

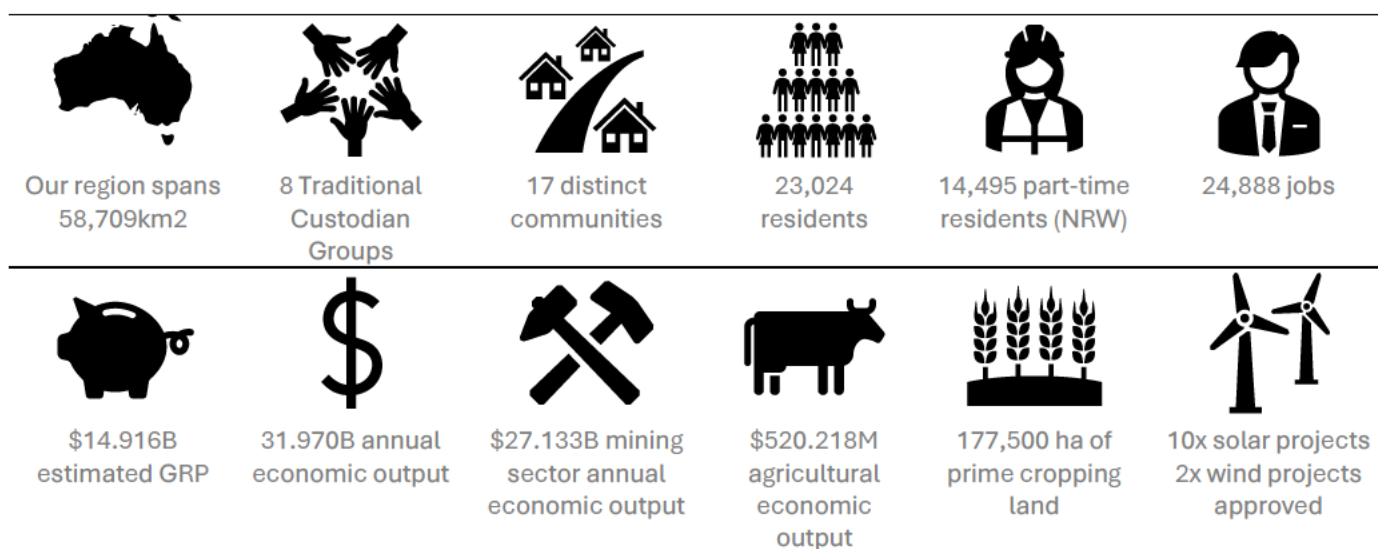
Net Zero Economy Authority Bill 2024

**Submission to Senate Finance and Public
Administration Committees**

Isaac Regional Council

Contact: Beau Jackson, Executive Manager, Advocacy & External Affairs

ABOUT THE ISAAC REGION



The Isaac region encompasses an area of 58,709 square kilometres from prime agricultural land to the resource rich Bowen and Galilee Basins housing the largest coal mining deposits in Australia.

Our region is home to 22,550 residents and approximately 13,405 part-time resident workers who travel here primarily for work in the mining industry¹. In 2024, Isaac annual economic output was \$31.970b² and its Gross Regional Product (GRP) was \$14.916B³.

Our region has long been a powerhouse regional economy, punching well above its weight with regards to Gross Regional Product and Output. Our per-capita GRP is nearly 7 times the Australian average while its worker GRP is 2.8 times the Australian average.

The Isaac region is a critical component of Queensland’s coal extractive industry. It’s home to 22 active metallurgical coal mines, nine active thermal coal mines and an additional 15 mines at various other stages of lifecycle. The Isaac region produces 72% of Queensland’s metallurgical coal, 65% of Australian metallurgical coal and 35% of the global supply. Isaac is the world’s largest metallurgical coal exporting region.

The Isaac region also produces 22% of Queensland’s thermal coal – a figure that will grow as Bravus’ Carmichael Mine gradually comes into full production.

The Isaac Region has significant gas and petroleum resources. Gas activities in the Isaac Region primarily involve coal-seam gas (CSG), most coexisting with coal-mining leases. Approximately 21 per cent of Queensland’s current identified gas wells are in the Isaac Region, with 12 per cent of Queensland’s active wells. There are currently a further 11 exploration permits covering 837,000 hectares. Also, 28 per cent of Queensland’s identified petroleum reserves (oil, liquified petroleum gas and condensate) are in the Isaac Region.

¹ QLD Government Statisticians Office QGSO, Bowen Basin population report, 2023 <https://www.qgso.qld.gov.au/statistics/theme/population/non-resident-population-queensland-resource-regions/bowen-galilee-basins>

² REMPLAN: <https://app.remplan.com.au/isaac/economy>

³ REMPLAN: <https://app.remplan.com.au/isaac/economy>

We are responsible and active custodians of our natural environment with future targets and commitments aimed at driving us towards a cleaner, greener and more sustainable region. Our region is a living network of landforms, catchments, wetlands, waterways, terrestrial ecosystems, coastal foreshore, and marine waters. In the east we boast 120km of Great Barrier Reef Coastline, while to the west, you will find the bush, a complex mix of remnant eucalypt woodland, acacia and gidgee scrub fed by the headwaters of the Burdekin and Fitzroy rivers. We are part of the Northern Brigalow Belt (part of the largest bioregion in Queensland), one of fifteen national biodiversity hotspots in Australia.

