



clean economy
expert panel

Advice on the Queensland Government's proposed program of emissions reduction plans

20 August 2024

Context

This document sets out the advice by the Queensland Clean Economy Expert Panel on the proposed program of emissions reduction plans, in response to a request of 5 August 2024 from the Honourable Mick de Brenni MP, Minister for Energy and Clean Economy Jobs. The request was for written advice from the panel by 21 August 2024.

In preparing this advice, the Panel has considered:

- briefings from the Department of Energy and Climate received on 5 and 12 August 2024
- the views of stakeholders as expressed at the Stakeholder Forum on Queensland Sectoral Emissions reduction plans held on 6 August 2024
- the provisions of the *Clean Economy Jobs Act 2024*.

The Minister's request and the Panel's response covers three issues:

- **issue 1** - proposed alignment with the Australian Government's sector plan framework
- **issue 2** - critical cross-cutting themes
- **issue 3** - plan periods and review points.

Response to issue 1

Issue 1: Does the Panel believe aligning Queensland's sectors with those of the Australian Government is an effective way to:

- a) represent the state's emissions profile
- b) reflect the state's economic structure
- c) maximise policy coherence
- d) facilitate coordinated action
- e) optimise access to funding opportunities
- f) align with the expectations of investors, industry, experts, and the community?

Summary of the Panel's advice

The proposed arrangement of analysis in the six sectors aligned with the Australian Government sector plans is suitable. At the same time, it will be important to customise the sector-based analysis in light of Queensland's specific circumstances and opportunities. The marine/coastal environment is an important domain for sector-based planning, and other aspects for emphasis can be identified. The Panel also recommends including a place-based approach to analysis.

The Australian Government's approach to net-zero sector plans is to divide the analysis into six broad sector-based categories – Energy, Industry, Resources, Transport, Agriculture and Land, and Built Environment. The Panel agrees that this approach is suitable also for Queensland given sources of emissions, opportunities to reduce them and economic aspects.

There are also advantages in aligning with the Australian Government approach in terms of comparability, clarity for stakeholders, federal-state collaboration including potential funding, and overall coherence of emissions strategies and policy.

At the same time, the Panel believes it is important to ensure that Queensland's unique characteristics are reflected in the resulting sectoral emissions reduction plans. This would include the representation of aspects of the state's economic and emissions profile that present special challenges and opportunities. In particular, the Panel believes the marine/coastal environment is an important domain for sector-based planning, including in Queensland. This could be addressed under the Agriculture and Land plan.

Which other aspects are to be emphasised would be a matter for decision as the plans are designed. Examples would include:

- opportunities for establishment of new zero-emissions commodity production in the Industry plan
- potential for mining and processing of critical minerals in the Resources plan
- comprehensive consideration of environmental aspects, including with regard to biodiversity and ecosystem services, in the Agriculture and Land plan

- consideration of future options for large-scale carbon dioxide removal in the Agriculture and Land, Industry and Resource emissions reduction plans.

These and other areas of emphasis could be captured in the narrative of the respective emissions reduction plans as they are set out, and analysis and consultation as the plans are developed.

The panel heard advice from the Department of Energy and Climate (the department) that, during the development of the emissions reduction plans, interdependencies like the flow of energy across sectors will be worked through in consultation with stakeholders to agree a more detailed allocation of emissions sources and policy responses within and across sectors.

The Panel also heard from stakeholders that there is a desire or need for place-based frameworks, both for industries directly covered by sectoral emissions reduction plans and other areas of business such as the tourism sector. Emphasis on regional perspectives will help ensure that the emissions reduction plans reflect the diverse economic landscapes across Queensland and are relevant to specific local economies.

The Panel thus recommends that emissions reduction plans are developed and presented in a way that ensures relevance to regional and place-based perspectives. For example, this could be achieved by undertaking coordinated consultation, presenting emissions and policy analysis in a regional context, and ensuring emissions reduction plans present coordinated actions in regional contexts.

The Panel heard from stakeholders that the consultation process undertaken to develop plans must be clear and transparent, providing opportunities for ongoing dialogue that supports the development of industry. The Panel also heard from the department that an overarching stakeholder engagement strategy for emissions reduction plans is under development and that this strategy would assist in clarifying roles and the consultative model. The Panel understands that the Queensland Government has already declared its intention to pursue a partnership approach and notes stakeholder expectations in this regard are high.

The Panel regards the consultation and engagement process as a critical success factor for the emissions reduction planning framework.

