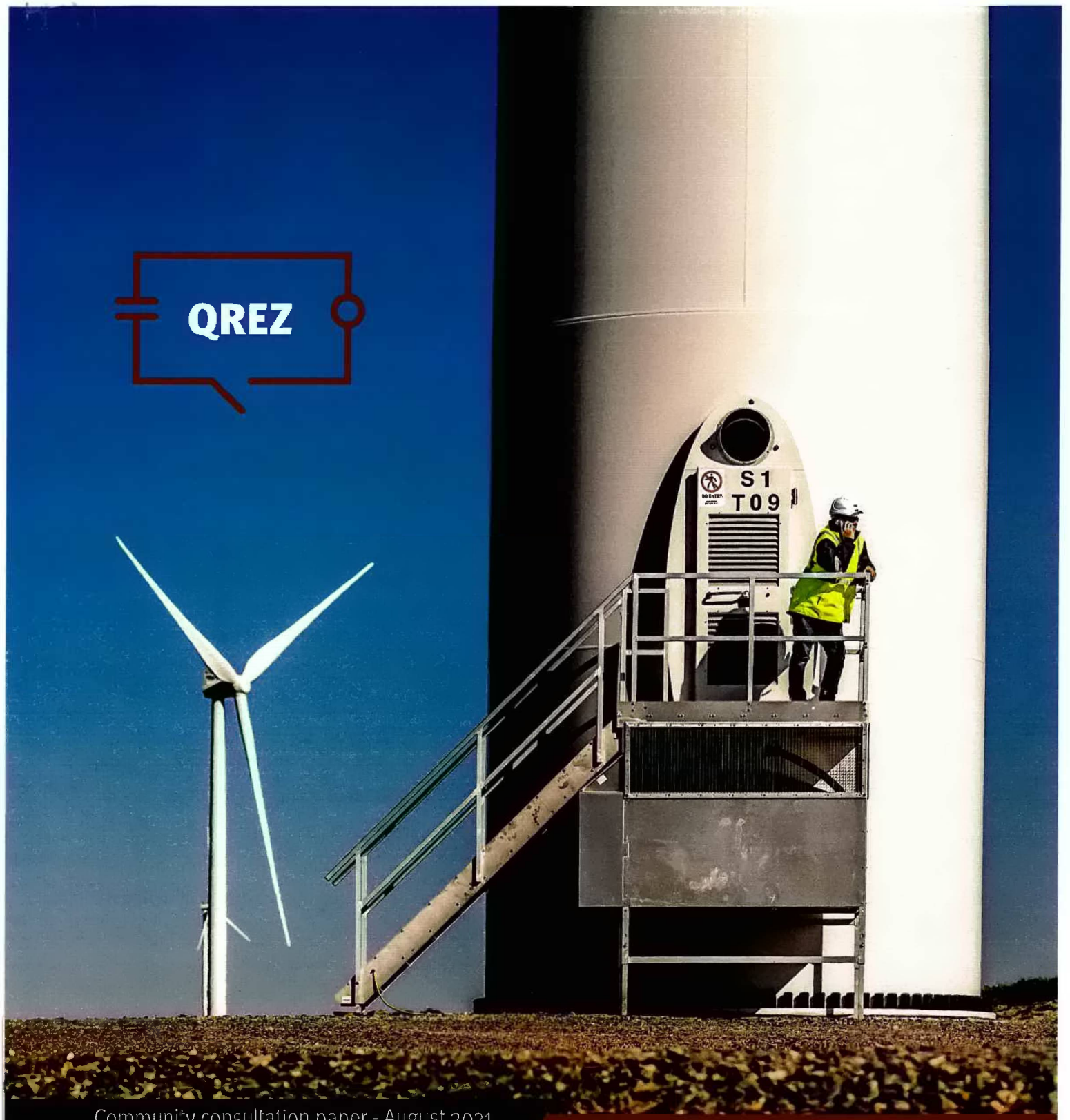

Community consultation paper - August 2021

Local benefits in Queensland Renewable Energy Zones

Principles for delivering local benefits in Queensland Renewable Energy Zones (QREZ)

Queensland Government

This publication has been compiled by the Energy Division, Department of Energy and Public Works, Queensland Government.

Interpreter statement:

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Queensland Government

Minister's foreword

Queensland's economy is recovering fast, creating new jobs and supporting growing industries. Since 2015, the Palaszczuk Government has powered this growth with record investment in renewable energy, lowering prices for Queensland households and businesses, all while keeping key generation and transmission assets in public hands.

As we continue to build on Queensland's economic recovery from COVID-19, ongoing investment in renewable energy will keep our economy growing and support business, industry, and Queensland jobs by delivering cheap, clean and reliable energy.

Our $145 million commitment to establish Queensland Renewable Energy Zones (QREZ) is an important part of the Palaszczuk Government's COVID-19 Economic Recovery Plan. A plan to help Queenslanders to get back on their feet with investments in economic and social infrastructure that will support our recovery, resilience, and future prosperity.

The strength of Queensland's energy network lies in our diverse mix of publicly owned generation and infrastructure.

Getting the policy settings right for the next wave of investment will ensure we meet our target for 50 per cent renewable energy by 2030 and keep delivering secure and decent jobs, support Queensland-made energy generation, and position Queensland as a leader in the emerging hydrogen economy.

Queensland needs substantially more electricity and more investment in renewable energy will support new and existing energy-intensive industries – enabling the creation of more decent, secure and quality jobs right across the state.

Establishing QREZ will support economic growth by matching abundant, affordable clean energy with opportunities to attract new energy-intensive industries like smelting, manufacturing and recycling, battery manufacturing and renewable hydrogen.

Developing the Northern, Central and Southern QREZ will lay the foundation for a prosperous future for Queensland. We are working to ensure the views of local Queenslanders are incorporated into the approach for delivering new investment and that opportunities for local content and local manufacturing are prioritised.

The focus of this Community Consultation Paper is to understand what communities view as important in the development of Queensland's renewable energy zones and how to deliver lasting, meaningful benefits for communities, businesses and workers.

Engagement with the community and industry will be central to QREZ development, and this paper and online survey are just the first steps. Later this year, we will be releasing a Technical Discussion Paper on QREZ design and access, and there is ongoing work to understand industry demand and support the expansion of existing and new industries with access to cheaper, cleaner, and reliable energy.