Our environment is underpinning significant investment in large-scale renewable projects. Total production capacity already approved in wind and solar projects is 1,926 megawatts. The region has major potential for further growth in this industry. Given its locality, existing infrastructure, and climate 97% of the region is suitable for solar capture, 91% for wind capture and 49% for geothermal energy.

There are currently 10 solar farms approved in the Isaac Region and one further solar farm project in the pipeline. These solar farms range in generating capacity from 50 to 400 megawatts.

In addition, approval has been granted for a wind farm at Clarke Creek. It's approved to construct up to 195 turbines, with the capacity to generate 2,000 gigawatt-hours of renewable electricity each year, enough to power 590,000 homes or 5% of Queensland's energy demand. Stage 1 construction is due for completion this year. The total project investment is anticipated to be approximately \$1.5 billion. It will be the largest wind farm in the Southern Hemisphere

EXECUTIVE SUMMARY

Isaac Regional Council (IRC) welcomes the opportunity to provide feedback to the Senate Finance and Public Administration Committee (the committee) on the Net Zero Economy Authority Bill 2024 (The NZEA Bill)

Isaac Regional Council hosts the largest combined coal deposits in Australia. As such IRC'S greatest concern is how resource region communities will manage decarbonisation. Conservative scenarios predict global demand for coal exports will halve by 2050⁴ and IRC is acutely aware of the opportunities and risks this poses for its region and its communities.

Resource regions like Isaac want to capitalise on the global shift to net zero but require appropriate government support, planning, and investment, otherwise they will remain vulnerable. The region is already seeing investment in large-scale renewable projects, however, IRC wants to ensure investment translates to permanent jobs and continued community prosperity.

Isaac Regional Council has been very vocal on the need for a National Transformation Authority and targeted transformation planning for resource communities. In particular, the need for place-based plans to manage the transition to Net Zero and capitalise on local opportunities. This transformation needs strong leadership from State and Federal Governments with a mechanism for local government to help drive outcomes on the ground.

This Bill (in-part) will set the foundation and deeply influence how this occurs. Isaac Regional Council urges the committee to consider the voice of local governments and regional communities throughout Australia, where the impact of decarbonisation will be felt most.

In response, IRC has prepared detailed comments in relation to NZEA Bill and has made four recommendations below. These are explored in more detail in the broader submission.

Recommendation 1: Broaden the application of Part 5, Division 1, Point 54 to include the closure of coal mines and other resource intensive projects.

Recommendation 2: Broaden the application of Part 5, Division 1, Point 55 to include mandatory community and business consultation.

Recommendation 3: Local Government Representation in the Energy Industry Worker Redeployment Advisory Group.

Recommendation 4: Legislated Review Periods

⁴ Toby Phillips and Warwick Smith (2022) The impact of global decarbonisation on Australia's regions, CPD discussion paper, Centre for Policy Development.

SUBMISSION

IRC has prepared detailed comments in relation to *The Bill* and has made four recommendations summarised below:

Recommendation 1: Broaden the application of Part 5, Division 1, Point 54 to include the closure of coal mines and other resource intensive projects.

Isaac Regional Council recommends the Federal Government broaden the application of Part 5, Division 1 Point 54 of the NZEA Bill, the trigger notice, and associated definitions, to include the the closure of coal mines and other resource intensive projects.

It is Council's opinion that the impact of decarbonisation and the journey to Net Zero is much broader than the companies and workers of coal and gas-fired power stations. Mining is a significant contributor of Australia's overall emissions. In 2021, it was reported that Australian mining accounts for 21% of Australia's total emissions⁵. Further, it is estimated global decarbonation could affect up to 300,000 Australian jobs connected to coal, oil and gas exports⁶.

There are 31 active coal mines in the Isaac Region and there is currently no effective national legislation to support the decarbonisation of mining communities through mine closure across Australia. In Isaac's case, nearly 75% of all the region's jobs are vulnerable to decarbonisation⁷. The transitioning of dependent employers and employees may result in the closure of entire communities. This vulnerability was recently highlighted by the Save Glenden campaign. The closure of coal mines represents a significant aspect of the transition to a net zero economy and has profound implications for resource communities.

The impact of decarbonisation in Isaac will not be felt alone. The effective management of highly-dependent resource regions as well as those regions relying on the economic contribution of mining is critical.

For example, the mining industry in Isaac generates approximately \$27.133B per annum. This translates to 84.9% of its total output⁸. However, at an SA4 level combined with the Mackay and Whitsunday regions, Isaac still generates 49% of the region's \$65.240⁹ billion output, predominantly through mining. Without sympathetic planning and opportunities to capitalise of net zero opportunities, the Mackay-Isaac-Whitsunday region's total economic output would effectively halve, having far-reaching socio-economic impacts.

