




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

 **Mr BERKMAN** (Maiwar—Grn) (4.05 pm): I rise to give my contribution on the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023. I make clear at the outset that the Queensland Greens will be supporting this bill because these reforms will allow hydrogen, among other feedstock gases, to make use of the Queensland gas network. This is a pivotal step to facilitate the green hydrogen industry and export from Queensland. It is worth acknowledging at the outset, though, that hydrogen cannot replace natural gas for households. Beyond anything this bill might facilitate or achieve, the government still needs to prioritise the electrification of new and existing households because hydrogen is simply not feasible for existing appliances.

This bill expands which gases are allowed in the gas network to include biogas, biomethane, synthetic methane and hydrogen, as well as gas blends. This is a positive step. It allows a blend of lower carbon emission gases in the network which will slightly reduce carbon emissions from gas use through blends of natural gas and hydrogen, not unlike the blending of ethanol in E10 fuels. Allowing these blends is a useful temporary measure before we completely transition away from natural gas, which is essential for achieving net zero emissions in Queensland. The bill also provides industries with the regulatory framework for using gas feedstock with a lower carbon emissions footprint, which is again a key step in decarbonising manufacturing and materials production in Queensland. To get this state down to zero emissions replacing natural gas with hydrogen in industrial processes in particular is a necessary step wherever possible.

There is an awful lot the bill does not do, however. The entire Queensland gas network is privately owned. Regardless of what flows through its pipes, huge corporations make billions of dollars from extracting natural resources from this state at a cost to everyday Queenslanders. We heard plenty from government members during their budget speeches about how much money the coal royalties raked in from higher coal prices this year, but we did not hear a peep about gas. That is because Queenslanders get a pittance in royalties from the gas sector. The highest royalty rate available for natural gas is a mere 12½ per cent. The Queensland Greens want to see this tripled. My colleague presented the Petroleum and Gas Amendment Bill 2022 to parliament to do just that. The bill was unfortunately ruled out of order. The government seems entirely committed to maintaining the current standing orders, which prevent any discussion on that bill or consideration by parliament of any non-government revenue or appropriation bills. Beyond that, the government appears to have no interest at all in raising gas royalties, and this bill certainly does not advance the material interests of Queenslanders in that way.

This bill and the government also are not directing these massive gas corporations to make a transition to lower or no emissions gases. There is no requirement for the gas industry to use hydrogen on its own or in a blend with other gases. Whether the gas industry reduces their emissions is entirely up to the goodwill of these massive corporations, but we know that their decisions are dictated entirely by their bottom lines. Without any directive or imposed cost from the state government there is a good

chance that it will not be profitable for gas companies to take action on climate change to make the transition. Time and again we have seen these corporations choose larger profits over fighting climate change, so why should we expect anything different this time?

As I mentioned at the outset, a further limitation of the bill is a simple matter of physics: you cannot use hydrogen to replace natural gas for existing household appliances. Research shows that conventional appliances can get away with a mixture of 10 per cent hydrogen, maybe stretched up to 20 per cent, but any further increase in that mix would cause millions of household appliances to simply fail. If Queenslanders would ultimately need to buy new appliances in order for them to function with hydrogen in the existing gas network, then why not cut to the chase and transition to all-electric households as a priority? Year on year, there is an increasing awareness of the health risks that are associated with the use of gas appliances, especially gas cooktops in our kitchens. Alongside that, electric appliances are nothing new: they are a known technology, they have existing supply chains and they do the job. While some of us might have a traditional preference for a gas cooktop, clearly there is no sense in Queenslanders buying new appliances based on younger technology.

Electric appliances would also dramatically simplify the net zero transition for everyday Queenslanders. All it requires is that the government build more renewable power to support households to transition. They could also provide rebates such as the ones my federal Greens colleagues negotiated at the federal level to help households switch over. Developers would not need to build gas piping into new housing projects, there would be no need for cumbersome gas bottle deliveries to those households that are not connected to the gas network and households would have one less utilities bill to deal with. The government should be planning an electrification transition for households. As we have seen the Victorian Labor government do, banning new household gas connections is a key step that could be taken to meet Queensland's emission reduction targets.

To support this transition, the state government should also be creating a publicly owned energy retailer, delivering energy to Queenslanders at cost. Ever since Labor privatised electricity retail in 2006-07, companies such as Origin, AGL and EnergyAustralia have been raking in massive profits from struggling Queenslanders. Even Peter Beattie, the architect of Queensland's retail privatisation, has now admitted that it was a mistake. The cost of electricity for Queenslanders has gone up thanks to this privatisation, so why hasn't the state government taken steps to reverse this move? Is it that they are happy to let Queenslanders pay for the profits of those companies or to pay more for electricity than they need to?

We have to be clear about what the electricity retailers do. What do they actually do? They read your meters and they pay for advertising, telemarketing and door-to-door sales teams. None of that tells you about the superior, higher quality energy that they are providing, because there is really no such thing as they just buy electricity wholesale from generators. Really, they are just chasing more customers. Queenslanders fund those retailers so they can burn through massive sales and marketing budgets to grow their customer base. To top that off, of course, they are adding a healthy mark-up over wholesale energy prices to make sure their profits remain healthy, at the expense of everyday Queenslanders. Queenslanders are paying the retailers a steep mark-up over wholesale prices so that they can throw money into massive sales campaigns and still make a profit.

Queenslanders are getting ripped off across the board, and at this point the state government is just standing by and letting it happen. Over the past couple of years especially, Queenslanders have been ripped off by wartime profiteers. The likes of Origin, AGL and Alinta Energy raked in profits while Ukraine was being invaded and, in turn, households were slugged with astronomically high gas and power bills that Queenslanders were only protected against through government rebates. There is a kind of absurd circularity about that. You have to ask: when will the government take the most obvious steps that it can to drop power bills for Queenslanders? When will it get on with creating a publicly owned electricity retailer?

I cannot finish without making some observations about climate more broadly. In his second reading speech the minister went on at some length about this. We can all acknowledge that globally we have probably lived through the hottest months on record, and 2023 is likely to be the hottest year on record. Yes, we have a really substantial renewables push going on in Queensland, but still we are ignoring the elephant in the room: Queensland's emissions reduction targets have not moved for years. We have emissions reduction targets that are effectively the same as the Morrison government's targets. Thirty per cent by 2030 and net zero by 2050 is simply not good enough, especially when, at the same time, we continue to extract coal and gas and open up new coal and gas projects. You really do not have to look far: the International Energy Agency and the IPCC have made it abundantly clear that the emissions reduction targets that this government maintains are completely incompatible with limiting global warming to an average of 1½ or even two degrees. We need to get on with the job. We

need to see some courage from the government to improve the emissions reduction targets. They need to get a bit of backbone, take on the resources sector and look at what is required to get our resource communities out of coal and gas.

All in all, the bill is a positive step. As I have said, we will be supporting it, but far more needs to be done if the government is to be taken seriously on climate change.