include clearly defined eligibility criteria and clear contemplation on how it will be applied broadly. Consider these two scenarios described by ETU members:

1. Service Contractor: hire of a Vac truck - it lives on site and the operator commutes from a local town daily. This arrangement has been in place for years, they could be included as the wording stands.
2. Labour Hire / fixed term- could be captured under the provisions.

As drafted, it is possible that it could apply more broadly than intended unless Regulations are adequate. The Regulations will need to recognise that some contractors and their workers chase transient work, it is their business model, if they happen to be at a site when it closes, they could be included. The intent was to capture contractors, the long term engagements, not the transients.

Suggestion

Section 86

Ensure Regulations are developed in consultation with stakeholders to deal with multiple scenarios clearly.

Workers at privately owned coal mines and coal-fired power stations also deserve the opportunity to access the security afforded to them by the Job Security Guarantee Fund. The option should be given for uncovered facilities to apply for admission to the Fund as a prescribed facility with approval at the discretion of the Minister, or whichever body is administering the Fund at that time. Such a process should clearly lay out any relevant contribution arrangements and require applicants to confirm that they are planning the future reduction or cessation of operations as a consequence of contributing to Queensland's renewable energy targets. These measures will aid in state-wide workforce planning, ensure the sustainability of the Fund, and may proactively address any loopholes in defining affected energy workers.

Suggested amendments

Insert New 88A

88A

- (1) Privately owned coal mines and coal-fired power stations may apply to the Minister to join the Job Security Guarantee and buy in to the Job Security Guarantee Fund*
- (2) Applications to join the Job Security Guarantee must include;*
 - (a) Information about the facilities subject to the application including:*
 - i. Facility name and geographic location*
 - ii. Facility type and function*
 - iii. Facility annual output and revenue turnover*
 - iv. Facility ownership and management structure*
 - (b) A complete workforce profile of the relevant facilities subject to the application including:*
 - i. Number of employees*
 - ii. Employee age, experience, and qualification information*
 - iii. Information on employment arrangements, including any applicable enterprise agreements*
 - (c) Plans for a future reduction or cessation of operations of the relevant facility as a consequence of achieving the renewable energy targets.*
- (3) The Minister may declare a privately owned coal mine or coal-fired power station has joined the Job Security Guarantee and Job Security Guarantee Fund if they are satisfied that:*
 - (a) The facility is a coal mine or coal-fired power station in Queensland*
 - (b) The facility will be subject to a reduction or cessation of operations in the renewable energy target period*
 - (c) Workers at the facility have been, or will be, directly and adversely affected by the reduction or cessation of operations.*
- (4) In making a declaration, the Minister may set an amount for an entry fee and/or ongoing contribution into the Job Security Guarantee Fund*

Future issues of coverage by the Job Security Guarantee could be further addressed through introducing additional powers for the Energy Industry Council to apply discretion in classing additional workers as affected energy workers for the purpose of accessing support offered by the Fund.

In establishing the fund, the State is performing an important function in dealing with the resultant market failures necessitated by the States intervention in the energy transformation. This safety net is both welcome and necessary to achieve a successful energy transition and it is clear that the state must play the important role of establishing and initially administering such an important keystone element of the reform. However, flexibility in the long-term operation of the fund should be an important consideration within the Bill. Allowing for a mechanism to expand the responsibility of the fund, where the Minister determines it appropriate, from direct control by the state to an associative governance model of more direct industry governance is likely to provide for a more enduring and responsive fund into the future.

Incorporating such a system, one that combines public welfare with citizen choice, means an associative governance model provides a sensible middle ground between the bookends of state socialism and vulture capitalism. There is a growing recognition of the benefits of adopting cooperative models of governance, such as that offered by associative governance, including for its contribution to social cohesion.

There are already numerous examples of these arrangements working successfully to both ensure long term viability and sufficiency of worker funds as well as ensuring they are deployed in a responsible and efficient manner, such as that demonstrated by funds administered by QLeave. Ensuring the Bill allows for a future transfer to such an arrangement would provide for a useful transfer from State control to industry responsibility at an appropriate point of maturity within the transition.

Suggested amendments

Section 70 - Fund Bank Account

- *Provide for the Fund to become independent such as similar to QLeave.*
- *Provide for the Fund to receive income from other sources – i.e. if Unions strike a levee on projects or as per Section 68A amendment above, an entity joins the fund.*

The ETU welcomes the change to ensure the Bill incorporates our recommendation that the funds expenditure incorporates advice received from the Energy Industry Council.

