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Submission to the Queensland Energy Renewable Transformation and Jobs Bill

Recommendations:

Recommendation 1: Consult, establish and legislate the mechanism(s) required to achieve Queensland renewable energy targets, including accountability and actions if the targets are not met.

Recommendation 2: Leverage public ownership to support stronger and faster Renewable Energy Zone planning to implement the principles in the Regional Energy Transformation Partnerships Framework.

Recommendation 3: Expand the Queensland Energy System Advisory Board to also include community, engagement, nature, and business development representatives.

Recommendation 4: With Recommendation 3, expand the functions of Queensland Energy System Advisory Board to include advising on processes to build social licence for the renewable energy and transmission build-out required.

Recommendation 5: Expand the Energy Industry Council to include the opportunities of non-energy sectors in workforce planning and development.

Recommendation 6: Consider expanding the function of the Renewable Energy Jobs Advocate to promote equity, affordability, improved access to renewable energy, and improving community engagement and social licence.

Recommendation 7: Investigate options around establishing an accountability panel to ensure appropriate and significant community engagement and build social licence.

Introduction

The Australian Conservation Foundation (ACF) welcomes the opportunity to comment on the Queensland Energy Renewable Transformation and Jobs Bill. We are delighted to see the Queensland government's intention to enshrine the targets in legislation. Queensland needs to reduce climate emissions in line with the science-based temperature goals that Australia committed to under the Paris Agreement, limiting warming to 1.5°C, and the renewable energy targets need to be set to achieve these goals. This will require significant build out of renewable energy, storage capacity and transmission. This in turn will require community understanding, acceptance and social licence.

ACF is Australia's national environment organisation. We are 700,000 people who speak out for the air we breathe, the water we drink, and the places and wildlife we love. We are proudly independent, non-partisan and funded by donations from our community.

ACF believes Queensland, Australia and the world face an unprecedented climate and mass extinction crisis caused first and foremost by digging up and burning fossil fuels like coal, oil, and gas. Transitioning Queensland's electricity sector to a clean, renewable energy-based system is a critical element of Australia's transition to net zero



emissions and economy-wide action on climate change. The Australia's emissions projections 2022 report¹ found that currently Australia will not achieve its target of a 43% reduction in emissions by the year 2030 (based on 2005 levels), but that it'll likely be closer 32% (but excludes the safeguard mechanism (SGM) and the target of 82% clean energy target). These must however be robust and effective to ensure we remain below 1.5 degrees of warming, including no new coal and gas, and Queensland's renewable energy targets and decarbonisation goals need to contribute.

Consultation Questions

11. If you would like to share a general comment on the Bill, please provide it here

Adequate carbon and renewable energy targets

ACF is delighted to see the Queensland government's intention to enshrine the targets in legislation and are supportive of the increased ambition announced in the Queensland Energy and Jobs Plan (QEJP). We do however suggest science-based targets are needed for Queensland to contribute to decarbonisation goals and limiting warming to 1.5°C. As such Queensland's new renewable energy targets for 2032 and 2035 are welcome, but they do not commit Queensland to adequate climate action.

Research we have commissioned from Accenture shows Queensland can reach at least 60% emissions reduction on 2005 levels by 2030 with a handful of policies and create tens of thousands of jobs in the process.² While this would be a significant lift in ambition, it is still short of what the science says is required for Queensland to maintain a safe climate.

A 1.5°C consistent pathway for Australia requires at least a 67% reduction relative to 2005 levels by 2030 and net zero by 2038: Such a pathway is consistent with limiting warming to 1.5°C with a 50% chance. Assuming Australia's share of the global emissions budget is a generous 0.97%, a net zero date before 2038 would be in line with a greater than 50% chance of staying below 1.5°C.³

As Australia's most biodiverse state whose economy is the most exposed to climate change and the state most prone to extreme weather events - Queensland has the most to lose if temperatures exceed 1.5 °C warming. The difference between 1.5 and 2°C of warming for Queensland is stark. Limiting warming to 1.5°C means avoiding the worst climate impacts that put humanity and natural ecosystems at risk.⁴ For example, at 2°C of warming, >99% of coral

¹ <https://www.dccew.gov.au/climate-change/publications/australias-emissions-projections-2022>

² Accenture, 2022. Queensland Climate Action Plan: Laying the foundation for a successful climate transformation, accessed: https://assets.nationbuilder.com/auscon/pages/20679/attachments/original/1659489171/Queensland_Climate_Action_Plan-FINAL-1_August-PDF-FINAL.pdf

³ https://www.climate-resource.com/reports/wwf/20230612_WWF-Aus-Targets.pdf

⁴ Special Report on 1.5°C. IPCC. 2018. Retrieved from <https://www.ipcc.ch/sr15/>.



reefs, including the World Heritage Listed Great Barrier Reef will be lost, along with the tens of thousands of jobs it supports.