QREZ are the key to growing manufacturing, sustaining the resources sector and electrifying sectors like transport.

This consultation process is not simply about replacing one energy source with another, but a plan to grow our generation capacity, reduce emissions, and maximise economic prosperity for all Queenslanders.

Mick de Brenni MP

Minister for Energy, Renewables and Hydrogen and
Minister for Public Works and Procurement

Contents

Context

Queensland's Economic Recovery Plan

Since the COVID-19 pandemic first impacted this state, the Queensland Government has taken a sensible and staged approach to economic recovery.

The Queensland Government's COVID-19 Economic Recovery Plan lays the foundation for longer-term recovery. Underpinning the plan is more than **$14.2 billion in recovery initiatives** to keep the economy moving and Queenslanders in jobs.

As part of the recovery plan, the Queensland Government committed **$145 million to establish three QREZ** in Northern, Central and Southern Queensland.

Renewable energy growth in Queensland

In recent years there has been a renewable energy boom in Queensland, delivering around $10 billion of investment in mostly regional areas and creating over 7,000 construction jobs.

In 2015 there was only one wind project in Queensland over 5 megawatts (MW) in size, but since then, 44 large-scale renewable projects have become operational and committed in the state. This represents 5,150 MW of clean energy capacity and 12.6 million tonnes of avoided emissions each year.

Driven by this wave of investment, Queensland reached 20 per cent renewable energy supply for the first time at the end of 2020. This is a key milestone on the path to reaching the Queensland Government's target for 50 per cent renewable energy by 2030.

This renewables growth is helping to keep prices low for consumers and industry, and is supporting our state's economic recovery from the impacts of COVID-19.

Renewable energy programs and initiatives

In the Northern, Central and Southern QREZ, the Queensland Government committed to undertake strategic network investments, streamline the development of new renewable energy projects, and work to match new and existing industrial energy demand with our cheap, clean, reliable energy.

The Queensland Government has established the **$3.34 billion Queensland Jobs Fund** bringing together industry development programs to boost the state's industry footprint, create jobs and strengthen Queensland's economy.

As part of this, the **$2 billion Renewable Energy and Hydrogen Jobs Fund** is dedicated to supporting Queensland's government-owned energy corporations increasing their share of renewable energy.

This fund will enable investments by Queensland's energy businesses in commercial renewable energy and hydrogen projects and supporting infrastructure.

For the next wave of renewable investment, there is an opportunity to capture more of the renewable energy value chain in Queenslands. This includes increasing levels of local content and local jobs in renewable development, building Queensland's role in manufacturing renewable components, and ultimately, supporting the expansion of existing industries and attracting new industries with access to cheaper, cleaner, and reliable energy. To deliver this, Queensland needs a strong pipeline of projects and the right policy settings.

Image source: Genex

Initial QREZ planning

In September 2020, the Queensland Government asked for renewable energy projects to register their interest in investing in the Northern, Central and Southern QREZ. The response exceeded expectations, with 192 renewable projects making submissions. This included wind, solar, hydro and storage technologies, representing over 60,000 MW of renewable energy potential, around $90 billion of investment and thousands of jobs.

The information provided by these projects has been used to inform QREZ planning activities including the scope, scale, location, and timing of the first stages of development.

The three primary objectives for QREZ development are:

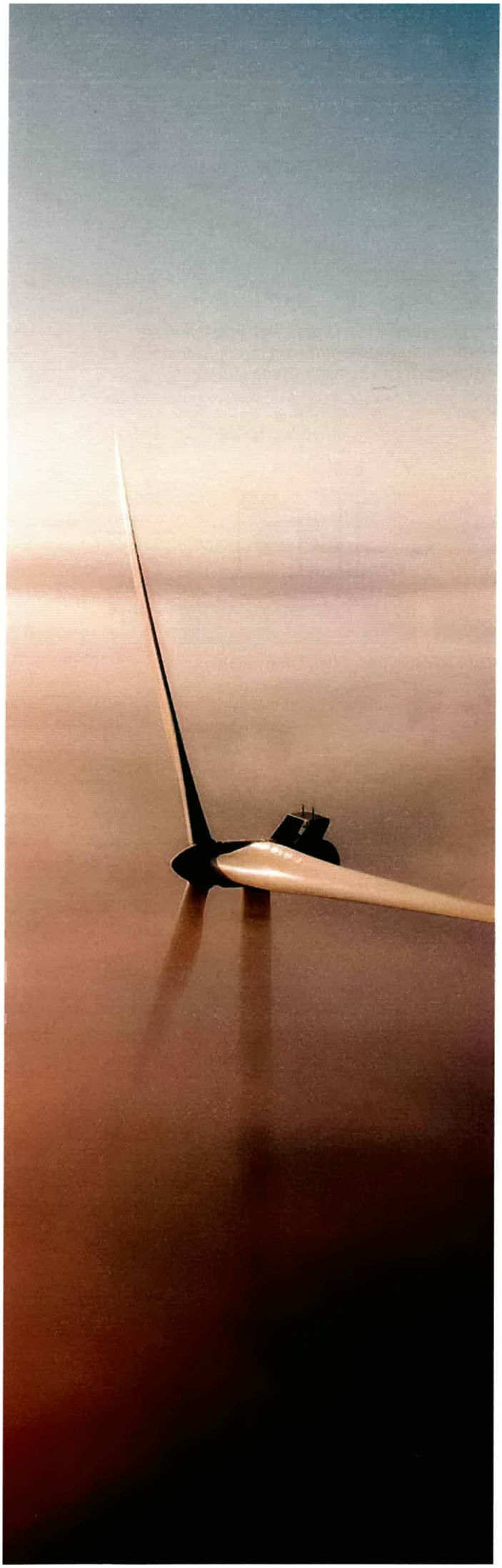
1. **Lowering total system cost and attracting investment**
   To support industrial growth and attract emerging industries Queensland needs to maintain a globally competitive electricity system. Through coordination of network and generation infrastructure, QREZ will place downward pressure on total system costs, powering more investment and more jobs in Queensland's economy.
2. **Ensuring a secure and reliable clean energy system**
   To ensure suitable outcomes for system security and reliability, QREZ will help diversify Queensland's generation including the right mix of variable renewable and dispatchable energy sources.
3. **Delivering lasting benefits for local communities, businesses and workers**
   To deliver real and lasting benefits for regional host communities, local businesses and workers, QREZ will be a product of genuine engagement with a focus on local outcomes.