Response to issue 2

Issue 2: What are the most critical cross-cutting themes to address in an overarching plan?

Summary of the Panel's advice

Cross-cutting themes are vital to the program of sector-based emissions reduction plans, and further insights into which are the most critical themes are likely to emerge during the policy development process. The Queensland emissions reduction plan program should identify which cross-cutting issues are most important in the State's context and these issues should be prominent in the development and implementation of the plans. For clarity and ease of communication, cross-cutting themes should be grouped under a small number of broad categories. The Panel proposes a core group of six themes as the basis for further consultation and development.

'Cross-cutting themes' refer to issues relevant to decarbonising the economy that play out across multiple sectors or the whole economy. They may extend to broader enabling frameworks and policy settings that can support the transition to net zero, and broader goals and objectives that decarbonisation may interact with. Policy responses to such issues will often fall outside the direct scope of the emissions reduction plan framework, however the emissions reduction plan program can enable awareness and policy coordination and integration.

The Panel was briefed on the list of cross-cutting issues identified by the Australian Government through its sector planning activities. The Panel also heard from stakeholders about a range of issues at the initial stakeholder forum.

The Panel views cross-cutting themes as of great importance to the program of sector-based emissions reduction plans. The Panel recommends that the Queensland emissions reduction plan program should place special emphasis on identifying which cross-cutting issues are most important in the state's context. This can be achieved through inter-agency processes augmented by targeted stakeholder consultations.

The Panel stands ready to assist in this process.

The Australian Government's sector planning identifies 14 cross-cutting themes. Further themes might be identified, and the Panel observed that stakeholders were keen to propose additional themes at the recent industry forum. For clarity and ease of communication, cross-cutting themes could be grouped under a smaller number of broad categories. Having reviewed the Australian Government's approach, the Panel proposes six broad cross-cutting



categories of themes for Queensland, as an initial list for further consultation and development. These are set out in the table below.

Cross-cutting theme 'category' for Queensland emissions reduction plans	Corresponding Australian Government themes
Jobs, Research and Innovation	Jobs and skilled workforce Science, research and innovation
First Nations and Equality	First Nations impacts and opportunities Gender equality
Community, Planning and Environment, Regional Economies	Land use planning and social licence Transitional and regional impacts and opportunities
Supply Chains and Circular Economy	Supply Chains Circular Economy
Risk and Security	Climate risk, resilience and adaptation National security
Markets and Finance	Sustainable finance and investment International trade, law and relationships Carbon markets Carbon leakage



Response to issue 3

Issue 3: Are 10-year plans with a review after 5-years an appropriate way to facilitate timely action, provide policy certainty and maintain policy flexibility?

Summary of the Panel's advice

Ten-year plans with a five-yearly review are appropriate timeframes. However, the Panel recommends an additional mechanism that can trigger additional reviews specific to individual sectors or themes, where progress is lagging, or circumstances have changed.

A cadence of 10-year plans with 5-yearly review is considered suitable for economy-wide decarbonisation plans, and in line with 5-year target setting.

At the same time, the Panel is mindful of the potential for rapid technological innovation; changing national and global contexts; variable rates of progress in sectoral emissions reduction; and, accordingly, the desirability of an adaptive approach to sectoral planning. There is an inherent tension between a need for policy certainty for purposes of investment and regional economic planning, and an agile policy response to emergent circumstances. Examples of potential for rapidly changing circumstances are if new technical and economic opportunities arise, or if policy settings or implementation do not have anticipated effects.

The Panel therefore suggests an additional mechanism to ensure specific emissions reduction plans and specific cross-cutting themes across sectors can be reviewed in light of emergent circumstances, or in response to updated emissions data and projections. In this regard the Panel notes that:

- the department plans to update the emissions modelling and analysis annually
- the annual reporting process under the *Clean Economy Jobs Act 2024* will require reporting on progress against the targets
- the annual reporting process is also intended to include non-emissions indicators that demonstrate progress against policy actions.

Accordingly, the Panel recommends that the proposed model – 10-year plans with a 5-year review cycle – is included in the statutory program for emissions reduction plans, but that the government considers, through the annual reporting process, an additional mechanism by which to trigger an earlier review of a plan. This would involve, for each plan, ensuring the annual progress statement required under section 8 of the *Clean Economy Jobs Act 2024* explicitly assesses whether progress is lagging, or circumstances have changed in a manner or to an extent that warrants an additional review. This would not preclude the government deciding outside of this context to review the emissions reduction plan program, and/or selected plans, at other times.