Social Licence

A further key piece missing is the role of the bodies being established through the proposed legislation in building social licence and building the case for the significant build out of renewable energy and transmission. ACF strongly supports the increased ambition and the need for the build out, but is concerned that the lack of community understanding, acceptance and social licence for the need for significantly greater installed renewable energy and storage capacity and transmission will present a barrier to community support to developments, both systemically and at the project level.

Other jurisdictions in Australia and internationally have experienced significant delays due to community backlash through significant community-driven campaigns when project proponents and the industry more broadly do not have social license. We are for example seeing significant delays in Germany, even with the much lauded “Energiewende”, where public opposition to transmission lines slowed construction and eventually forced costlier underground construction of interconnectors. Delays to grid expansion have generated significant congestion management costs⁵. Some delays were up to 6 years – “the most contested projects is (sic) behind schedule: some of them should have even been in operation since 2010”⁶. Closer to home and regarding the NSW REZ’s, *“the great risk of REZs is, if locals start pushing back and coalescing their grievances, is if they coalesce into a basic rejection of the REZ premise. That’s where we’ll start to see some real issues come up”*⁷.

The bodies established through this Bill have a key role to play to ensure best practice development, including protecting and improving nature, and therefore social licence is achieved. Many public engagement processes rarely move beyond the “consult” level, risking community criticism due to lack of perceived or real due process. Processes should be collaborative and empowering, not simply informing communities, such as the International Association for Public Participation (IAP2) Spectrum.⁸ ACF also strongly recommends the First Nations Clean Energy Network’s Best Practice Principles for Clean Energy Projects.⁹

Furthermore, these processes should be planned for and communicated well in advance. The QEJP community roadshow, for example, was limited in its engagement and only gave a few days’ notice to interested parties, who could therefore not participate.

⁵ <https://www.iea.org/reports/germany-2020>

⁶ <https://energysustainsoc.biomedcentral.com/articles/10.1186/s13705-016-0069-9>

⁷ <https://reneweconomy.com.au/social-licence-emerges-as-critical-issue-for-renewable-energy-zones-nsw-says/>

⁸ <https://iap2.org.au/resources/spectrum/>

⁹ https://www.firstnationscleanenergy.org.au/network_guides



The bodies established through the legislative package could reduce social licence risks through:

- Improved community engagement, such as including communities in broad information sharing and collaborative processes, and co-design practises for REZ area management planning.
- Enhancing community awareness and engagement to improve community acceptance for the need and opportunities of greater installed renewable energy capacity and transmission.
- Including social, economic and environmental cumulative impact assessment requirements in REZ Management Planning as a legislative requirement.

13. What is your feedback on the Queensland Renewable Energy Targets part of the exposure draft?

Recommendation 1: Consult, establish and legislate the mechanism(s) required to achieve Queensland renewable energy targets, including accountability and actions if the targets are not met.

ACF is delighted to see the increase from the outdated 50% renewable energy by 2050 target, and to see renewable energy targets being legislated, including:

- 50% renewable energy by 2030
- 70% renewable energy by 2032, and
- 80% renewable energy by 2035

We are pleased to see that the Minister must publish the methodology for working out the amount of electricity generated in Queensland from renewable energy, and that the Minister will review the renewable energy targets at least every five years to ensure the targets remain contemporary. We do however note that Queensland's higher emissions intensity means that Queensland should take leadership and be proactive in setting stronger targets, thereby pushing what is considered contemporary. We also note that the targets are to be reviewed at least every 5 years. Noting the increased urgency for climate action, increased community expectations, electrification of homes and industry, improvements in technologies, and the biennial review the Queensland SuperGrid Infrastructure Blueprint, ACF would suggest biennial reviews of renewable energy targets. We would also suggest that the legislation ensure that targets are not reduced by future governments, but can be ratcheted upwards.