QREZ development progress

The first stages of investment in the Northern QREZ were announced in May 2021, with the Queensland Government committing $40 million for network upgrades that will unlock up to 500 MW of new renewable energy capacity in Far North Queensland, starting with a foundation wind farm, Neoen Australia's 157 MW Kaban Green Power Hub.

The Kaban project has been engaging with local communities on their project including a range of community initiatives and local employment opportunities.

Further work is underway on the first stages of energy infrastructure investment for the Central and Southern QREZ. The overarching framework for developing these QREZ will be informed by the outcomes of consultation on this Community Consultation Paper and a further Technical Discussion Paper to be released later in the year. Further work is also underway on demand attraction initiatives to help decarbonise industry and balance the energy system.



Purpose

The Queensland Government is seeking feedback from communities, industry and energy stakeholders on how to deliver real and lasting benefits for the mostly regional communities that will host QREZ investment.

This Community Consultation Paper discusses the following four local benefits principles:

1. **Genuine and ongoing engagement**
2. **Shared benefits with communities**
3. **Buy local, build local**
4. **Local jobs and secure work**

You can provide feedback on these principles via our online survey on www.qld.gov.au/renewable-energy-zones.

Feedback gathered through this consultation will inform the development of the broader QREZ framework. A further Technical Discussion Paper will be released later this year for feedback on the preferred QREZ model including approach to planning, connections, funding, economic regulation and access.

August 2020

$145M announced for establishing three QREZ

September 2020

192 projects registered interest in QREZ

WE ARE HERE.

August 2021

Community Consultation Paper released

Mid 2021

Technical Discussion Paper to be released and further work on demand attraction initiatives

2022 onwards

First stages of QREZ commence construction

What is a Renewable Energy Zone?

Areas with high quality renewable resources like wind and solar, can be developed in a coordinated way to form a renewable energy zone (REZ). Coordinated development of a REZ means multiple generators can be connected in a cost-effective way. This supports an optimal generation mix in Queensland that can benefit existing and emerging industries and local communities.

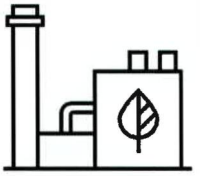
The three primary components of REZ are:

Energy infrastructure

Coordinating transmission and generation creates economies of scale and optimises network expansion.

Community benefits

Delivering local benefits from renewable energy opportunities is critical for maintaining social licence.

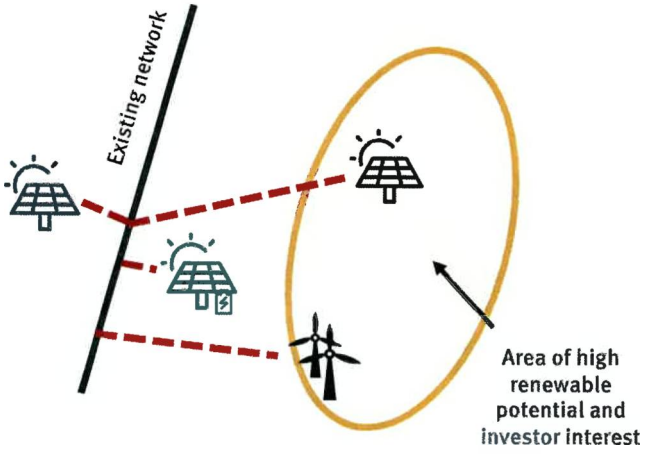


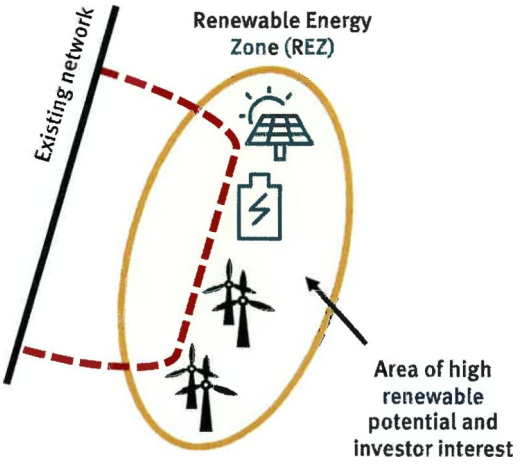
Industry demand

Cheap, clean and reliable energy supports Queensland's industries and matching supply and demand improves system outcomes.

Delivering renewable energy projects in a REZ puts downward pressure on total system costs and enables Queensland to maintain a globally competitive and diverse energy system that supports the state's economy.

The illustrations below demonstrate the benefits of coordinated REZ development in comparison to uncoordinated development.





Uncoordinated development

When new projects connect to the existing network in an uncoordinated way this leads to a range of network issues like congestion and poor system strength. It also drives up total system cost as investments are piecemeal and not efficient in the long-term.

Coordinated REZ development

Greater coordination can allow for upfront planning and network investments in a particular area where there is a high degree of investor interest. This will lower the total system cost in the long-term, provide greater access to the best locations, and improve overall system outcomes.

