Policy brief

Creating an investment pipeline for renewable energy across regional Queensland

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Achieving Queensland's Net Zero targets will require significant private and public sector investment in renewable energy generation and transmission infrastructure over the next decade. This investment will primarily need to occur in regional Queensland; a part of the state with generally less well development land use and infrastructure planning than Queensland's South East corner. Research and engagement undertaken by the CRC for Developing Northern Australia and the Queensland Decarbonisation Hub suggests that, without cohesive new planning and development assessment innovations, this investment pipeline could be at risk.

This runs the risk of Queensland failing to achieve its Net Zero targets, while also losing investors to other jurisdictions in Australia and across the globe. With a highly decentralised state, and substantive renewable energy and water resources, Queensland could indeed be a global powerhouse in the energy transition now required. However, this means that we must be investor-ready; presenting a very attractive and competitive investment environment. As a result, effort is urgently needed to shore up this investment pipeline. This policy brief suggests that this problem can be avoided or at least minimised if Queensland explores new innovations in regional planning that can effectively maximise the investment opportunities and manage barriers.

Queensland Decarbonisation Hub

The **Queensland Decarbonisation Hub** is funded by the Queensland Government and partnered with Queensland's leading universities.

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The problem

To achieve timely mitigation of climate risk, and to replace Queensland's reliance on income and energy from coal mining and generation, the Queensland economy will need to go through very significant transition over the next 26 years to 2050.

Several key economic and transformational reports of importance in recent years have all stressed that this will require significant reform associated with regional planning and development assessment and approval. This is also increasingly being recognised in the United States under the *Inflation Reduction Act*; a problem increasingly referred to in the US as the "permitting problem" associated with renewables.

New and effective approaches to regional planning for rapid decarbonisation will be required to:

- Ensure from the outset that areas of high biodiversity and cultural value will be protected from speculative energy generation and transmission proposals;
- Attract quality investors to the areas that can deliver the greatest opportunities for sustainable energy generation and transmission by reducing unnecessary environmental and cultural constraints;
- Give the greatest level of process certainty for investors, reducing their investment risk;
- Prioritise and plan for the allied infrastructure (e.g. housing), services (e.g. workforce) and resources (e.g. water) required to support the decarbonisation investment required; and
- Maximise and maintain the state's social license for investment in rapid decarbonisation across regional Queensland.

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A potential innovation pathway

Overcoming these challenges and securing these benefits will require strong Commonwealth, state and local government cooperation, very effective land use and infrastructure planning at regional scale, and the full integration of new science and technologies. As particular reforms are currently occurring through the review of the Commonwealth *Environment Protection and Biodiversity Conservation (EPBC) Act*, a proposed three-step innovation is outlined below.

Step 1: Undertake a rapid strategic assessment across Queensland's Renewable Energy Zone (REZ) sub-regions

Under the existing EPBC Act's Strategic Assessment arrangements, while being careful to account for emerging Commonwealth Strategic Assessment standards, there would be value in a rapid state-wide approach to determining priority areas for investment in renewable energy generation and transition. Under the EPBC Act, Strategic Assessments are landscape-scale assessments, often negotiated between the Commonwealth and the states, that allow a big-picture approach to protecting nationally significant (protected) animals, plants, habitats or places.

A rapid Strategic Assessment approach to facilitating urgent decarbonisation investment across Queensland's regions could: (i) be undertaken at a state-wide level, focussing on all of the state's identified renewable energy zone (REZ) sub-regions; (ii) use exiting Commonwealth and state data-layers (e.g. regional vegetation mapping, biodiversity layers, etc.) to identify those areas of high environmental and cultural risk, combined with the most highly prospective solar, wind, hydro and geothermal assets; and (iii) identify the most prospective transmissions corridors that support the most cost effective grid connectivity.

Strategic Assessment activity could be rapidly developed and completed within an 18-month timeframe. This could be done through effective collaboration between the state and Queensland's strong, university-based scientific capacities in this discipline.

Step 2: Undertake a phased approach to Bioregional Planning

On the assumption that the Bioregional Planning Standards proposed by the Commonwealth are developed over the next 18 months and based on the foundational Strategic Assessment work completed in Step 1, the next step would be to develop a solid five-year year program for the sequenced development of more detailed bio-regional plans. This could be prioritised and sequenced to cover all REZ sub-regions identified in Queensland's Renewable Energy Roadmap. Priority could be given to those regions currently facing the greatest investment pressures and economic transformational needs, where social license for renewable energy generation and transmission is most at risk.

At its broadest level, within each REZ sub-region, Bioregional Planning would identify areas most favoured for development or for protection and conservation or best suited to landscape-scale environmental restoration through the establishment of Nature Positive Markets.

There would be value in negotiating shared Commonwealth/state investments in this approach under any new bilateral arrangements associated with delivering updated EPBC arrangements in Queensland. It will be important, however, that Queensland take responsibility for leading this new Bioregional Planning approach, consistent with the emerging regional planning standards.

Step 3: Integration within Queensland's planning frameworks

Over the next 18 months, in the lead up to the commencement of the proposed Bioregional Planning program of works outlined in Step 2, solid policy consideration should be given the determining the best way to integrate EPBC-oriented Bioregional Planning within Queensland's statutory planning frameworks. This would not only provide the best planning and regulatory effect to the outcomes of Bioregional Planning, but also offer the most effective processes to facilitate rapid development assessment coordination and approval within areas prioritised or designated for development.

A range of potentially viable options could be expored, including:

- The amendment or update of current Regional Plans under Queensland's land use planning regime, delivering strong policy influence into local government planning schemes;
- The potential use of state development areas to enable more effective use of the Coordinator-General's role in planning and development assessment; and
- Other innovative mechanisms available under the *State Development and Public Works Organisation Act*, Queensland planning legislation, or Economic Development Queensland.