ACF strongly supports legislating for science based targets. However, these renewable energy targets do not align to a 1.5°C global warming pathway,¹⁰ and for Queensland to make a fair contribution to our international agreements. Science based targets would require Queensland to raise climate ambition to achieve 75 per cent emissions reduction by 2030 and net zero by 2035. As we get off gas and coal and electrify, stronger renewable energy targets will be needed.

¹⁰ To limit warming to 1.5°C, Australia needs to achieve a reduction of 74% by 2030 relative to 2005 emissions, and net zero by 2035 is consistent. WWF page 3, accessed at: https://www.climate-resource.com/reports/wwf/WWF_March2022_a.pdf



We are also concerned that there does not appear to be any mechanism to meet these targets, such as a certificate based system, metrics around social or environmental impacts, nor accountability and actions required if targets are missed. ACF recommends a certificate based system and reverse auctions, similar to other jurisdictions.

The upcoming QREZ Roadmap will need to lay out further detail on the transmission upgrades and areas that could host the additional renewable energy. This would provide both certainty to the trajectory, as well as support early emission reductions faster.

14. What is your feedback on the Job Security Guarantee part of the exposure draft?

ACF is pleased to see the draft Bill enshrines the government's Job Security Guarantee in legislation, with a commitment to provide security and support to affected energy workers. We are also pleased to see the Job Security Guarantee Fund provide for the Energy Industry Council and Queensland Renewable Energy Jobs Advocate.

15. What is your feedback on the Public Ownership part of the exposure draft?

Recommendation 2: Leverage public ownership to support stronger and faster Renewable Energy Zone planning to implement the principles in the Regional Energy Transformation Partnerships Framework.

ACF welcomes the Queensland Governments ongoing commitment to public ownership of energy assets. Networks and deep storage are crucial for the transition. They are essential services that should not be run for profit. Public ownership of Queensland's networks and 50% ownership of our generation, has allowed the Government to redistribute some of the profits to ease electricity prices, reducing the cost of living crisis for consumers. This is a clear benefit of public ownership. There must nonetheless be strong governance in place to ensure that networks and Queensland Hydro are making the most efficient decisions for the Queensland electricity bill payer.

ACF strongly supports maintaining at least 50% of generation in public ownership. It potentially enables better coordination, planning and outcomes for nature and community. While supported by Power Purchase Agreements from Government Owned Corporations, it is private developers that have carried out much of the renewable development in Queensland. Poor planning regulations and limited regulation or enforcement of best practice on private renewable energy developers has left landholders and communities vulnerable. Even when developers are genuinely committed to community engagement and benefit, there is no framework for cooperation between private companies, leading to division and confusion in areas that have high renewable resource and transmission access.

16. What is your feedback on the Queensland SuperGrid Infrastructure Blueprint part of the exposure draft?

ACF welcomes the commitment to biennially review the Queensland SuperGrid Infrastructure Blueprint. Building on the EY modelling sitting behind the QEJP, the Blueprint should include greater detail on the modelling of the



level of storage required for a secure electricity supply in Queensland. This could be achieved through stipulating the level of detail that is required to be released in the Blueprint, and updated in the biennial review. Furthermore, any material discrepancies between the Infrastructure Blueprint and the AEMO Integrated System Plan need to be communicated.

18. What is your feedback on the Grid Supporting Technology part of the exposure draft?

ACF welcomes the inclusion of grid supporting technology in the draft Bill.

19. What is your feedback on the Queensland Energy System Advisory Board part of the exposure draft?

Recommendation 3: Expand the Queensland Energy System Advisory Board to also include community, engagement, nature, and business development representatives.

Recommendation 4: With Recommendation 3, expand the functions of Queensland Energy System Advisory Board to include advising on processes to build social licence for the renewable energy and transmission build-out required.

ACF is delighted to see the specific inclusion of a consumer advocate on the Queensland Energy System Advisory Board (QESAB). A major gap we do see, however, is one of the need for the Queensland Government and industry to build broad community social license, including community acceptance for the need for granter transmission.

The board should include representatives from community, nature and business organisations. The QESAB needs to be able to engage effectively with other Government programs and frameworks, including the Regional Energy Transformation Partnerships Framework, support the development of end of life policies for renewable energy components and the Local Economic Opportunities Network, as well as effectively engage with First Nations, community, environment, local government, and business groups.