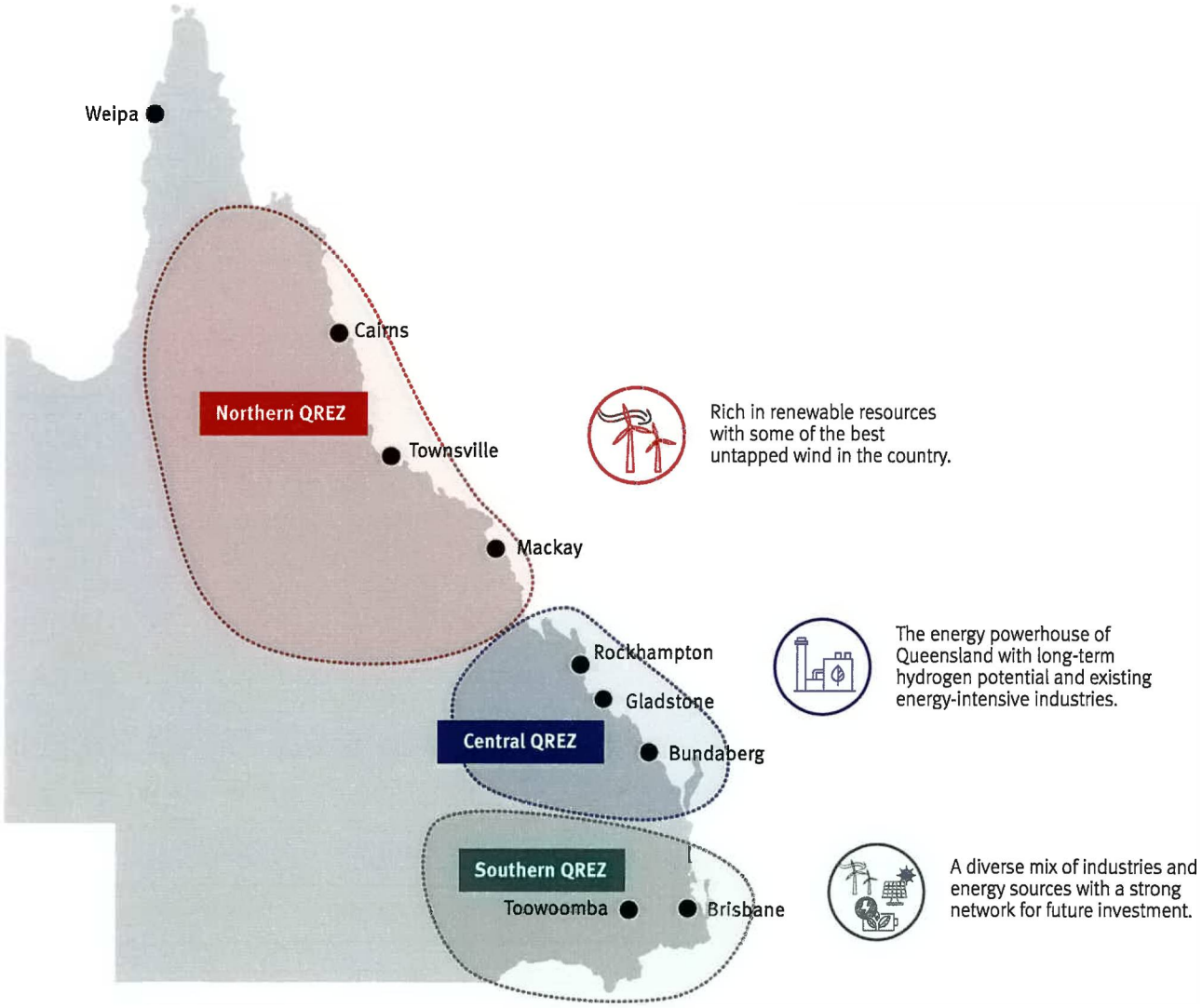
Overview of Queensland Renewable Energy Zones

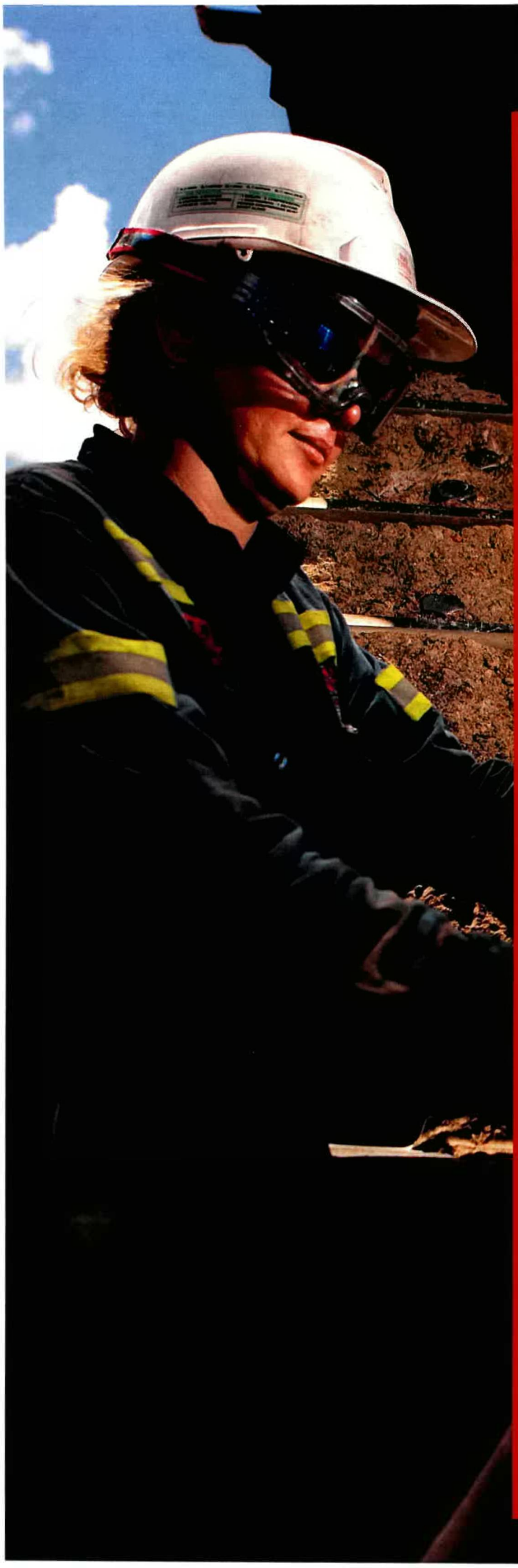
The three QREZ – Northern, Central, and Southern – are areas of the Queensland electricity network that will be developed in a coordinated way to support new and existing industries, complement local communities and deliver a diverse mix of cleaner, cheaper and reliable energy generation.

The three QREZ group together areas identified by the Australian Energy Market Operator as having the right conditions for REZ development.

These areas were identified based on a range of criteria including quality of the solar and wind resources, suitability of terrain for renewable project development and proximity to transmission infrastructure.

Each broad QREZ region has unique renewable energy potential, infrastructure, industry and community considerations that will require a tailored approach to long-term development.





Northern QREZ

The Northern QREZ is rich in renewable resources with some of the best untapped wind in the country. Queensland needs more wind projects in this area to make the most of its renewable investments.

In the 2020 registration of interest call-out, 53 projects registered interest in this region, representing over $23.8 billion in potential investment. This included solar technology (27 projects), closely followed by wind (13 projects). The Northern QREZ also contains several pumped hydro energy storage project registrations.

Wind resources in the north are often ramping up at times when solar farms are ramping down or not generating, helping to balance the system. While home to significant resources, the region's location at the end of the electricity network presents challenges for connecting new energy supply.