Further, approximately 28,665 resource industry workers were recorded in Isaac in 2023¹⁰. Of these, the place of residence was known for around 75% of workers, and only 18% of those lived in Isaac¹¹. The remaining 72% of workers resided in Mackay, Greater Brisbane Sunshine Coast and elsewhere

⁵ PV Magazine. 2023. [Report exposes Australia's biggest fossil fuel subsidy and how mining industry could be better served – pv magazine Australia \(pv-magazine-australia.com\)](https://www.pvmagazine.com.au/report-exposes-australia-s-biggest-fossil-fuel-subsidy-and-how-mining-industry-could-be-better-served-pv-magazine-australia/)

⁶ Toby Phillips and Warwick Smith (2022) The impact of global decarbonisation on Australia's regions, CPD discussion paper, Centre for Policy Development.

⁷ Toby Phillips and Warwick Smith (2022) The impact of global decarbonisation on Australia's regions, CPD discussion paper, Centre for Policy Development.

⁸ REMPLAN Economy

⁹ REMPLAN Economy

¹⁰ Queensland Government Statistician's Officer (QGSO) (2023) *Bowen Basin Resource Industry Workforce, 2023*

¹¹ Queensland Government Statistician's Officer (QGSO) (2023) *Bowen Basin Resource Industry Workforce, 2023*

throughout Australia¹². This means direct job displacement due to mine closure will reverberate across Queensland and beyond.

Isaac Regional Council sees this Bill as a potential mechanism to manage transformation planning in resource communities, particularly through the opportunity to establish a Regional Transformation Authority and place-based management plans. Expanding the scope of this provision will enable the NZEA Bill to better address the challenges and opportunities associated with the closure of coal mines and provide adequate support to affected communities.

Recommendation 2: Broaden the application of Part 5, Division 1, Point 55 to include mandatory community and business consultation.

Isaac Regional Council recommends the expansion of the requirements outlined in Part 5, Division 2, Point 55 to include mandatory community and business consultation during the decision process.

Effective community engagement is essential for ensuring impacted communities are fully informed and have the opportunity to share grassroots knowledge regarding the impacts of closure operations.

By broadening the scope of the community interest process, the NZEA Bill can facilitate meaningful dialogue and collaboration between stakeholders, leading to more informed decision-making and better outcomes for communities.

Recommendation 3: Local Government Representation in the Energy Industry Worker Redeployment Advisory Group.

Isaac Regional Council would like to see local government, or an appropriate local government member organisation represented in the Energy Industry Worker Redeployment Advisory Group. While Council recognises clause 23 of the NZEA Bill identifies that members who have community leadership experience can be appointed to the Board, this is no guarantee.

The impact of global decarbonisation is not evenly spread. It affects people and communities in specific areas disproportionately. The impacts of Net Zero are highly concentrated, placing some communities at greater risk than others. More specifically, seven LGAs have more than 20% of their workforce affected by decarbonisation¹³. As previously mentioned, 75% of all the region’s jobs are vulnerable to decarbonisation.

Local governments play a crucial role in supporting workforce transition and community development initiatives and their inclusion in the advisory group would bring valuable perspectives and expertise to the conversation. The representation will also ensure the voices of impacted communities are heard and considered in the decision-making processes and that the decisions made are appropriate for the communities they affect.

As representatives of the communities most affected by the transition to a net zero economy, local governments possess invaluable insights and perspectives that must be considered at the strategic decision-making level. This inclusion will ensure that the interests of our communities are adequately represented and safeguarded throughout the implementation process. There needs to be a level of local government oversight built into the NEA bill so local governments can better plan, advocate, and prepare for change.

¹² Queensland Government Statistician’s Officer (QGSO) (2023) *Bowen Basin Resource Industry Workforce, 2023*

¹³ Toby Phillips and Warwick Smith (2022) *The impact of global decarbonisation on Australia’s regions*, CPD discussion paper, Centre for Policy Development.

Recommendation 4: Legislated Review Periods

Isaac Regional Council proposes the legislation include a built-in mechanism for regular review and consultation. Given the dynamic nature of the transition to a net zero economy and the evolving needs of communities, it is essential to establish clear and transparent processes for ongoing evaluation and adjustment of the legislation. These review periods will facilitate continuous improvement and ensure the NZEA Bill remains responsive to needs.

CLOSING COMMENTS

Isaac Regional Council (IRC) thanks the Senate Finance and Public Administration Committee for reading their submission and considering their recommendations on the NZEA Bill. Should the Australian Government have any questions or require further information on content contained within this response, please do not hesitate to contact Beau Jackson, Executive Manager, Advocacy & External Affairs.

CONTACT US

For more information on the Isaac region:

1300 ISAACS (1300 472 227)

m records@isaac.qld.gov.au

@ <https://isaac.qld.gov.au/advocacy>

You can also connect with us on Facebook, Instagram and Twitter:



facebook.com/isaacregionalcouncil

