




Speech By
James Martin

MEMBER FOR STRETTON

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**GAS SUPPLY AND OTHER LEGISLATION (HYDROGEN INDUSTRY
DEVELOPMENT) AMENDMENT BILL**

 **Mr MARTIN** (Stretton—ALP) (5.03 pm): I rise to support the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023. The bill encompasses a range of crucial reforms aimed at enhancing Queensland's hydrogen industry. Global events such as the war in Ukraine have led to a massive reduction in the availability of gas energy and the disruption of supply chains and trade relationships. There is a growing scarcity and rising cost of fossil fuels globally, which means the transition towards renewable energy is becoming even more important.

Many of our major trading partners have made commitments to net zero emissions and are looking towards renewable hydrogen to meet their ambitious decarbonisation targets. Queensland is also committed to a true zero emissions energy future. This requires the development of the advanced manufacturing sector that utilises our natural resources to build our local capacity and put tens of thousands of Queenslanders into good, secure jobs. That is why the Palaszczuk government's Queensland Energy and Jobs Plan commits to transforming our energy system to shape Queensland's future.

We are well placed with vast natural, renewable resources in wind, solar and water. We also have a series of publicly owned ports across the state with huge export capabilities. We also have Australia's and the world's first Minister for Hydrogen along with the assistant minister for hydrogen development. Queensland's green hydrogen industry will form a major part of our Energy and Jobs Plan. Independent modelling estimates that the industry is set to be worth over \$33 billion by 2040.

The new renewable technology presents significant opportunities for communities all across Queensland. Our plan will help to build the careers of skilled workers in new industries in our regional centres. It will create generational clean exports and fund new schools, hospitals, roads and essential services. It will slash emissions in global heavy haulage, shipping, aviation and manufacturing, and it will deliver real action on climate change.

Queensland will have the biggest hydrogen production project in the nation that is expected to deliver over 9,000 jobs and over \$17 billion in exports. We will also have publicly owned clean energy hubs that will include a new 200-megawatt hydrogen-ready gas peaking power station. This will act as an important insurance policy for Queensland to make sure we can always meet our electricity demand during peak times and it will be delivered with 100 per cent green gas.

There is no doubt that the green hydrogen industry is the greatest jobs, climate and export opportunity in a generation and this legislation will help to deliver it. The bill is intended to provide a clear regulatory approval process to authorise the construction and operation of pipelines for hydrogen, hydrogen blends and hydrogen carriers, as well as other gases in Queensland. Pipelines are essential for hydrogen production and exporting as they facilitate the transportation of hydrogen and other gases to markets and large facilities like export terminals. Pipeline licensing is a critical area of reform that this

government is prioritising. It is essential that renewable hydrogen can be transported safely from the production sites in regional Queensland to the export terminals and to the world. Regulatory settings need to be in place to allow the industry to succeed, and this bill represents the first phase of that.

The bill will amend the Gas Supply Act 2003 to expand its jurisdiction to hydrogen, hydrogen blends, biomethane and other gases, as well as the Petroleum and Gas (Production and Safety) Act 2004 to provide a clear and effective regulatory pathway for a proponent to apply for a pipeline licence for the transmission of hydrogen and other hydrogen carriers. The first amendments are to the Gas Supply Act 2003, which covers the licensing of gas distributors as well as the regulation of infrastructure for distribution pipelines. That includes customer connection services, meters and gas infrastructure works on public places. It also includes provisions for the regulation and supply of gas in order to maintain supply to essential services and priority customers even in the event of a shortage.

The bill extends the remit of the Gas Supply Act 2003 from 'processed natural gas' to hydrogen and other 'covered gases'. This will be achieved by introducing a new term of 'covered gases', which is defined in the bill as a primary gas, processed natural gas, hydrogen, biomethane, synthetic methane or a gas blend. A regulation-making power is also added to the definition of 'covered gases' to allow for new renewable gases to be captured in the act. This power will be engaged in the event of new scientific or technological advances that warrant the addition of further gases to the definition.

The bill also includes a range of amendments to extend provisions from 'processed natural gas' to 'covered gases' to ensure that all existing regulatory requirements under the act will apply to distribution authorities and pipelines for hydrogen and other covered gases. These changes to the Gas Supply Act will enable the distribution of hydrogen and other renewable gases to consumers in Queensland through our many distribution pipelines. It will also give proponents the ability to transport covered gases and connect customer services to covered gases in addition to processed natural gas. Transitional provisions will minimise red tape by ensuring existing distribution authority holders are authorised to transport and connect customers to renewable gases, such as biomethane and synthetic methane, provided that the substance is suitable for use by consumers.

The amendments to the Petroleum and Gas (Production and Safety) Act will make it clear that hydrogen can be transported through pipelines authorised by a pipeline licence issued under the act. It does this by inserting a new definition of 'regulated hydrogen' into the act. Regulated hydrogen includes hydrogen and hydrogen gas blends, or other substances prescribed under a regulation. The prescribed substances are commonly referred to as hydrogen carriers and are related to the storage and transport of hydrogen. The ability to prescribe hydrogen carriers by regulation is important. It provides the pipeline framework with a bit of flexibility to adapt as the technology and the industry knowledge about industry hydrogen and its carriers grows and develops. The bill will amend the definition of a pipeline to include regulated hydrogen as a substance that can be transported in a pipeline.

Other amendments to the act will require that the pipeline licences state what substances are being transported through the pipeline. This information will be made available on a public register for increased transparency about the substances that are being transported through a regular pipeline. Minor changes to the definition of a distribution pipeline will clarify the distinction between distribution pipelines and transmission pipelines for fuel gas.

These changes will broaden the definition of 'major user facility' to include export and liquefaction facilities for fuel gas. This ensures pipelines transporting fuel gas that consists of hydrogen to these facilities are also able to be licensed and transmitted through these pipelines. The bill provides for appropriate safety considerations to be undertaken through the pipeline licensing framework. These considerations will ensure the safe and competent management of the location, design, construction and operation of the pipeline.

There is no doubt that hydrogen is seen as a game changer for cutting emissions in hard-to-abate sectors. Countries all around the world are setting ambitious targets for hydrogen use and production. Japan has proposed to increase its hydrogen supply to 20 million tonnes by 2050, and South Korea anticipates that green hydrogen imports could be as high as 1.9 million tonnes by as soon as 2030. The European Union has set targets to produce and import 10 million tonnes of clean hydrogen each year by 2030.

Hydrogen will play a key role in helping global economies to reach their decarbonisation targets, and Queensland is no different. The Palaszczuk government has set ambitious targets in our Energy and Jobs Plan to reach net zero. There are domestic and international opportunities for renewable hydrogen, and we have the chance to strengthen that industry right here at home. Green hydrogen will strengthen other key sectors, such as manufacturing and heavy haulage. The Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 is an important first step in ensuring the regulatory settings are in place to support this emerging industry. It signals to investors that we are committed to the development of this industry in Queensland. I commend the bill to the House.