On average, the region currently has greater demand for energy than local supply which creates opportunity for local consumption of the region's renewable energy resources, however the daily generation profile does not neatly match the daily demand profile. The north has significant solar development which generates mostly at the same time during the day.

Overcoming these challenges requires coordinated transmission infrastructure upgrades to diversify energy investment in wind and storage and improvements in system strength to help manage congestion and ensure reliability of supply.

Development

The first stage of developing the Northern QREZ, announced on 21 May 2021, includes investments to upgrade transmission between Cairns and Townsville, improving security of supply to Cairns, and unlocking up to 500 MW of renewable capacity in Far North Queensland.

Neoen Australia's Kaban Green Power Hub, which is backed by a CleanCo Queensland offtake arrangement, is the foundation project. The 157 MW wind farm complements the existing solar generation in the north, helping to balance the system.

Further development to support renewable energy in the Northern QREZ could facilitate numerous sustainable development opportunities, including:

- new economy minerals extraction and processing
- hydrogen production and export
- biofuels
- food processing and manufacturing
- battery manufacturing.

There are world class ports in the north, like the Port of Townsville, that position Queensland to be a leader in emerging industries like hydrogen which will rely on cheap, clean, and reliable energy in the future.

The Queensland Government has been working with Genex to progress the Kidston Pumped Storage Hydro Project, a 250MW pumped storage plant approximately 270km north-west of Townsville. The Government has committed $147 million to connect Kidston which will support Powerlink to build a 186km transmission line to Mount Fox near Ingham. The project reached financial close in May 2021, kicking off site preparation activities. The project and associated transmission is expected to be completed by early 2025.

Central QREZ

The Central QREZ is currently the energy powerhouse of Queensland with long-term hydrogen potential and existing energy-intensive industries which are looking to switch to renewable energy supply.

It is centrally located in a strong part of the network with significant coal-fired generation and proximity to heavy industries near Gladstone.

The region is also home to significant renewable energy resources. Central QREZ received registrations of interest from 67 projects, representing more than for 23,000 MW of project capacity across solar, wind, bioenergy, and storage technologies. If developed, these projects would represent more than $39 billion in investment and thousands of construction jobs. The Central QREZ is home to some of Queensland's largest energy consumers - including the Boyne Island aluminium smelter, refineries, and the Curtis Island LNG export terminals.

There is growing interest in Gladstone for its potential in renewable manufacturing opportunities, especially hydrogen, ammonia, and renewable aluminium production near the export Port of Gladstone.

Additional prospective new industries could include:

- energy-intensive minerals processing
- minerals and other recycling
- ag-tech and agricultural equipment manufacturing
- low emission cement manufacturing.

Further analysis is underway on the first stage of QREZ development in the region.

Southern QREZ

The Southern QREZ is ready for development, with a diverse mix of industries and energy sources and a strong network. It is close to large load centres in South East Queensland and the inter-connector to New South Wales.

This region has a strong electricity network and existing capacity to connect new projects. Finding economies of scale in connections through REZ development could make this even more attractive for prospective renewable energy developers while unlocking additional capacity.

While investment to date has favoured solar, the region has good wind resources which will complement the existing solar and other generation. It is already home to the state's largest operating wind project, the 453 MW Coopers Gap Wind Farm, but there is a pipeline of projects in the area with high investor interest.

There were 72 projects that registered their interest in the Southern QREZ with more than 8,300 MW of wind capacity. The Southern QREZ interest represents over $30 billion investment and thousands of jobs.

The region has a diverse farming industry, with a long history of food and fibre production, supported by large areas of prime agricultural land in the Darling Downs.

Renewable energy in Southern Queensland could support growth in agribusiness by diversifying electricity used in agricultural processing facilities. Bioenergy development could make use of agricultural waste products, supporting this industry to decarbonise and reduce energy costs. Another prospective new industry for Southern Queensland that could utilise more clean energy is the electrification of heavy vehicles and freight network in the region.

Renewables in the region have already found ways to complement other land uses and support a diverse local economy. The first stages of QREZ development will build on this and grow the renewable profile in the region.

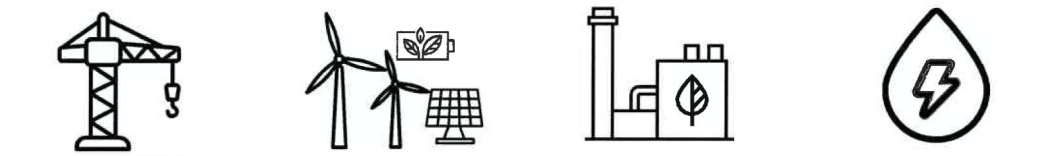
Capturing the renewable energy value chain in Queensland

There are over 60,000 MW of possible renewable energy projects in Queensland. Over $5 billion in investment is required to take Queensland from current levels of 20 per cent renewable energy to the Queensland Government's target for 50 per cent renewable energy by 2030 and net zero emissions by 2050.

As renewable energy projects are developed to meet these targets, it will create a pipeline of jobs and supply chain opportunities which can be harnessed by supporting greater levels of local content, local employment, and Queensland-made components.

Renewable energy development also unlocks new opportunities to support industries like hydrogen; connecting Queensland regional economies to global export markets, leveraging the state's abundant renewable resources into a competitive advantage through our world-class ports.

Queensland renewable energy value chain



Supply chain and local content	Clean energy infrastructure	Renewable industries	Export markets
Integrating local content and benefits in supply chains, manufacturing, and procurement	Harnessing our high-quality renewable resources through investment in renewable projects and network infrastructure	Supplying globally competitive and reliable energy to drive a growing economy and build renewable industries	Connect renewable industries like hydrogen to export markets through our world-class ports

Attracting new industrial demand for electricity is key to delivering QREZ. It is important to understand the needs of industry in order for them to successfully transition in-step with QREZ development. This includes: right-sizing risk and return for industry and government; expediting innovation and knowledge sharing to solve hard-to-abate emissions; and, promoting collaboration on sector coupling and circular economies. Further engagement will be undertaken as we develop industrial demand attraction initiatives to support QREZ delivery.

The $3.34 billion Queensland Jobs Fund is aimed at both developing and attracting industry, and $2 billion is reserved for Renewable Energy and Hydrogen projects.