The QESAB could also play a significant role in building the social licence of the transmission and renewable energy build. Like any development, poorly sited and designed projects can have a significant impact on nature and communities. Communities need to be reassured that projects will be sited and designed in good faith, and to best practice (this does not negate the need for best practice at the project level). This is particularly important for REZ communities that may be over or under consulted as projects ramp up, including fatigue if projects do not reach implementation. Including social licence in the remit of the Queensland Energy System Advisory Board will improve community acceptance for the need for granter transmission, as well as ameliorate current sentiment that the REZ process is poorly coordinated with adequate engagement around environmental, employment, housing, and other social impacts.

The energy system is just that, a system, and must be looked at as a whole. As such QESAB needs to consider not just the technical, but also the social, economic and environmental interactions as a system. It is noted that QESAB should not undertake the community engagement and social licence work itself, but advice bodies to do so. This



could be an expanded Energy Jobs Advocate, the Energy Industry Council, Powerlink/REZ delivery body and project developers. It is also noted that the draft bill establishes a number of bodies, all of whom could potentially have a role in building social licence. There is no need to establish another body.

20. *What is your feedback on the Energy Industry Council part of the exposure draft?*

Recommendation 5: Expand the Energy Industry Council to include the opportunities of non-energy sectors in workforce planning and development.

In the absence of a state-based transition authority, the Energy Industry Council should take a broader view than just the energy industry. Many regions will offer other opportunities for workers to remain in their communities. To this end, the Council should include representation from business and/or social service organisations. In its current form, the governance and structure of the EIC may be leaving some workers behind.

21. *What is your feedback on the Queensland Renewable Energy Jobs Advocate part of the exposure draft?*

Recommendation 6: Consider expanding the function of the Renewable Energy Jobs Advocate to promote equity, affordability, improved access to renewable energy, and improving community engagement and social licence.

While in principle, ACF supports the role of a Queensland Renewable Energy Jobs Advocate, more detail is required, such as powers held, how the Advocate would work with existing structures and institutions, such as local chambers of commerce, the Future Energy Workforce Roadmap, training centres, and community organisations. ACF would also like clarity about what support will be provided to the advocate, and what the appointment process would be.

The expanded transmission will have a significant impact on electricity prices. As such, the Renewable Energy Jobs Advocate, potentially renamed the Renewable Energy Advocate, should advocate for economically efficient transmission build. We'd also like clarity of their role in both promoting equity, such as supporting all businesses, low-income and rental properties having equitable access to clean renewable energy, and supporting fair and efficient electrification, including enabling technologies and demand response, such as energy management systems. Cheaper renewable energy, especially through the wholesale market, can only contribute so much to affordability.

This role will hold significant responsibility, including around social licence, community engagement, protection of nature and nature regeneration opportunities. The Renewable Energy Advocate should enable deeper engagement of community members and community, social and environmental and First Nations organisations - potentially including REZ planning and co-design. ACF recommends that the role is widened and enshrined in the legislation and that this wider remit is enabled as part of the QREZ consultation process expected later in 2023.

25. *Are the functions of the REZ delivery body appropriate?*



Recommendation 7: Investigate options around establishing an accountability panel to ensure appropriate and significant community engagement and build social licence.

ACF supports Powerlink being appointed as the REZ delivery body and performing these functions, including undertaking engagement with communities and establishing REZ community advisory forums for each REZ management plan. We nonetheless have concerns around the level of Powerlink's engagement in stakeholder consultation, assessing alternatives to reduce the need for transmission (e.g. energy performance), and ensuring the social licence required to secure significant build out of transmission and installed generation capacity. Inappropriate development (of all types) has significant impact on nature and communities. Renewable energy developments have the capacity to drive positive outcomes for nature.

Whether Powerlink (or another body), the REZ delivery body needs to engage in land use and nature mapping and assessment, to ensure that they can assess the social and environmental impacts of renewable development as well as the energy system impacts. The consultation and engagement process, as discussed earlier, needs to incorporate the community, social, environment and business needs of affected communities and natural areas.

Powerlink could establish an accountability panel – paid sitting fees for NFPs, and include environmental NGOs and community energy organisations (e.g. conservation councils, solar citizens, ACF, Queensland Conservation Council, Energetic Communities Association), Traditional Owners, Aboriginal Land Councils or First Nations Clean Energy Network¹¹, community and energy consumer organisations (e.g. Queensland Council of Social Service, Council on the Aging, Energetic Communities Association, Queensland Consumers Association), transition (unions, The Next Economy), and business organisations (Business Council for Sustainable Development).

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¹¹ <https://www.firstnationscleanenergy.org.au/>