Queensland Energy System Advisory Board

The Queensland Energy System Advisory Board will play an important role in guiding the future implementation of Queensland's renewable transformation, offering expert oversight and advice that will shape future energy policy outcomes up to and beyond 2035. It is essential that the Board consists of a membership with expertise and experience with Queensland's energy networks, as well as varied perspectives that allow it to consider and understand a range of stakeholder views and make fully considered judgements.

The ETU welcomes the acknowledgement that Energy industry workers are central to every element of the energy transformation being dealt with by this Board and it that it is a requirement in the Bill to draw on their specialised knowledge, skills, and perspectives. Having at least one appointed member of the Board with a background in advocating for and supporting energy industry workers, allowing workers to have a collective voice to advocate their interests and offer their expertise will be an important contribution to establishing and maintaining social licence.

The requirement for at least one appointed board member to have knowledge, qualifications or skills in relation to advocacy or support for consumers of energy needs to be clear that it does not supersede the prior relevant knowledge requirements outlined as being required of each appointed

board member in 82(3)(a). Similar wording should also be adopted for any additional requirement for worker advocates.

Suggested amendments

Amendment Section 99 - Appointed Board Members

99 (3) (b) at least 1 appointed board member must *also* have knowledge, qualifications or skills in relation to advocacy or support for consumers of energy.

Maintaining open communication and regular collaboration between the Energy System Advisory Board, Energy Industry Council, and Renewable Energy Jobs Advocate will help ensure that each element is operating in a coordinated and cohesive manner, amplifying their effectiveness beyond the sum of their parts. Both the Chair of the Energy Industry Council and the Renewable Energy Advocate should be afforded a standing invitation to participate in Energy System Advisory Board meetings, but without the ability to vote.

Suggested amendments

Insert Section 110 - Board meetings generally

110 (7) The Chair of the Energy Industry Council and the Renewable Energy Jobs Advocate shall have a standing invitation to participate in board meetings but do not have a vote.

Energy Industry Council

In advising the Minister on the renewable transformation's impacts on energy workers and opportunities to provide jobs and skill development, the Council needs the ability to engage directly on courses of action available to the Government to improve outcomes for energy workers. This Bill establishes what will be some of the most important mechanisms for administering support and creating opportunities for energy workers navigating the energy transformation. The Energy Industry Council should have included in its functions a responsibility to advise the Minister on the Job Security Guarantee Fund's scope, allocations, and administration, as well as the effectiveness of REZ management plans.

Suggested amendments

Insert Section 124 - Functions

124 (a) ...

- (vi) the administration, allocations, and scope of the job security guarantee fund
- (vii) the effectiveness of renewable energy zone management plans in delivering against the purposes of the Act as they relate to Section 3 (c).

Since the establishment of the interim Energy Industry Council (EIC) following the signing of the Energy Industry Workers Charter on the 28 September 2022, much important work has already been progressing through a subcommittee of this group made up of rank-and-file workers from the affected sites and their relevant unions along with the relevant Human Resources staff. This group has been acting as an invaluable advisory body to the interim EIC and its ongoing role, at the very least at the principles level, should be described by the Bill.

Suggested amendments

Amendment Section 130 - Appointed Council Members

112 (1) (b) 5 persons, each of whom the Minister is satisfied is a representative of an industrial organisation under the Industrial Relations Act 2016 prescribed by regulation that:

- (i) Is a signatory to the Energy Industry Workers Charter, or

- (ii) *May be described as an industrial organisation with coverage of energy workers*

Insert Section 142 - Council meetings generally

142 (5) the Renewable Energy Jobs Advocate shall have a standing invitation to participate in council meetings but does not have a vote.

The Energy Industry Council should aim to be an active and consultative body within the energy industry carrying out work beyond 12 members giving ministerial advice. The ETU therefore welcomes to inclusion of Section 127 that affords the Council the ability to form subcommittees, including maintaining the interim advisory subcommittee already in operation. However, the provisions at Section 127 (3) seem unnecessarily limiting. It is usual practice for boards and committees to nominate a substantive member as the presiding chair of subcommittees.

Suggested amendments

Amend 127

127 (3) The Council may appoint a member to the Chair of any subcommittee of the council by a vote of the Council.