There is a particular focus on supply chain and local content opportunities. Queensland could contribute locally manufactured components for renewable energy technologies such as solar, batteries, turbines, modules, and inverters which are estimated to account for between 40 and 60 per cent of the total renewable energy project costs.

To realise this potential in the long-term, Queensland needs to consider the best ways to deliver on these opportunities starting with what kind of local benefits communities want in their regions through QREZ development.

Local benefits principles

Developing the Northern, Central and Southern QREZ is about more than just delivering new renewable energy. QREZ have the potential to accelerate recovery from the economic impacts of COVID-19, help grow new jobs and industries and capture more of the renewable energy value chain in Queensland.

Four local benefits principles have been identified to underpin QREZ development.

Image source: CWP Renewables

Image source: NEOEN

PRINCIPLE 1: Genuine and ongoing engagement

Demonstrate a tailored, long-term, and inclusive approach to engaging with the community to help ensure QREZ development 'involves' rather than 'happens' to local communities. Community voices should have an opportunity to be heard and their interests and concerns must be listened to and mitigated where feasible.

Renewable energy development presents an additional opportunity for investment and jobs in Queensland's regions with the construction of generation and transmission infrastructure and supporting industries.

It is important to recognise that while these developments bring an opportunity to renew regional areas - by providing jobs, renewable electricity, and value-added industries - ill-considered development may also cause unintended impacts in communities.

Previous research[1] by the Australian Renewable Energy Agency (ARENA) from 2017 demonstrates that community concerns can cover a wide range of issues, including scepticism about the reliability of renewables, concerns about visual or environmental impacts, views on the economic and employment impacts of renewable development, worries about health impacts, and concerns around expansion of transmission infrastructure. There are also growing concerns about competing land uses as the footprint of the renewable energy sector expands.

Planning and engagement processes

Early engagement is critical to ensuring communities are genuinely part of the development process, and that areas of common concern are identified. Engagement needs to be treated as an ongoing part of renewable energy and transmission development; it cannot be left to fall away after initial approvals are secured. It is important that engagement captures the diversity of voices and opinions that make up a local community, with people from a diversity of age, ability and cultural backgrounds having the opportunity to have their say.

It is also critical that engagement reaches local Traditional Owners and First Nations peoples. This should include opportunities to engage Indigenous businesses to support genuine economic participation of local Indigenous people in renewable energy development. Tools such as Black Business Finder - Queensland's online business directory for Aboriginal and Torres Strait Islander businesses, can help connect companies and Indigenous businesses.

[1]https://arena.gov.au/knowledge-bank/establishing-the-social-licence-to-operate-large-scale-solar-facilities-in-australia/

Image source: NEOEN

The Queensland Government is committed to ensuring the planning and engagement processes for large-scale renewable projects are of the highest standard. The state has established a state planning code for wind farm developments which was based upon national and international best practice.

The code provides a consistent, coordinated, whole-of-government approach to assessing and regulating wind farm development which puts in place strict guidelines to address community concerns including acoustic management, landscape character, matters of environmental significance, scenic amenity and impacts on local infrastructure.

Solar farm applications, as with all large-scale development proposals, can also generate significant interest within the community. Generally, these developments will require a development approval under the *Planning Act 2016* with an application made to the local council who will assess the proposal against the requirements of the local planning scheme.

As part of the development assessment process, the local council will consider the suitability of the site; the proposal's design, layout, and appearance; and impose conditions that must be complied with during construction and operation. There is often opportunity for the public to lodge a submission to the proposal as part of statutory public consultation.

The Queensland Government has also released solar farm guidelines for communities, landholders and project proponents about best practice at each stage of a project development cycle. It provides guidance about development assessment and approvals, as well as the community engagement process.

Transmission upgrades - engagement

Delivery of QREZ will require investment in the transmission infrastructure network to connect renewable energy resources to homes and businesses. A key objective of the Energy Security Board's REZ planning rules that were accepted by Energy Ministers in May 2021 was for transmission planners to engage with local communities so that social licence issues are understood at an earlier stage in the transmission planning process.

Powerlink Queensland, the Queensland Government's state-owned transmission company, undertakes extensive consultation with affected landholders and other stakeholders when determining the most appropriate location for new or augmented transmission infrastructure.

Powerlink follows a staged process, from preliminary discussions with potentially affected landholders, all the way through to operation and maintenance of the asset. The steps in Powerlink's landholder engagement and planning approval process are set out in its network development process.

In future, new QREZ renewable energy and transmission infrastructure could create new concerns for communities about the cumulative impact of development. This is why genuine and ongoing engagement is a proposed principle of QREZ to inform how this development is delivered and local benefits generated. It will be important to work closely with communities on how this infrastructure is planned and developed in the long-term to address concerns.

CASE STUDY:

Social licence, engagement and benefit-sharing

Neoen Australia's 316 MW Hornsdale wind farm in South Australia is one example of a project that has managed social licence issues with community in a positive and transparent way. Great effort and care has been taken by project proponents to tailor their proposals to the local context, which is evidenced through their engagement with Traditional Owners and activities in environmental management and community benefit-sharing.

Key achievements and policies include:

- early and authentic engagement with the Ngadjuri and Nukunu Traditional Owners through the creation of a cultural heritage management plan
- Indigenous art inclusion on a wind tower celebrating that collaborative relationship
- creation of an onsite wildlife conservation reserve for the endangered Pygmy Blue-Tongue Lizard
- $120,000 annual Community Benefit Fund providing grants for local community building and energy efficiency initiatives.

Image source: hornsdalewindfarm.com.au and ebservices.com.au/ecology/

PRINCIPLE 2: Shared benefits with communities

Identify opportunities to engage with and share the financial and other benefits of the development with the local community throughout the project's lifecycle.

Benefit sharing is distributing, or sharing, the financial and other benefits of a renewable energy development with the local community and other stakeholders.

Benefit sharing activities aim to engage community members in close proximity to the development, as well as other nearby residents.

Benefit sharing is integral to a community's sense of fairness and ensures that the economic benefits of renewable energy development are distributed relative to the potential impact of the project on the local community. Benefits therefore need to be proportionate with the scale of the project and the level of change or disturbance experienced by the community, but they do not necessarily have to be direct compensatory payments.

Benefits offered should be negotiated with communities in good faith, with transparent, open and respectful negotiations between developers and all impacted stakeholders. There is a wide range of benefits that can be shared with communities, or activities that can be funded and supported through renewable energy development.

Benefit sharing mechanisms

The avenues by which benefits are shared with communities, landowners and local investors are typically referred to as benefit sharing mechanisms.

Examples of benefit sharing mechanisms include:

- payments to host landholders
- contributions to councils
- community enhancement funds that provide grants to local groups, which may be managed by the renewable developers, community representatives or local councils
- sponsorship of local community organisations and/or legacy community benefit initiatives
- neighbourhood benefit programs (including neighbour payments or solar photovoltaic (PV) installations)
- beyond compliance level activities associated with visual amenity (e.g. tree planting or screening)
- innovative products (including community energy efficiency programs)
- innovative financing (including co-investment and co-ownership opportunities).

CASE STUDY:

Benefit sharing

Sapphire Wind Farm is a 270 MW project located in Swan Vale, New South Wales. Developed by CWP Renewables, the project is supported through a 100 MW power purchase agreement with the ACT Government with further output contracted to the Commonwealth Bank of Australia.

Sapphire Wind Farm was Australia's first commercial wind farm to open for public investment, launching a community co-investment initiative in 2018 with a guaranteed return of 6% per annum over 9.5 years (minimum investment of $1,250).

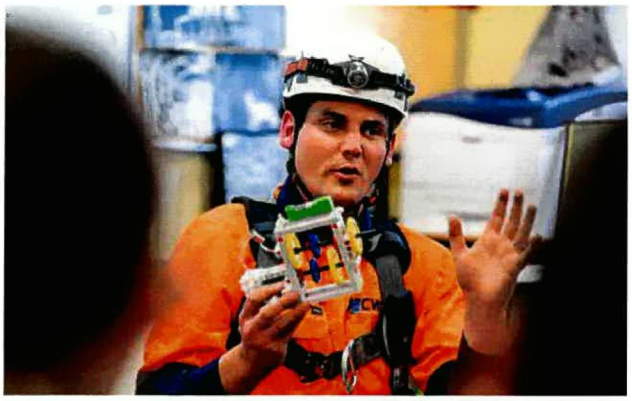


Image source: CWP Renewables

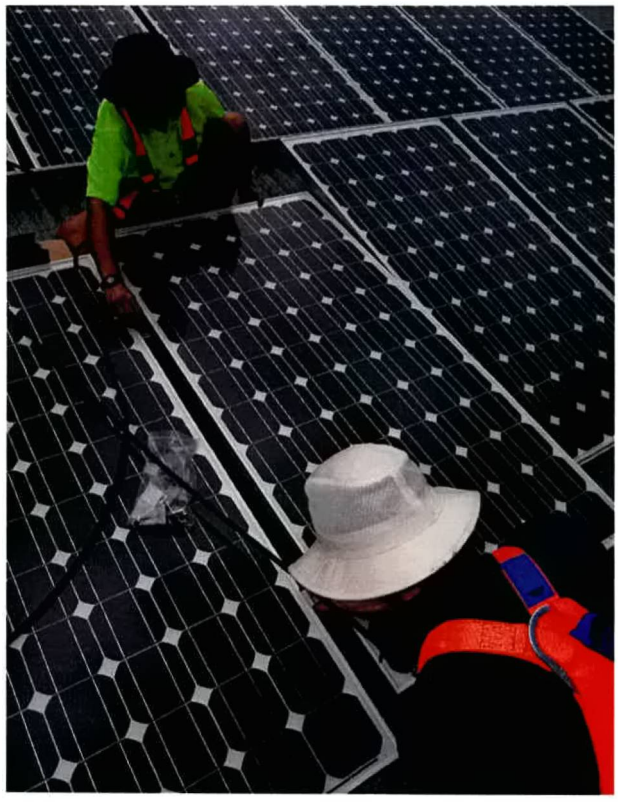
Coordinated benefit sharing

Coordinated QREZ development in a particular region means that there will be several projects delivered in that area over time. Under current arrangements each project would take a different approach to sharing benefits with local communities proportionate to their project impact.

If the benefit sharing mechanisms were coordinated across projects participating in a QREZ, the community could see greater benefits. This could allow resources to be pooled and benefits for communities scaled proportionate to the level of investment the QREZ represents. This could take different forms such as setting different benchmarks for community benefit schemes or combining funds with a greater level of community control over the outcomes.

PRINCIPLE 3:
Buy local, build local

Prioritise local procurement, manufacturing, and supply chain opportunities. Work with local businesses to enable and support their involvement.



During QREZ development, benefits can be shared with local communities by increasing the level of locally sourced goods and services. Procurement practices should prioritise local, regional, state and Australian content with a focus on manufacturing and supply chain opportunities.

Manufacturers and other related businesses will have more confidence to invest in local Queensland-based operations if they see a consistent pipeline of clean energy infrastructure locally via QREZ developments.

Many renewable energy projects are already finding opportunities to increase local content, including engaging with the surrounding business communities earlier in the project lifecycle to better understand the opportunities to meet project needs with locally sourced providers.

Local content - government policies and approaches

To ensure a pipeline of opportunities for local businesses, some jurisdictions are implementing targeted policies to ensure local content is an explicit consideration of new renewable energy and transmission projects.

In Victoria, local content is required for renewable energy projects that are developed as part of the Victorian reverse auctions for meeting legislated renewable energy targets. In New South Wales a manufacturing taskforce has been established to investigate the use of local materials in REZ projects. The taskforce includes representatives from the steel, aluminium, cement, manufacturing industries and associated trade unions. In Western Australia (WA) a Local Industry Participation Group has been established, including steel manufacturing and union representatives. The WA Government is investigating local wind turbine component manufacturing.

Other approaches seek to reduce the barriers for renewable projects increasing their levels of local content. This includes mechanisms that assist in matching project needs with local capabilities such as using online platforms which connect buyers and suppliers. Projects also choose to blend local content with complex imported technologies, for example, hybrid wind towers that incorporate locally fabricated wind tower segments with imported blade and turbine technology.

A focus on the supply chain of renewable technologies should also consider opportunities to support implementation of Queensland's Waste Management and Resource Recovery Strategy to utilise recycled, recyclable, and low-carbon materials and to apply circular economy principles. This includes appropriate early planning for project decommissioning and land rehabilitation.


Image source: TBSE.com.au

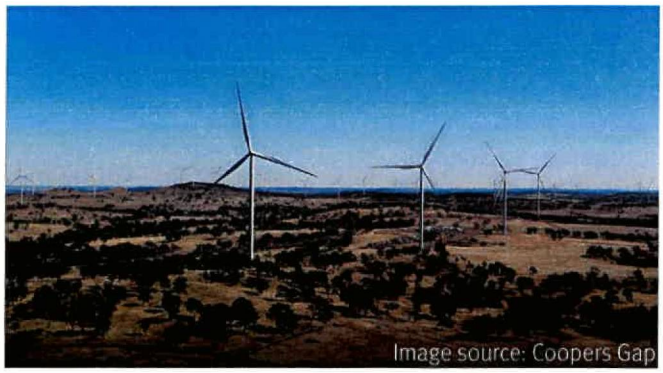


Image source: Coopers Gap

CASE STUDY:

Local content

The 453 MW Coopers Gap Wind Farm delivered an Australian Industry Participation (AIP) plan demonstrating how the project would identify tender opportunities for Australian enterprises. One of the initial actions under this plan was to partner with the Toowoomba and Surat Basin Enterprise group (TSBE), a local organisation that developed a platform to link local industry capability with opportunities through an online platform called the Supplier Portal.

In addition to publishing opportunities online, a series of in-person 'Meet the Constructor' sessions were held to promote opportunities locally in the region. These sessions were a chance for local companies to provide capability statements and understand the project timetable and packages of work available for tender. About 100 attendees at each of the two larger meetings heard about expected supply opportunities, and received valuable information on the labour, products, services, and equipment needed for the build.

These early engagement activities were successful in identifying the skilled local workforce in the region and enabled the contracting of some 200 local workers and multiple local businesses. Local services contracted during construction included the Newlands Group, Brandon Associates, Harrison Infrastructure Group and Western Downs Traffic Control – which fulfilled purposes such as quarrying materials, trucking, and water cartage to the site.

Procurement policy

The Queensland Government's Buy Queensland Procurement Policy 2021 (QPP) aims to increase the use of local workforces in projects, ensuring Queenslanders, particularly in regional and remote communities, are supported through targeted Government investment.

Queensland government-owned energy corporations have driven more than 2,000 MW of renewable energy projects in the last five years, either through direct investment or via financial offtake arrangements.

As major construction and infrastructure developments funded by Queensland Government investment, renewable energy projects could trigger several key requirements in the QPP, including the application of 'Best Practice Principles' for all major projects (where the project is valued $100 million and above, or declared), requiring the use of contractors and suppliers, including manufacturers, that employ local workforces, and providing opportunities for apprentices and trainees. These Best Practice Principles ensure quality, safe workplaces by expecting:

- workplace health and safety systems and standards
- commitment to apprentices and trainees
- best practice industrial relations.

The Queensland Government's $2 billion Renewable Energy and Hydrogen Jobs Fund allows government-owned energy businesses like Powerlink Queensland, CleanCo Queensland, Stanwell, CS Energy and Energy Queensland to increase ownership of commercial renewable energy and hydrogen projects, as well as supporting infrastructure, including in partnership with the private sector.

This provides a future opportunity to ensure the QPP Best Practice Principles are applied to more renewable energy developments.

Image source: NEOEN

PRINCIPLE 4: Local jobs and secure work

Prioritise the development and employment of local people wherever possible and embed improved employment standards to ensure secure work.

The long-term development of the Northern, Central and Southern QREZ provides the opportunity to create thousands of jobs and training opportunities for workers in Queensland's regions. To support delivery of this principle, generation, and transmission projects within QREZ should provide safe, secure and decent employment, which gives priority to local workers, including apprentices and trainees.

Renewable energy construction should take advantage of Queensland's skilled regional workforce. For example, Western and Southern Downs have an established construction, manufacturing and labour force and comparatively strong industry supply chains per capita of population, which could be leveraged by supportive procurement policies.

Project proponents should engage with local employment and training organisations to ensure that opportunities associated with projects are communicated to potential local employees through a range of channels.

The Queensland Government is investing in specialised training with a $20 million Hydrogen Training Centre of Excellence at Beenleigh, $10.6 million for a Hydrogen and Renewable Energy Training facility at Bohle TAFE campus in Townsville, $2 million to upgrade training facilities at Gladstone State High School to prepare students for jobs in the hydrogen industry and a $17 million grant will allow Electro Group Training to deliver renewable energy skills and training. Ensuring those interested in regional areas can attend these training centres will be a critical part of their success.

CASE STUDY:

Local participation

The Kaban Green Power Hub is a 157 MW wind energy project located near Ravenshoe in Far North Queensland. The project proponent, Neoen Australia has put in place targets to ensure locals benefit from the construction of the project wherever possible and has a Local Participation Plan with a local participation target of 30 per cent for the Kaban project.

A Local Jobseeker & Supplier Networking session was held in Ravenshoe in the pre-construction period. The project website has published details of the skills and suppliers that will be required by contractors and sub-contractors associated with Kaban's delivery and has established an online registration portal where local jobseekers and companies can register their details and areas of interest.

The Kaban Green Power Hub announced construction commencing in May 2021 supported by the Queensland Government's $40 million commitment to upgrading a transmission line south of Cairns as the first stage of the Northern Queensland Renewable Energy Zone. Neoen has also put in place targets for 5 per cent Indigenous Employment & 3 per cent Indigenous Supply Chain procurement.

Have your say

The Queensland Government wants to hear from communities about the local benefits principles outlined in this consultation paper, and the types of benefits you would like to see delivered through QREZ.

A consultation survey has been developed on the proposed principles to improve the Queensland Government's understanding of community perspectives on local benefits and inform development of the policy framework to deliver QREZ.

To complete this survey visit:
www.qld.gov.au/renewable-energy-zones

Next steps

Engagement activities

The Queensland Government will be engaging with the community as part of the development of QREZ. Check out our website for timing and location of any consultation activities near you.

Sign up for updates

You can register your interest in receiving further updates by visiting www.qld.gov.au/renewable-energy-zones.

General enquiries

The Queensland Government welcomes ongoing input from Queensland communities, industry, energy stakeholders and other interested parties to help us improve QREZ delivery. To make an enquiry or provide feedback about QREZ, please use the contact us form at www.qld.gov.au/renewable-energy-zones.

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Queensland Government


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